IEV HOLDINGS LIMITED

(Company Registration No: 201117734D)
(Incorporated in the Republic of Singapore on 26 July 2011)
(the "Company", and together with its subsidiaries, the "Group")

FULL YEAR UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER ("FY") 2013

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Canaccord Genuity Singapore Pte. Ltd. ("Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Canaccord Genuity Singapore Pte. Ltd. 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 contact person for the Sponsor is Mr Alex Tan, CEO, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road, #21-02 Singapore 068896, telephone (65) 6854-6160.

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

	Group					
	3 months ended 31 December ("4Q")			12 months ended 31 December ("12M")		
	Unaudited 4Q2013 (RM'000)	Audited 4Q2012 (RM'000)	% change increase/ (decrease)	Unaudited 12M2013 (RM'000)	Audited 12M2012 (RM'000)	% change increase/ (decrease)
Revenue	24,989	96,558	(74.1)	143,723	316,393	(54.6)
Cost of sales	(21,377)	(112,346)	(81.0)	(125,538)	(298,350)	(57.9)
Gross profit/(loss)	3,612	(15,788)	n.m.	18,185	18,043	0.8
Other operating income	(18)	580	n.m.	1,047	804	30.1
Exchange gain/(loss)	(1,149)	(1,133)	1.4	(31)	(3,700)	(99.2)
Administrative expenses	(3,450)	(4,698)	(26.6)	(18,548)	(17,854)	3.9
Selling and distribution costs	(581)	(503)	15.5	(2,958)	(1,820)	62.5
Other operating expenses	(1,431)	(2,055)	(30.4)	(2,121)	(3,076)	(31.0)
Share of associated companies' results, net of tax	623	1,827	(65.9)	3,831	5,342	(28.3)
Finance costs	(83)	(285)	(70.9)	(954)	(784)	21.5
Profit/(loss) before taxation	(2,477)	(22,055)	(88.8)	(1,549)	(3,045)	(49.1)
Taxation	(1,675)	4,524	n.m.	(2,001)	(211)	848.3
Profit/(loss) for the period	(4,152)	(17,531)	(76.3)	(3,550)	(3,256)	9.0
Other comprehensive income/(expense) after tax						
- currency translation differences arising from consolidation	(87)	(281)	(69.0)	(1,456)	(846)	72.1
Total comprehensive income/(expense) for the year, net of tax	(4239)	(17,812)	(76.2)	(5,006)	(4,102)	22.0
Total profit attributable to:						
Owners of the parent	(4,039)	(17,482)	(76.9)	(3,608)	(3,094)	16.6
Non-controlling interests	(113)	(49)	130.6	58	(162)	n.m.
	(4,152)	(17,531)	(76.3)	(3,550)	(3,256)	9.0
Total comprehensive income attributable to:						
Owners of the parent	(4,061)	(17,769)	(77.1)	(4,882)	(3,957)	23.4
Non-controlling interests	(178)	(43)	314.0	(124)	(145)	(14.5)
	(4,239)	(17,812)	(76.2)	(5,006)	(4,102)	22.0

1(a)(ii) (Loss)/profit before income tax is arrived after crediting / (charging) the following:

	Group					
	3 months ended 31 December			12 months ended 31 December		
	Unaudited 4Q2013 (RM'000)	Audited 4Q2012 (RM'000)	% change increase/ (decrease)	Unaudited 12M2013 (RM'000)	Audited 12M2012 (RM'000)	% change increase/ (decrease)
Rental Income	28	25	12.0	101	93	8.6
Interest Income	21	50	(58.0)	192	223	(13.9)
Interest expense	(83)	(284)	(70.8)	(954)	(784)	21.7
Gain/(loss) on disposal of property, plant and equipment	15	88	(83.0)	(18)	88	n.m.
Depreciation of property, plant and equipment (include depreciation accounted for in	(788)	(740)	6.5	(3,418)	(2,785)	22.7

cost of sales)						
Amortisation of intangible assets	(100)	(130)	(23.1)	(414)	(211)	96.2
Property, plant and equipment written off	(543)	(151)	259.6	(543)	(151)	259.6
Intangible assets written off	(50)	-	n.m.	(50)	-	n.m.

n.m. denotes 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

	Company		Group	
	Unaudited As at 31 December 2013 (RM'000)	**Audited As at 31 December 2012 (RM'000)**	**Unaudited As at 31 December 2013 (RM'000)**	**Audited As at 31 December 2012 (RM'000)**
ASSETS				
Non-Current				
Intangible assets	-	-	5,277	5,272
Property, plant and equipment	-	-	32,068	23,070
Subsidiaries	59,972	40,253	-	-
Associated companies	-	-	960	18,301
Available for sale – quoted finance asset	-	-	19,062	-
Exploration and evaluation	-	-	6,596	-
Other assets			2,674	908
Deferred tax assets	-	-	192	220
	59,972	40253	66,829	47,771
Current				
Inventories	-	-	4,814	1,278
Work-in-progress	-	-	94	98
Trade and other receivables	74	-	99,666	87,745
Prepayments		53	-	3,834
Fixed deposits	-	-	1,833	47
Cash and bank balances	1,921	2,437	17,620	31,731
	1,995	2,490	124,027	124,733
Total assets	**61,967**	**42,743**	**190,856**	**172,504**
EQUITY				
Capital and Reserves				
Share capital	80,048	63,247	80,048	63,247
Currency translation reserve	-	-	(3,499)	(2,225)
(Accumulated losses)/retained profits	(18,548)	(21,077)	3,352	6,961
	61,500	42,170	79,901	67,983
Non-controlling interests	-	-	1,590	(46)
	61,500	42,170	81,491	67,937
LIABILITIES				
Non-Current				
Bank borrowings	-	-	8,466	3,058
Finance lease obligations	-	-	68	135
Deferred tax liabilities	-	-	46	5
Provision for post-employment benefit obligations	-	-	1,203	844
	-	-	9,783	4,042
Current				
Trade and other payables	467	573	92,685	86,052
Progress billings	-	-	91	59

	Company		Group	
	Unaudited As at 31 December 2013 (RM'000)	Audited As at 31 December 2012 (RM'000)	Unaudited As at 31 December 2013 (RM'000)	Audited As at 31 December 2012 (RM'000)
Bank borrowings	-	-	5,486	13,746
Finance lease obligations	-	-	79	167
Current tax payable	-	-	1,241	501
	467	573	99,582	100,525
Total equity and liabilities	**61,967**	**42,743**	**190,856**	**172,504**

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following at the end of the financial period reported on with comparative figures as at the end of the immediately preceding financial year

Group	Unaudited As at 31 December 2013		Audited As at 31 December 2012	
	Secured (RM'000)	Unsecured (RM'000)	Secured (RM'000)	Unsecured (RM'000)
Bank loans:				
- Bank loan #1	3,281	-	5,097	-
- Bank loan #2	7,772	-	4,500	-
	11,053	-	9,597	-
Bank overdraft	2,899	-	2,707	-
Revolving credit	-	-	4,500	-
	13,952	-	16,804	-
Advances from a third party	-	-	-	-
Finance leases	-	147	-	302
	13,952	147	16,804	302

Amount repayable in one year or less, or on demand	5,486	79	13,746	167
Amount repayable after one year	8,466	68	3,058	135

Details of collaterals

The above bank borrowings are secured by:

Bank loan #1

- A debenture comprising fixed and floating charge over all present and future assets of IEV Energy Sdn Bhd;
- A first charge over the escrow account to be opened with a financial institution acceptable to the bank and which is to be operated solely by the bank;
- A charge over the assets of PT IEV Gas financed via bank loan #1 and an earlier loan of USD4.6 million which had been fully repaid;
- A corporate guarantee provided by IEV Group Sdn Bhd; and
- A personal guarantee provided by a Director of the Company, Christopher Nghia Do.

Bank loan #2

- The loan is secured by way of assignment to the bank all rights, title and interest of the demised premises; (which include the Group's property at Level 22, PJX-HM Shah Tower, No. 16A, Persiaran Barat, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia pending the issuance of a separate document of title / strata title to the property and a legal charge under the National Land Code 1965)
- A corporate guarantee provided by IEV Holdings Limited.

The bank overdraft is secured by a debenture by way of a fixed and floating charge over all present and future assets of IEV Group Sdn Bhd.

The revolving credit was secured over a bank account to be opened for the purpose of depositing all proceeds from payments received in relation to a project. Disbursements shall be in relation to:-

(i) cost / expenses in relation to the project;

(ii) payment of principal / interest in relation to the revolving credit facility; and/or
payment / prepayment of principal / interest in relation to bank loan #2.

The above banking facility was fully repaid during the financial period under review.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	Unaudited FY2013 (RM'000)	Audited FY2012 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before tax	(1,549)	(3,045)
Share of profits in associated companies	(3,831)	(5,342)
Adjustments for:		
Provision for post-employment benefits	493	367
Property, plant and equipment written off	543	151
(Gain)/Loss on disposal of property, plant and equipment	18	(88)
Intangible assets written off	50	-
Amortisation of intangible assets	414	211
Depreciation of property, plant and equipment	3,418	2,785
Loss on disposal of shares in associated company	28	-
Provision for slow moving stocks	64	-
Interest expense	954	784
Interest income	(192)	(223)
Operating (loss)/profit before working capital changes	410	(4,400)
Increase in inventories	(3,975)	(385)
Decrease in work-in-progress	4	508
Increase in exploration and evaluation works	(6,596)	-
Increase in operating receivables	(8,058)	(50,945)
Increase in operating payables	6,674	59,768
(Decrease) / increase in progress billings	32	59
Cash (used) / generated from operating activities	(11,509)	4,605
Interest received	192	223
Interest paid	(954)	(784)
Tax paid	(842)	(4,044)
Net cash (used in)/generated from operating activities	(13,113)	0
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal / (Subscription) of shares in an associated company	163	(792)
Payment for long term prepayment	(1,767)	(908)
Acquisition of property, plant and equipment	(15,101)	(5,158)
Proceeds from disposal of property, plant and equipment	-	88
Acquisition of intangible assets	(45)	(4,611)
Dividend income from associated company	1,918	4,707
Net cash used in investing activities	(14,832)	(6,674)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease obligations	(166)	(324)
Repayment of advances to a third party	-	(872)
Bank borrowings obtained	8,192	18,389
Bank borrowings repaid	(11,054)	(6,876)
Proceeds from issuance of shares	18,545	198
Decrease / (Increase) in fixed deposits pledged	6,877	(3,520)
Dividend paid	-	(2,339)
Net cash generated from financing activities	22,394	4,656
Net (decrease)/increase in cash and cash equivalents	(5,551)	(2,018)
Cash and cash equivalents at beginning of year	26,613	28,157
Currency translation difference of cash and cash equivalents at beginning of year	104	474

Cash and cash equivalents at end of year	21,166	26,613

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

	Group	
	Unaudited FY2013 (RM'000)	**Audited FY2012 (RM'000)**
Cash and cash equivalents comprise:		
Cash and bank balances	17,620	31,731
Fixed deposits	1,833	47
	19,453	31,778
Pledged fixed deposits	1,713	(5,165)
Cash and cash equivalents at end of year	21,166	26,613

1(d)(i) A statement (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 year

Company

Current Period	**Share capital (RM'000)**	**Accumulated losses (RM'000)**	**Total (RM'000)**
Balance as at 1 January 2013	63,247	(21,077)	42,170
Issue of share capital	17,173	-	17,173
Commission on placement of shares	(372)	-	(372)
Total comprehensive expense for the period	-	2,529	2,529
Balance as at 31 December 2013	80,048	(18,548)	61,500

Previous Period	**Share capital (RM'000)**	**Accumulated losses (RM'000)**	**Total (RM'000)**
Balance as at 1 January 2012	63,247	(17,588)	45,659
Dividends paid [1]	-	(2,339)	(2,339)
Total comprehensive expense for the period	-	(1,150)	(1,150)
Balance as at 31 December 2012	63,247	(21,077)	42,170

Group

Current Period	**Share capital (RM'000)**	**Retained profits (RM'000)**	**Currency translation reserve (RM'000)**	**Total attribu-table to equity holders of the parent (RM'000)**	**Non-control ling interests (RM'000)**	**Total equity (RM'000)**
Balance as at 1 January 2013	**63,247**	**6,960**	**(2,225)**	**67,982**	**(46)**	**67,936**
Issue of share capital	17,173	-	-	17,173	-	17,173
Commission on placement of shares	(372)	-	-	(372)	-	(372)

Total comprehensive (expense)/income for the period	-	(3,608)	(1,274)	(4,882)	1,636	(3,246)
Balance as at 31 December 2013	**80,048**	**3,352**	**(3,499)**	**79,901**	**1,590**	**81,491**

Previous Period	**Share capital (RM'000)**	**Retained profits (RM'000)**	**Currency translation reserve (RM'000)**	**Total attribu-table to equity holders of the parent (RM'000)**	**Non-control ling interests (RM'000)**	**Total equity (RM'000)**
Balance as at 1 January 2012	**63,247**	**12,394**	**(1,362)**	**74,279**	**(99)**	**74,180**
Acquisition of a subsidiary company	-	-	-	-	197	197
Dividends paid [1]	-	(2,339)	-	(2,339)	-	(2,339)
Total comprehensive (expense)/income for the period	-	(3,093)	(863)	(3,956)	(144)	(4,100)
Balance as at 31 December 2012	**63,247**	**6,961**	**(2,225)**	**67,983**	**(46)**	**67,937**

Dividends paid **[1]**

The amount comprised:-

i. The first and final dividend of RM1,204,000 in respect of FY 2011 paid on 31 July 2012; and

ii. Interim dividend of RM 1,135,200 in respect of FY2012 paid on 26 November 2012.

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

	Number of shares	**Resultant issued and paid-up share capital (S$)**
Issued and paid-up share capital of the Company as at 30 September 2013 and 31 December 2013	189,200,000	33,615,530

There were no outstanding share options granted as at 31 December 2013 and 31 December 2012.

There was no treasury shares held or issued as at 31 December 2013 and 31 December 2012.

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

	As at 31 December 2013	**As at 31 December 2012**
Number of issued shares excluding treasury shares	189,200,000	172,000,000

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 December 2013.

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

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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 as disclosed in Note 5 below, the Group had applied the same accounting policies and methods of computation in the financial statements for the current financial year reported on as those applied in the Group's most recently audited financial statements for the financial year ended 31 December 2012.

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 effect of, the change

The Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRSs") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2013, where applicable. The adoption of these standards from the effective date is not expected to result in material adjustments to the financial position, results of operations or cash flows of the Group for FY2013.

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

Group	**FY2013 (Malaysian sen)**	**FY2012 (Malaysian sen)**
Loss per ordinary share ("LPS") for the year based on the unaudited net profit attributable to shareholders of the Company:		
(i) Basic loss per share	(2.0)	(1.8)
(ii) On a fully diluted basis	(1.9)	(1.8)

Basic and fully diluted loss per ordinary share for FY2013 have been computed based on the Group's loss attributable to owners of the parent and the weighted average number of ordinary shares in issue of 181,613,151 shares subsequent to the placement of 17,200,000 new ordinary shares in the capital of the Company on 10 June 2013.

Basic and fully diluted LPS for FY2012 have been computed based on the Group's loss attributable to owners of the parent and the aggregate number of ordinary shares of 172,000,000.

The basic and fully diluted loss per ordinary share for FY2013 and FY2012 were the same as there were no potentially dilutive ordinary shares existing during FY2013 and FY2012 respectively.

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

	Net asset value per ordinary share (Malaysian sen)	
	As at 31 December 2013	**As at 31 December 2012**
Group	42.2	39.5
Company	32.5	24.5

Net asset value per ordinary share as at 31 December 2013 and 31 December 2012 is calculated based on the aggregate number of ordinary shares of 189,200,000 and 172,000,000 respectively.

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, 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**

Review of Statement of Comprehensive Income

Breakdown of Revenue, Gross Profit and Gross Profit Margin by business sectors

Three Months ended 31 December 2013

Business sector	4Q2013			4Q2012		
	Revenue (RM'000)	Gross Profit/(loss) (RM'000)	GP/(gross loss) Margin %	Revenue (RM'000)	Gross Profit/(loss) (RM'000)	GP/(gross loss) Margin %
Petroleum Sector						
Mobile Natural Gas	6,750	2,511	37.2%	6,002	1,714	28.6%
Offshore Engineering Sector						
Integrated Engineering Solutions	13,766	5,393	39.2%	8,996	3,897	43.3%
Turnkey projects	4,473	(4,292)	(96.0%)	81,560	(21,399)	(26.2%)
Total Offshore Engineering Sector	18,239	1,101	6.0%	90,556	(17,502)	(19.3%)
Total	**24,989**	**3,612**	**14.5%**	**96,558**	**(15,788)**	**(16.4%)**

Twelve Months Ended 31 December 2013

Business sector	12M2013			12M2012		
	Revenue (RM'000)	Gross Profit/(loss) (RM'000)	GP/(gross loss) Margin %	Revenue (RM'000)	Gross Profit/(loss) (RM'000)	GP/(gross loss) Margin %
Petroleum Sector						
Mobile Natural Gas	29,903	9,415	31.5%	23,566	5,019	21.3%
Offshore Engineering Sector						
Integrated Engineering Solutions	46,621	20,678	44.4%	33,295	13,120	39.4%
Turnkey projects	67,199	(11,908)	(17.7%)	259,532	(96)	0.0%
Total Offshore Engineering Sector	113,820	8,770	7.7%	292,827	13,024	4.4%
Total	**143,723**	**18,185**	**12.7%**	**316,393**	**18,043**	**5.7%**

Revenue

The Group's revenue for 4Q2013 decreased by RM71.6 million or 74.1% mainly due to a decrease in revenue from turnkey projects of RM77.1 million. This was partially offset by the increase in revenue from Integrated Engineering Solutions ("**IES**") and from the Mobile Natural Gas Divisions of RM 4.8 million and RM0.7 million respectively.

For 12M2013, the Group's revenue decreased by RM172.7 million or 54.6% mainly due to a decrease in revenue of RM179.0 million from the Offshore Engineering Sector ("**OES**") partly offset by an increase in revenue of RM6.3 million from the Mobile Natural Gas Division. The decrease in revenue contribution from OES was mainly due to lower revenue from turnkey projects in 12M2013 as compared to 12M2012 by RM192.3 million. For 12M2012, the D21 project contributed revenue of RM242.4 million. For 12M2013, our current turnkey project, Malikai (for the installation of an Integrated Tension Leg Platform with a three years contract value of approximately RM313.0 million) contributed revenue of RM60.0 million as this project is still at its initial engineering stage.

Gross Profit

In 4Q2013, the Group achieved gross profit of RM3.6 million compared to gross loss of RM15.8 million in 4Q2012. This arose from an increase in gross profit of RM1.5 million and RM0.8 million from IES and Mobile Natural Gas Divisions respectively and a decrease in gross loss of RM17.1 million from turnkey projects. Gross profit margin of Mobile Natural Gas Division increased from 28.6% in 4Q2012 to 37.2% in 4Q2013. Gross profit margin of IES decreased marginally from 43.3% in 4Q2012 to 39.2% in 4Q2013. Gross loss margin of turnkey projects widened from 26.2% in 4Q2012 to 96.0% in 4Q2013, mainly due to the gross loss incurred on D21 turnkey project.

For 12M2013, the Group achieved a gross profit of RM18.2 million compared to a gross profit of RM18.0 million for 12M2012. The increase in gross profit of RM7.6 million and RM4.4 million from IES and Mobile Natural Gas Division respectively was offset by losses incurred by the D21 turnkey project as well as lower margins from an ongoing turnkey project. Gross profit margin of Mobile Natural Gas Division increased from 21.3% in 12M2012 to 31.5% in 12M2013. Gross profit margin of IES increased from 39.4% in 12M2012 to 44.4% in 12M2013. The increase in gross profit margin from the Mobile Natural Gas Division was mainly due to the increase in the supply of CNG on a Take & Pay basis (which commanded a higher gross profit margin). The increase in gross profit margin from the IES Division was due mainly to the increase in orders for Jacket and Pipeline Engineering Solutions in the Asian region.

Other Operating Income

Other operating income for 4Q2013 was a loss of RM0.02 million compared with RM0.6 million in 4Q2012 due to the write-off of inter-company payables arising from the de-registration of one of the Group's subsidiary in December 2013. Other operating income for 4Q2012 comprised mainly administrative fees charged on the purchase of goods and services on behalf of principals and alliance partners during the execution of projects and interest income.

Other operating income for 12M2013 was RM1.0 million compared with RM0.8 million in 12M2012. The increase in other operating income was due to gains from the disposal of 40,980 shares in an associated company and withholding taxes recovered.

Exchange (Loss)/Gain

Exchange loss remained substantially the same at RM1.2 million and RM1.1 million for 4Q2013 and 4Q2012 respectively. However, the exchange loss in 4Q2013 mainly arose from trade transactions as compared to the exchange loss incurred in 4Q2012, which was mainly attributable to the appreciation of the US dollar against Indonesian Rupiah at the time of conversion of inter-company loans.

For the same reasons given above, an exchange loss of RM0.03 million was recorded for 12M2013 compared to an exchange loss of RM3.7 million for 12M2012.

Administrative Expenses

Administrative expenses for 4Q2013 decreased to RM3.4 million compared with RM4.7 million for 4Q2012 due mainly to down-sizing of contract employees and termination of office lease as the D21 turnkey project was nearing completion.

Administrative expenses increased by RM0.6 million or 3.9%, from RM17.9 million in 12M2012 to RM18.5 million in 12M2013 due mainly to (i) administrative expenses of RM0.9 million incurred by the Group's newly incorporated subsidiary, PT IEV Pabuaran KSO; (ii) an increase in employee costs of RM0.8 million; (iii) an increase in corporate expenses of RM0.3 million; and (iv) other miscellaneous expenses of RM0.3 million; which were partially offset by a decrease in employee costs due to the redeployment of staff and rental income from the provision of office premises for the Malikai project.

Selling and Distribution Costs

Selling and distribution costs are commissions payable to agents for sales of Marine Growth Preventers secured on behalf of the Group.

Selling and distribution costs for 4Q2013 increased marginally by RM0.1 million to RM0.6 million compared with RM0.5 million for 4Q2012. Selling and distribution costs of RM3.0 million and RM1.8 million was recorded for 12M2013 and 12M2012 respectively. The increase in selling and distribution costs was mainly due to the increase in commission-based sales during the quarter and the year.

Other Operating Expenses

Other operating expenses for 4Q2013 were RM1.4 million compared with RM2.0 million for 4Q2012. Other operating expenses for 4Q2013 comprised net liabilities of a subsidiary company written-off upon de-registration of the company. Other operating expenses for 4Q2012 comprised taxes; i.e. late payment and withholding taxes of RM0.3 million, provision for doubtful debts of RM0.4 million and pre-operating expenses incurred for the Pabuaran KSO Project of RM1.3 million.

Other operating expenses for 12M2013 were RM2.1 million compared with RM3.1 million for 12M2012. Other operating expenses for 12M2013 comprised mainly net liabilities of a subsidiary written-off upon de-registration, and property, plant, equipment and intangible assets written-off. Other operating expenses for 12M2012 comprised taxes (i.e. late payment of RM 0.7 million and withholding taxes of RM0.4 million); provision for doubtful debts of RM0.4 million and pre-operating expenses incurred for the Pabuaran KSO Project of RM1.4 million and miscellaneous expenses of RM0.2 million.

Share of Associated Companies' Results, Net of Tax

Share of associated companies' profits, net of tax for 4Q2013 decreased from RM0.3 million in 4Q2012 to RM0.08 million in 4Q2013 mainly due to lower profit contribution from CNGVN Joint Stock Company.

For the same reasons given above, share of associated companies' profits, net of tax of RM3.8 million was recorded for 12M2013 compared to RM5.3 million for 12M2012.

Finance Costs

Finance costs for 4Q2013 and 4Q2012 were RM0.08 million and RM 0.3 million respectively. Lower finance costs for 4Q2013 were mainly due to reduction in bank borrowings for the financing of the D21 turnkey project.

Finance costs for 12M2013 increased from RM0.8 million in 12M2012 to RM1.0 million in 12M2013. Finance costs for 12M2013 were mainly due to bank borrowings for the financing of the D21 turnkey project and the Group's newly acquired office property for use as its headquarters.

Profit/ Loss Before Taxation

Loss before taxation decreased by RM19.5 million or 88.8% from (RM22.0) million in 4Q2012 to (RM2.5) million in 4Q2013 due mainly to the improvement in gross profit margin.

Loss before taxation decreased by RM1.5 million or 49.1% from (RM3.0) million in 12M2012 to (RM1.5) million in 12M2013 due mainly to the same reason highlighted above.

Review of Statement of Financial Position

Non-Current Assets

Net book value of intangible assets remained substantially the same at RM 5.3 million as at 31 December 2013 and 31 December 2012.

Net book value of property, plant and equipment increased by RM9.0 million to RM32.1 million as at 31 December 2013 from RM23.1 million as at 31 December 2012. The increase was mainly due to the Group's acquisition of (i) an office property for use as its new headquarters in HY2013 which amounted to approximately RM12.2 million; (ii) the purchase of moulds for the production of concrete sleepers amounting to RM1.0 million; (iii) the purchase of operation equipment for RM0.9 million for the mobile natural gas division; and (iv) the construction of the Group's biomass plant in the Socialist Republic of Vietnam for RM1.0 million, partially offset by (i) depreciation charges of RM3.4 million; (ii) currency translation differences of RM2.1 million; and (iii) property, plant and equipment written off of RM0.6 million.

Net book value of associated companies decreased by RM17.3 million to RM1.0 million as at 31 December 2013 from RM18.3 million as at 31 December 2012 subsequent to the reclassification of net book value of CNG Vietnam Joint Stock Company to "Available for sale – quoted financial assets". Subject to the approval of the shareholders at EGM, the Group intends to divest its entire shareholding in the subsidiary within the foreseeable future.

Exploration and evaluation was related to fixed assets purchased for the drilling of twin well and workover at the existing oil and gas discoveries of Pabuaran Block, Indonesia, as part of the Pabuaran KSO project.

Other assets increased by RM1.8 million to RM2.7 million as at 31 December 2013 from RM0.9 million as at 31 December 2012. Other assets for FY2013 were in relation to pre-operating expense incurred on Pabuaran KSO Project. Other assets for FY2012 were in relation to premium sum incurred for the guarantee bond for a gas project in Indonesia.

Deferred tax assets remained substantially unchanged at RM0.2 million as at 31 December 2013.

Current Assets

Inventories increased by RM3.5 million to RM4.8 million as at 31 December 2013 from RM1.3 million as at 31 December 2012. The increase was due to (i) an increase in stocks for the assembly of marine growth control products of RM0.4 million; and (ii) the purchase of consumables, parts and tools for the Pabuaran KSO Project and the Group's Mobile Natural Gas Division of RM2.3 million and RM0.8 million respectively.

Trade and other receivables increased by RM12.0 million to RM99.7 million as at 31 December 2013 from RM87.7 million as at 31 December 2012, due mainly to the turnkey services rendered in respect of the Malikai Project.

Prepayments of RM3.8 million as at 31 December 2012 were predominantly expenses incurred on workover at the existing oil and gas discoveries of Pabuaran Block, Indonesia, as part of the Pabuaran KSO project which were fully capitalized under 'Exploration and evaluation' as at 31 December 2013.

Fixed deposits of RM1.8 million as at 31 December 2013 comprised restricted cash earmarked for the Pabuaran KSO Project as mandated under the Group's Operation Agreement with PERTAMINA and deposits pledged for a term loan.

Cash and bank balances decreased by RM14.1 million to RM17.6 million as at 31 December 2013 from RM31.7 million as at 31 December 2012. The Group's main uses of cash were for operating and investing activities.

Capital and Reserves

Share capital increased by RM16.8 million to RM80.0 million as at 31 December 2013 from RM63.2 million as at 31 December 2012 as a result of the share placement undertaken in June 2013 (after deducting for commission paid).

Retained profits (including non-controlling interests) decreased by RM3.6 million to RM3.4 million as at 31 December 2013 from RM7.0 million as at 31 December 2012 due to losses sustained from operating activities for 12M2013.

Liabilities

Bank borrowings (including non-current portion) decreased by RM2.8 million to RM14.0 million as at 31 December 2013 from RM16.8 million as at 31 December 2012 due to repayments made during 12M2013 of RM11.0 million, partially offset by new bank loans of RM8.2 million to finance the Group's purchase of office property for use as its headquarters.

Trade and other payables (both current and non-current) increased by RM7.0 million to RM93.9 million as at 31 December 2013 from RM86.9 million as at 31 December 2012, due mainly to billings from contractors and suppliers in relation to the Malikai Project, which were not due for payment as at 31 December 2013.

As at 31 December 2013, the Group had a net working capital of RM23.7 million.

Review of Statement of Cash Flows

The net cash used in operating activities for 12M2013 was RM13.1 million. This was mainly due to the (i) operating profit before working capital changes of RM0.4 million, (ii) an increase in inventories of RM4.0 million, (iii) an increase in operating receivables of RM8.0 million, (iv) an increase in exploration and evaluation works of RM6.6 million and (v) net interest and tax payments of RM0.8 million each, partially offset by the increase in operating payables of RM6.7 million.

Net cash used in investing activities amounting to RM14.8 million was mainly due to the acquisition of (i) an office property for use as its new headquarters in HY2013 which amounted to approximately RM12.2 million; (ii) the purchase of moulds for the production of concrete sleepers amounting to RM1.0 million; (iii) the purchase of operation equipment for RM0.9 million for the mobile natural gas division; and (iv) the construction of the Group's biomass plant in the Socialist Republic of Vietnam for RM1.0 million, as well as payment for long term prepayment of RM1.8 million, partially offset by dividend income from an associated company of RM1.9 million and proceeds from disposal of shares in an associated company of RM0.2 million.

The net cash generated from financing activities of RM22.4 million was mainly due to (i) the RM18.5 million proceeds from the issuance of new shares pursuant to the share placement on 10 June 2013 and proceeds from the subscription of shares in a newly incorporated subsidiary by non-controlling shareholders; (ii) RM8.2 million bank borrowings obtained by the Group for the acquisition of an office property; and (iii) the decrease in fixed deposits pledged of RM6.8 million, partially offset by the repayment of bank borrowings amounting to RM11.1 million.

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

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trend 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 factors that may significantly affect the industry in the next 12 months are as follows:

- The recovery of the global economy, especially USA, Europe and China;

- The progress of global shale oil and gas exploration and production activities;
- The movement of the global oil and Asian LNG prices and the export of LNG from America; and
- The fluctuations of the US dollar versus local currencies.

Barring any unforeseen circumstances, the Group remains cautiously optimistic on the outlook of the oil and gas industry, particularly in Asia. There is an expected slow-down in engineering, procurement, installation, commissioning ("EPIC") activities in South East Asia region in 2014 after a busy year in 2013 but transportation and installation activities are expected to pick up from 2015 with several large new field developments in tendering process or fabrication in the region.

The Group's main strategy is to build sustainable growth in all its three business sectors, and its current and future investments will be made to implement this strategy. Therefore, strong efforts are being made in (i) launching the new generation of MGP products globally and penetrating the rejuvenation and decommissioning markets in offshore engineering, (ii) producing oil and gas from Pabuaran KSO in the petroleum sector; and (iii) construction of the rice-husk biomass plant in Vietnam in the renewable energy sector.

Offshore Engineering Sector

<u>Integrated engineering Solutions</u>
In the Integrated Engineering Solutions segment, the Group will continue to grow its "technology" business segment by acquiring complementary technologies in the Repair, Maintenance and Life Extension Solutions, and expanding the global distribution network to commercialise the new generation of MGP products. The Group is targeting the market of platform revamp business to offer its portfolio of underwater repair solutions, where ageing facilities require refurbishment and strengthening for recertification and life extension. The Group may also consider acquisitions in Asia Pacific to implement its growth strategies, by focusing on services that are value-added and complementary to its existing engineering solutions.

<u>Turnkey Contracting</u>
In the turnkey contracting segment, the Group continues to review opportunities in Malaysian waters with Heerema Marine Contractors, for opportunities in large floatover and/or deep water projects. Meanwhile, engineering work on the Malikai TLP is progressing.

On the D21 turnkey project, the Group is negotiating the final dispute resolution with its customer to close out the project. The Group will continue to pursue all options available to recover the additional costs incurred on work done in FY2012 and FY2013 on behalf of its USA-based subcontractor.

As announced recently, the Group has been awarded a USD 15 million turnkey project for the decommissioning of a Floating Production Storage and Offloading vessel offshore Malaysia, the 1st decommissioning project of a floating asset in Malaysia. Work is underway at site and is expected to be completed within 1Q 2014. The Group will continue to target decommissioning opportunities as they arise, as part of its "3-Re" value propositions to address the end-of-life cycle challenges of offshore facilities.

The Group has recently completed its Enterprise Risk Management ("ERM") framework and its turnkey contracting efforts will be guided by these ERM guidelines. While the Group will continue to pursue turnkey work, it will only focus on delivering services associated with its core competencies.

Petroleum Sector

<u>Mobile Natural Gas</u>
In the Mobile Natural Gas segment, the Group has secured feed gas from two sources and is negotiating the supply contract with several customers from the expired throughput contract as well as sourcing for new customers in West Java, Indonesia. While sales volume may decrease temporarily in 1Q2014 as a result, CNG sales through direct sales are expected to return to normal levels by 2H2014. In Vietnam, an associate, CNG Vietnam JSC, continues to deliver strong dividend yield and its share price has increased approximately 40% since the end of FY2013. Subject to share price movements of CNG Vietnam JSC, the Group may realize a significant capital gain should it decide to divest its shareholdings in CNG Vietnam JSC in the near future. In Malaysia, Gas Malaysia and IEV have signed a joint venture agreement on 24 February 2014, to proceed with the incorporation of the joint venture company, subject to relevant approval from the Malaysian authorities and other conditions precedent being fulfilled. This new CNG supply chain is part of IEV's vision to accelerate the domestic utilisation of natural gas, as an alternative energy to liquid fuels in the region.

Exploration and Production at Pabuaran KSO

In February 2014, the Group mobilized the rig to Pabuaran block and commenced the work-over at PBN-1 gas well where casings will be set for gas production testing. This followed the completion of the Geological Geophysical Reservoir Study by consultants, which confirmed sources of oil and gas in the Pabuaran block. Subsequently, the Group also plans to drill one or several wells at the CLS structure, subject to approval being sought from Pertamina. Several funding options for the continued work program at Pabuaran KSO are currently being negotiated, and will be announced in due course. The oil lifting procedure has also been finalized and approved by Pertamina, ready for the production of oil from the CLS structure.

Renewable Energy Sector

The Group plans to commence construction of the biomass plant in Vietnam as soon as its application for the revised licence for the increase in investment value and land lease is approved by the local authority. Several tenders have been awarded and barring any unforeseen circumstances, work is expected to commence in April 2014 and completed by end of FY2014.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

There is no dividend (interim or final) recommended and declared by the directors in respect of the current financial year ended 31 December 2013.

(b)(i) Amount per share/rate %

Not applicable

(b)(ii) Previous corresponding period/rate %

No dividend was declared in the previous corresponding year.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect

The Directors do not recommend any final dividend in respect of the current financial year ended 31 December 2013.

13. Segmented revenue and results for business or geographical 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

(a) Business Segment

	Offshore Engineering		Mobile Natural Gas		Combined	
	FY2013 RM'000	FY2012 RM'000	FY2013 RM'000	FY2012 RM'000	FY2013 RM'000	FY2012 RM'000
REVENUE						
Total sales	137,467	304,057	29,903	23,566	167,370	327,623
Inter-segment sales	(23,647)	(11,230)	-	-	(23,647)	(11,230)
External sales	113,820	292,827	29,903	23,566	143,723	316,393
RESULTS						
Segment results	(7,653)	(5,472)	3,227	(2,131)	(4,426)	(7,603)
Finance costs	(761)	(179)	(193)	(605)	(954)	(784)
	(8,414)	(5,651)	3,034	(2,736)	(5,380)	(8,387)
Share of associated companies' results, net of tax	(262)	668	4,093	4,674	3,831	5,342
					(1,549)	(3,045)
Taxation					(2,001)	(211)
Non-controlling interests					(58)	162
Total profit attributable to owners of the parent					(3,608)	(3,094)
OTHER INFORMATION						
Segment assets	129,343	103,047	56,266	46,465	185,609	149,512
Investment in associated companies	960	1,143	-	17,158	960	18,301
Combined total assets (excluding taxation)	130,303	104,190	56,266	63,623	186,569	167,813
Segment liabilities (excluding taxation)	97,077	95,427	11,001	8,576	108,078	104,003
Capital expenditure						
- intangible assets	-	-	45	4,611	45	4,611
- property, plant and equipment	14,346	1,548	786	3,826	15,132	5,374
Amortisation of intangible assets	56	56	358	155	414	211
Depreciation of property, plant and equipment	1,375	789	2,043	1996	3,418	2, 785

(b) Geographical Segment

The following table shows the distribution of the Group's combined sales based on geographical location of customers.

	FY2013 RM'000	FY2012 RM'000
Malaysia	70,047	263,151
Indonesia	44,235	27,646
Vietnam	4,173	3,927
Thailand	957	1,082
India	9,853	2,656
Singapore	4,721	3,872
China	6,044	4,470
South Korea	-	6,943
Middle East	-	2,059
United Kingdom	3,223	-
Others	470	587
Total	**143,723**	**316,393**

14. 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 above.

15. A breakdown of sales

	Group		
	FY2013 RM'000	FY2012 RM'000	% change increase/ (decrease)
(a) Sales reported for first half year	79,246	147,572	(46.3)%
(b) Operating profit/loss after tax before deducting non-controlling interests reported for first half year	(4,800)	11,275	not meaningful
(c) Sales reported for second half year	64,477	168,821	(61.8)%
(d) Operating profit/loss after tax before deducting non-controlling interests reported for second half year	1,250	(14,531)	not meaningful

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Company	FY2013 SGD	FY2012 SGD
(a) Ordinary	-	453,392
(b) Preference	-	-
(c) Total	-	453,392

17. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited the ("Catalist Rules").

18. Use of Proceeds from the Private Placement

Pursuant to Rule 1204(5)(f) of the Catalist Rules, the Board of Directors wishes to provide an update on the use of the proceeds arising from the allotment and issue of 17.2 million new ordinary shares at an issue price of S$0.413 per share in the capital of the Company through a private placement (the "Placement"). The net proceeds of approximately S$6.9 million (after deducting expenses of approximately S$0.18 million incurred by the Company in connection with the Placement) have been utilised as follows:

Use of Proceeds	Amount allocated (as announced on 10 June 2013) (S$'000)	Amount utilised as at the date of this announcement (S$'000)	Balance of net proceeds as at the date of this announcement (S$'000)
(i) To fund the Pabuaran KSO Project	2,040	1,272	768
(ii) To fund the expansion of Mobile Natural Gas supply chains in West Java, Indonesia and the development and operation of new Mobile Natural Gas supply chains in collaboration with Gas Malaysia Berhad in Peninsular Malaysia	3,710	3,273	437
(iii) To fund the proposed construction of the biomass rice-husk pellet plant in the Mekong Delta, Socialist Republic of Vietnam	1,170	677	493
Net proceeds from the Placement	6,920	5,222	1,698

The Company will make periodic announcements on the use of net proceeds from the Placement as and when such funds are materially disbursed.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

The Company confirms that there is no person occupying a managerial position in the Company and its subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company pursuant to Rule 704(10) of the Catalist Rules.

BY ORDER OF THE BOARD
CHRISTOPHER NGHIA DO
PRESIDENT & CEO
Date: 1 March 2014