



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")

**UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE SECOND QUARTER ("2Q2019") AND
HALF YEAR ("1H2019") ENDED 30 JUNE 2019**

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**Exchange**") and the Exchange 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.*

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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			Group		
	3 months ended 30 June ("2Q")			6 months ended 30 June ("HY")		
	Unaudited 2Q2019 (RM'000)	Unaudited 2Q2018 ^(a) (re-presented) (RM'000)	% change Increase/ (decrease)	Unaudited HY2019 (RM'000)	Unaudited HY2018 ^(a) (re-presented) (RM'000)	% change Increase/ (decrease)
Revenue	1,216	536	126.9	4,069	1,608	153.1
Cost of sales	(561)	(239)	134.7	(2,827)	(640)	341.7
Gross profit	655	297	120.5	1,242	968	28.3
Other operating income	79	138	(42.8)	83	261	(68.2)
Administration expenses	(2,225)	(2,477)	(10.2)	(4,532)	(5,010)	(9.5)
Exchange loss	(197)	(296)	(33.4)	(95)	(253)	(62.5)
Selling and distribution costs	(98)	(16)	512.5	(108)	(16)	575.0
Other operating expenses	(39)	-	n.m.	(191)	(78)	144.9
Share of results of associate	(46)	3	n.m.	(75)	(22)	240.9
Finance costs	(74)	(149)	(50.3)	(149)	(293)	(49.2)
Loss before tax	(1,945)	(2,500)	(22.2)	(3,825)	(4,443)	(13.9)
Income tax	77	(30)	n.m.	77	(30)	n.m.
Loss for the period from continuing operations	(1,868)	(2,530)	(26.3)	(3,748)	(4,473)	(16.2)
Discontinued operations ^(b)						
Loss for the period from discontinued operations	(199)	(1,278)	(84.4)	(295)	(1,912)	(84.6)
Loss for the period	(2,067)	(3,808)	(45.7)	(4,043)	(6,385)	(36.7)
Other comprehensive (loss)/ income after tax						
- exchange differences on translation of foreign operations	(5)	382	n.m.	(128)	131	n.m.
Total comprehensive loss for the period, net of tax	(2,072)	(3,426)	(39.5)	(4,171)	(6,254)	(33.3)
Total loss attributable to:						
Owners of the Company						
- Continuing operations	(1,866)	(2,530)	(26.2)	(3,631)	(4,473)	(18.8)
- Discontinued operations	(199)	(1,278)	(84.4)	(295)	(1,912)	(84.6)
Non-controlling interests	(2)	-	n.m.	(117)	-	n.m.
	(2,067)	(3,808)	(45.7)	(4,043)	(6,385)	(36.7)
Total comprehensive loss attributable to:						
Owners of the Company	(2,071)	(3,426)	(39.5)	(4,052)	(6,254)	(35.2)
Non-controlling interests	(1)	-	n.m.	(119)	-	n.m.
	(2,072)	(3,426)	(39.5)	(4,171)	(6,254)	(33.3)

n.m. denotes not meaningful.

Notes:

a) Financial statements for 2Q2018 and HY2018 have been re-presented to show results from continuing and discontinued operations.

b) Discontinued operations is in relation to: (i) the exit from renewable energy business following the transfer of the MK-1 biomass plant in Vietnam as announced on 7 November 2017, 11 January 2018 and 4 June 2018 (ii) exit from the exploration and production sector as announced on 10 January 2018; and (iii) the exit from mobile natural gas sector as announced on 16 October 2018, 18 October 2018, 29 October 2018 and 14 November 2018 in relation to disposal of 95% interest in PT IEV Gas.

1(a)(ii) Loss for the financial period from continuing operations is arrived after crediting / (charging) the following:

	Group					
	3 months ended 30 June ("2Q")			6 months ended 30 June ("HY")		
	Unaudited 2Q2019 (RM'000)	Unaudited 2Q2018 (RM'000)	% change increase/ (decrease)	Unaudited HY2019 (RM'000)	Unaudited HY2018 (RM'000)	% change Increase/ (decrease)
Rental income	58	86	(32.6)	58	124	(53.2)
Interest income	1	1	-	1	1	-
Interest expense	(74)	(149)	(50.3)	(149)	(293)	(49.2)
Depreciation of property, plant and equipment (include depreciation accounted for in cost of sales)	(175)	(265)	(34.0)	(362)	(596)	(39.3)
Depreciation of right-of-use assets ^(a)	(70)	-	n.m.	(139)	-	n.m.
Write back of impairment of property, plant and equipment	8	-	n.m.	-	63	n.m.
Gain on disposal of property, plant and equipment	21	52	(59.6)	21	70	(70.0)
Property, plant and equipment written off	(8)	-	n.m.	(8)	-	n.m.
Inventories written down in value	-	-	-	(132)	-	n.m.
Inventories written off	-	-	-	-	(78)	n.m.
Amortisation of intangible assets (include amortisation accounted for in cost of sales)	(13)	(35)	(62.9)	(29)	(70)	(58.6)
Deferred tax credit/(charge) in respect to prior years	77	(30)	n.m.	77	(30)	n.m.

n.m. denotes not meaningful

Notes:

(a) Depreciation of right-of-use assets is in relation to classification of leasing transactions under SFRS(I)16 Leases effective for annual periods beginning on or after 1 January 2019.

1(a)(iii) Results of the discontinued operations are as follow:

	Group			Group		
	3 months ended 30 June ("2Q")			6 months ended 30 June ("HY")		
	Unaudited 2Q2019 (RM'000)	Unaudited 2Q2018 (RM'000)	% change Increase/ (decrease)	Unaudited HY2019 (RM'000)	Unaudited HY2018 (RM'000)	% change Increase/ (decrease)
Revenue	-	5,809	n.m.	-	12,314	n.m.
Cost of sales	-	(5,711)	n.m.	-	(12,196)	n.m.
Gross profit	-	98	n.m.	-	118	n.m.
Other operating income	6	126	(95.2)	6	295	(98.0)
Administration expenses	(58)	(650)	(91.1)	(126)	(1,574)	(92.0)
Exchange gain/(loss)	(83)	(351)	(76.4)	8	(242)	n.m.
Other operating expenses	(64)	(499)	(87.2)	(183)	(503)	(63.6)
Finance cost	-	(2)	n.m.	-	(6)	n.m.
Loss before tax	(199)	(1,278)	(84.4)	(295)	(1,912)	(84.6)
Income tax	-	-	-	-	-	-
Loss for the period from discontinued operations	(199)	(1,278)	(84.4)	(295)	(1,912)	(84.6)

1(a)(iv) Loss for the financial period from discontinued operations is arrived after crediting / (charging) the following:

	Group					
	3 months ended 30 June ("2Q")			6 months ended 30 June ("HY")		
	Unaudited 2Q2019 (RM'000)	Unaudited 2Q2018 (RM'000)	% change increase/ (decrease)	Unaudited HY2019 (RM'000)	Unaudited HY2018 (RM'000)	% change Increase/ (decrease)
Rental income	-	-	-	-	25	n.m.
Interest income	-	12	n.m.	-	20	n.m.
Interest expenses	-	(2)	n.m.	-	(6)	n.m.
Depreciation of property, plant and equipment (include depreciation accounted for in cost of sales)	-	(460)	n.m.	-	(944)	n.m.
Amortisation of intangible assets (include amortisation accounted for in cost of sales)	-	(2)	n.m.	-	(4)	n.m.
Write back impairment of intangible assets	-	1	n.m.	-	1	n.m.
Loss on disposal of property, plant and equipment	-	(364)	n.m.	-	(364)	n.m.
Loss on disposal of finance lease assets	-	(125)	n.m.	-	(125)	n.m.
Income from finance lease	-	112	n.m.	-	222	n.m.

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 period

	Company		Group	
	Unaudited As at 30 June 2019 (RM'000)	Audited As at 31 December 2018 (RM'000)	Unaudited As at 30 June 2019 (RM'000)	Audited As at 31 December 2018 (RM'000)
ASSETS				
Current				
Cash and bank balances	2,590	44	4,939	1,111
Trade receivables	-	-	10,581	14,157
Other receivables and prepayments	1,932	50	1,338	4,631
Inventories	-	-	1,406	1,529
Contract costs	-	-	8	1,000
	4,522	94	18,272	22,428
Non-current				
Property, plant and equipment	-	-	1,272	1,589
Right-of-use assets	-	-	1,318	-
Intangible assets	-	-	58	87
Subsidiaries	-	-	-	-
Associate	-	-	-	75
Other receivables and prepayments	-	-	17	33
Deferred tax assets	-	-	-	13
	-	-	2,665	1,797
Total assets	27,779	94	20,937	24,225
LIABILITIES AND EQUITY				
Current				
Bank overdrafts	-	-	2,465	2,969
Lease liabilities	-	-	250	-
Trade payables	-	-	10,517	13,450
Other payables and other provisions	1,235	1,825	15,100	15,244

	Company		Group	
	Unaudited As at 30 June 2019 (RM'000)	Audited As at 31 December 2018 (RM'000)	Unaudited As at 30 June 2019 (RM'000)	Audited As at 31 December 2018 (RM'000)
Contract liabilities	-	-	-	2,656
	1,235	1,825	28,332	34,319
Non-current				
Lease liabilities	-	-	1,072	-
Deferred tax liabilities	-	-	-	90
			1,072	90
Total liabilities	1,235	1,825	29,404	34,409
Capital and reserves				
Share capital	104,148	98,338	104,148	98,338
Treasury shares	(38)	(38)	(38)	(38)
Currency translation reserve	(126)	(121)	1,360	1,486
Capital reserve	-	-	(380)	(380)
Accumulated losses	(100,697)	(99,910)	(113,508)	(109,582)
Equity attributable to owners of the Company	3,287	(1,731)	(8,418)	(10,176)
Non-controlling interests			(49)	(8)
Total equity	3,287	(1,731)	(8,467)	(10,184)
Total liabilities and equity	4,522	94	20,937	24,225

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 30 June 2019 Secured (RM'000)	Audited As at 31 December 2018 Secured (RM'000)
Bank overdrafts	2,465	2,969
Total	2,465	2,969
Amount repayable in one year or less, or on demand	2,465	2,969
Amount repayable after one year	-	-

Details of collaterals

Details of collaterals of the above borrowings are as follows:

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.;
- A corporate guarantee provided by IEV Holdings Limited and IEV Group Sdn. Bhd.; and
- A personal guarantee provided by a director, Christopher Nghia Do.

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

	Group 3 Months ended 30 June ("2Q")		Group 6 Months ended 30 June ("HY")	
	Unaudited 2Q2019 (RM'000)	Unaudited 2Q2018 (RM'000)	Unaudited HY2019 (RM'000)	Unaudited HY2018 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax				
From continuing operations	(1,945)	(2,500)	(3,825)	(4,443)
From discontinued operations	(199)	(1,278)	(295)	(1,912)
	(2,144)	(3,778)	(4,120)	(6,355)
Adjustments for:				
Share of results of associate	46	(3)	75	22
Amortisation of intangible assets	13	37	29	74
Depreciation of property, plant and equipment	175	725	362	1,540
Depreciation of right-of-use assets	70	-	139	-
Provision for post-employment benefits	-	78	-	187
(Gain)/loss on disposal of property, plant and equipment	(21)	312	(21)	294
Loss on disposal of finance lease assets	-	125	-	125
Property, plant and equipment written off	8	-	8	-
Inventories written down in value	-	-	132	-
Inventories written off	-	-	-	78
Write back impairment of property, plant and equipment	(8)	-	-	(63)
Write back impairment of intangible assets	-	(1)	-	(1)
Income from finance lease receivables	-	(112)	-	(222)
Interest expense	74	151	149	299
Interest income	(1)	(13)	(1)	(21)
Operating loss before working capital changes	(1,788)	(2,479)	(3,248)	(4,043)
Long term other receivables and prepayment	17	47	16	13
Inventories	15	(7)	(9)	65
Contract costs	(4)	-	987	29
Trade and other receivables and prepayments	99	(75)	5,136	2,171
Contract liabilities	11	-	(2,645)	-
Trade and other payables	(27)	4,324	(1,519)	3,314
Amount due from an associate	265	658	(97)	89
Cash (used in)/generated from operating activities	(1,412)	2,468	(1,379)	1,638
Interest received	1	13	1	21
Interest paid	(74)	(152)	(149)	(299)
Post-employment benefit paid	(53)	(82)	(53)	(82)
Tax refunded / (paid)	239	(18)	251	(31)
Net cash (used in)/generated from operating activities	(1,299)	2,229	(1,329)	1,247
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(27)	(133)	(56)	(411)
Proceeds from disposal of finance lease	-	74	-	74
Proceeds from disposal of property, plant and equipment	23	91	23	158
Net cash (used in) / generated from investing activities	(4)	32	(33)	(179)
CASH FLOWS FROM FINANCING ACTIVITIES				
Lease payments	(68)	(22)	(135)	(45)
Repayment of bank borrowings	-	(76)	-	(152)
Proceeds from issuance of ordinary shares	6,095	-	6,095	-

Capitalised transaction costs of issuance of ordinary shares	(285)	-	(285)	-
Net cash generated from / (used in) financing activities	5,742	(98)	5,675	(197)
Net increase in cash and cash equivalents	4,439	2,163	4,313	871
Cash and cash equivalents at beginning of period/year	(2,056)	(586)	(1,925)	853
Currency translation difference of cash and cash equivalents at beginning of period/year	25	28	20	(119)
Cash and cash equivalents at end of period	2,408	1,605	2,408	1,605
<i>Cash and cash equivalents comprise:</i>				
Cash and bank balances	4,873	4,580	4,873	4,580
Fixed deposits	66	65	66	65
	4,939	4,645	4,939	4,645
Less: Pledged fixed deposits	(66)	(65)	(66)	(65)
Less: Bank overdrafts	(2,465)	(2,975)	(2,465)	(2,975)
Cash and cash equivalents at end of period	2,408	1,605	2,408	1,605

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 capitalization 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)	Treasury Shares (RM'000)	Accumulated losses (RM'000)	Currency translation reserve (RM'000)	Total (RM'000)
Balance as at 1 April 2019	98,338	(38)	(100,206)	(108)	(2,014)
Issuance of new ordinary shares	6,095	-	-	-	6,095
Capitalised transaction costs	(285)	-	-	-	(285)
Total comprehensive loss for the period	-	-	(491)	(18)	(509)
Balance as at 30 June 2019	104,148	(38)	(100,697)	(126)	3,287

Company Previous Period	Share capital (RM'000)	Treasury Shares (RM'000)	Accumulated losses (RM'000)	Currency translation reserve (RM'000)	Total (RM'000)
Balance as at 1 April 2018	98,338	(38)	(97,175)	466	1,591
Repurchase of shares	-	-	-	-	-
Total comprehensive (loss) / income for the period	-	-	(1,327)	(251)	(1,578)
Balance as at 30 June 2018	98,338	(38)	(98,502)	215	13

Group Current Period	Share capital (RM'000)	Treasury shares (RM'000)	Accumulated Losses (RM'000)	Capital Reserve (RM'000)	Currency translation reserve (RM'000)	Equity attributable to owners of the Company (RM'000)	Non-controlling interests (RM'000)	Total equity (RM'000)
Balance as at 1 April 2019	98,338	(38)	(111,443)	(380)	1,366	(12,157)	(48)	(12,205)
Loss for the period	-	-	(2,065)	-	-	(2,065)	(2)	(2,067)
Other comprehensive loss - Currency translation difference arising from consolidation	-	-	-	-	(6)	(6)	1	(5)
Total comprehensive income	-	-	(2,065)	-	(6)	(6)	(1)	(2,072)

Group Current Period	Share capital (RM'000)	Treasury shares (RM'000)	Accumulated Losses (RM'000)	Capital Reserve (RM'000)	Currency translation reserve (RM'000)	Equity attributable to owners of the Company (RM'000)	Non-controlling interests (RM'000)	Total equity (RM'000)
Transaction with owner:								
- Issuance of new ordinary shares	6,095	-	-	-	-	6,095	-	6,095
- Capitalised transaction costs	(285)					(285)		(285)
Balance as at 30 June 2019	104,148	(38)	(113,508)	(380)	1,360	(8,418)	(49)	(8,467)

Group Previous Period	Share capital (RM'000)	Treasury shares (RM'000)	Accumulated Losses (RM'000)	Capital Reserve (RM'000)	Currency translation reserve (RM'000)	Equity attributable to owners of the Company (RM'000)	Non-controlling interests (RM'000)	Total equity (RM'000)
Balance as at 1 April 2018	98,338	(38)	(95,277)	(380)	126	2,769	(174)	2,595
Loss for the period	-	-	(3,808)	-	-	(3,808)	-	(3,808)
Other comprehensive loss								
- Currency translation difference arising from consolidation	-	-	-	-	382	382	-	382
Balance as at 30 June 2018	98,338	(38)	(99,085)	(380)	508	(657)	(174)	(831)

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.

	Number of shares	Resultant issued and paid-up share capital (S\$)
Issued and paid-up share capital of the Company as at 31 March 2019 (excluding treasury shares)	285,512,632	40,136,969
Issuance of new ordinary shares	80,000,000	2,000,000
Issued and paid-up share capital of the Company as at 30 June 2019 (excluding treasury shares)	365,512,632	42,136,969

Note:

1. The resultant issued and paid-up share capital presented is net of issue costs incurred.

On 15 May 2019, the Company allotted and issued an aggregate of 80,000,000 ordinary pursuant to the completion of a share subscription exercise. The new ordinary shares were issued at an issue price of S\$0.025 per ordinary share for an aggregate cash consideration of S\$2,000,000.

There were no outstanding convertibles, share options or subsidiary holdings as at 30 June 2019 and 30 June 2018.

The total number of treasury shares as at 30 June 2019 and 30 June 2018 are presented below:

	As at 30 June 2019	As at 30 June 2018
Total number of treasury shares	200,000	200,000
Total number of ordinary shares	365,512,632	285,512,632
% of treasury shares over total number of ordinary shares	0.05%	0.07%

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 30 June 2019	As at 31 December 2018
Number of issued shares of the Company	365,712,632	285,712,632
Share buy-backs held as treasury shares	(200,000)	(200,000)
Number of issued shares excluding treasury shares	365,512,632	285,512,632

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 June 2019.

1(d)(v) A statement showing all sales, transfers, cancellation and / or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and / or use of subsidiary holdings as at 30 June 2019.

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 auditor's 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 has applied the same accounting policies and methods of computation in the financial statements for the current financial period reported on, as those applied in the Group's most recently audited financial statements for the financial year ended 31 December 2018.

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 (International) ("**SFRS(I)**") and SFRS(I) Interpretations ("**SFRS(I) INTs**") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2019, where applicable. The adoption of these standards from the effective date has not resulted in material adjustments to the financial position, results of operations or cash flows of the Group for 2Q2019 except the adoption of SFRS(I) 16 Leases which provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both leases and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

The Group elected to apply SFRS(I) 16 retrospectively with the cumulative effect of initially applying the Standard recognised at the date of initial application on 1 January 2019. The impact from adoption of SFRS(I) 16 is mainly derived from the lease of an office space for three years from 1 April 2018, with an extension option of 3 years. At the commencement date, management has assessed that it is reasonably certain to exercise the option and assessed the lease term to be 6 years.

The Group recognises:

- (a) a lease liability of RM1.457 million at 1 January 2019, which is measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate ("IBR") at 1 January 2019.
- (b) a right-of-use asset ("ROU" asset) of RM1.457 million at 1 January 2019, which is equal to the lease liability.

Subsequent to the initial recognition on 1 January 2019, the ROU asset is depreciated over the lease term and the lease liability is measured by increasing the carrying amount to reflect the interest on the lease liability and reducing the carrying amount to reflect lease payments made.

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	2Q2019 (Malaysian sen)	2Q2018 ⁽¹⁾ (Malaysian sen)	HY2019 (Malaysian sen)	HY2018 ⁽¹⁾ (Malaysian sen)
Loss per ordinary share for the period based on the net loss attributable to owners of the Company:				
(i) Basic				
- from continuing operations	(0.57)	(0.89)	(1.19)	(1.57)
- from discontinued operations	(0.06)	(0.45)	(0.10)	(0.67)
	(0.63)	(1.34)	(1.28)	(2.24)
(ii) On a fully diluted basis	(0.63)	(1.34)	(1.28)	(2.24)
Weighted average number of ordinary shares	326,831,313	285,512,632	306,286,113	285,512,632

Note:

1. The loss in 2Q2018 and HY2018 from the mobile natural gas sector have been represented as loss from discontinued operations.

Basic and diluted loss per ordinary share have been computed based on the Group's loss attributable to owners of the Company and the weighted average number of ordinary shares in issue during the respective periods.

The basic and diluted earnings per ordinary share for each of 2Q2019, 2Q2018, HY2019 and HY2018 were the same as there were no potentially dilutive instruments existing during 2Q2019, 2Q2018, HY2019 and HY2018 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 30 June 2019	As at 31 December 2018
Group	(2.3)	(4.3)
Company	0.9	(0.7)

Net asset value per ordinary share as at 30 June 2019 and 31 December 2018 have been calculated based on the aggregate number of ordinary shares (excluding treasury shares) of 365,512,632 and 285,512,632 as at the respective dates.

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 by business segments

Three Months ended 30 June 2019

Business sector	2Q2019			2Q2018		
	Revenue (RM'000)	Gross Profit (RM'000)	Gross Profit Margin %	Revenue (RM'000)	Gross Profit /(Loss) (RM'000)	Gross Profit Margin %
<u>Continuing Operations</u>						
Asset Integrity Management Sector ("AIMS")	1,216	655	53.9%	536	297	55.4%
Total from continuing operations	1,216	655	53.9%	536	297	55.4%
<u>Discontinued operations</u>						
Mobile Natural Gas Sector	-	-	-	5,809	98	1.7%
Total from discontinued operations	-	-	-	5,809	98	1.7%
Total	1,216	655	53.9%	6,345	395	6.2%

Six Months ended 30 June 2019

Business sector	HY2019			HY2018		
	Revenue (RM'000)	Gross Profit (RM'000)	Gross Profit Margin %	Revenue (RM'000)	Gross Profit /(Loss) (RM'000)	Gross Profit Margin %
<u>Continuing Operations</u>						
Asset Integrity Management Sector ("AIMS")	4,069	1,242	30.5%	1,608	968	60.2%
Total from continuing operations	4,069	1,242	30.5%	1,608	968	60.2%
<u>Discontinued operations</u>						
Mobile Natural Gas Sector	-	-	-	12,314	118	1.0%
Total from discontinued operations	-	-	-	12,314	118	1.0%
Total	4,069	1,242	30.5%	13,922	1,086	7.8%

Continuing Operations

Revenue

Revenue for the Group in 2Q2019 increased by 126.9% to RM1.2 million from RM0.5 million in 2Q2018 due mainly to increased sales from the Group's proprietary marine growth control ("MGC") products. Group revenue for HY2019 increased by 153% to RM4.1 million from RM1.6 million in HY2018 due mainly to the contribution from a partially completed AIMS Advanced Inspection Solutions project.

Gross Profit

The Group's gross profit for 2Q2019 increased by 120.5% to RM0.7 million from RM0.3 million in 2Q2018 due mainly to increased MGC sales which have a higher margin. Similarly, for HY2019 the Group's gross profit increased by 28.3% to RM1.2 million from RM1.0 million in HY2018 due to the increase in AIMS business activities.

The Group's gross profit margin has remained generally stable at 53.9% in 2Q2019 and 55.4% in 2Q2018. Group gross profit margin for HY2019 decreased to 30.5% from 60.2% in HY2018, due mainly to a lower gross profit margin from the Advanced Inspection Solutions project.

Other Operating Income

The Group has other operating income of approximately RM80 thousand for 2Q2019 compared to RM140 thousand for 2Q2018. This was mainly due to (i) decrease in rental income of RM30 thousand and (ii) decrease in gain on disposal of PPE of RM30 thousand in 2Q2019 compared to 2Q2018.

The Group has other operating income of approximately RM83 thousand for HY2019 compared to RM261 thousand for HY2018. This was mainly due to (i) write back on impairment of property plant and equipment ("PPE") of RM63 thousand in HY2018 that was absent in HY2019 and (ii) decrease in rental income of RM60 thousand and (iii) decrease in gain on disposal of PPE of RM50 thousand in HY2019 compared to HY2018.

Administrative Expenses

Administrative expenses in 2Q2019 reduced by 10.2% to RM2.2 million from RM2.5 million in 2Q2018, whilst administrative expenses in HY2019 reduced by 9.5% to RM4.5 million from RM5.0 million in HY2018. The reduced administrative expenses for 2Q2019 and HY2019 were mainly the result of cost reduction initiatives undertaken by the Group including: (i) reduction in remunerations through reduced manpower headcount and salary cuts; (ii) disposal of non-essential fixed assets including sale of a corporate office to reduce depreciation expenses; and (iii) reduction in travel expenses. Depreciation of right-of-use assets of RM70 thousand in 2Q2019 and RM139 thousand in HY2019 is a reclassification under SFRS(I)16 *Leases* for an office lease that was previously recorded as rental expense. Amortisation of intangible assets decreased by 58.6% from RM70 thousand in HY2018 to RM29 thousand in HY2019 and by 62.9% from RM35 thousand in 2Q2018 to RM 13 thousand in 2Q2019 due mainly to the full impairment provision during FY2018 of a licensed corrosion control technology no longer in use.

Exchange Loss/Gain

The Group recorded an exchange loss of RM0.2 million in 2Q2019 compared to an exchange loss of RM0.3 million in 2Q2018. For HY2019, the Group recorded an exchange loss of RM0.1 million compared to an exchange loss of RM0.3 million in HY2018. The Malaysia Ringgit has been depreciating against the US Dollar during HY2019 and HY2018. However, the rate of currency depreciation has been lower in HY2019 as compared to HY2018.

Selling and Distribution Costs

Selling and distribution costs represent commissions payable to agents for AIMS sales made for the Group. Selling and distribution costs for 2Q2019 and HY2019 increased to approximately RM100 thousand compared to approximately RM20 thousand in 2Q2018 and HY2018. This was mainly due to increased sales in the Group's proprietary MGC products.

Other Operating Expenses

Other operating expenses of RM39 thousand recorded for 2Q2019 was in relation to a tax penalty incurred by a foreign subsidiary.

Other operating expenses of RM191 thousand for HY2019 was a 144.9% increase from RM78 thousand for HY2018, mainly due to a write-down in Oxifree inventory no longer in use and a RM39 thousand tax penalty incurred by a foreign subsidiary.

Share of Results of Associate

Share of results of associate was a loss of RM46 thousand for 2Q2019 and a loss of RM75 thousand for HY2019. In comparison, share of results of associate was a marginal gain of RM3 thousand for 2Q2018 and a loss of RM22 thousand for HY2018.

Finance Costs

Finance costs for 2Q2019 reduced by 50.3% to RM74 thousand from RM149 thousand in 2Q2018 whilst finance costs for HY2019 reduced by 49.2% to RM149 thousand from RM293 thousand in HY2018. The reduction in finance costs was mainly due to the full settlement of a bank loan during FY2018 associated with the disposal of a commercial office space.

Loss Before Tax

For reasons set out above, the Group recorded a loss before tax of RM1.9 million for 2Q2019 compared to a loss before tax of RM2.5 million for 2Q2018. For HY2019 the Group recorded a loss before tax of RM3.8 million, which was a 13.9% decrease from HY2018's loss before tax of RM4.4 million.

Discontinued Operations

The loss from discontinued operations of RM0.3 million in HY2019 was mainly due to incurrance of land taxes on the disposal of the Vietnam biomass plant, write-down of prepaid expenses and corporate expenses for maintaining discontinued subsidiaries. The Group is in the process of deregistering IEV Vietnam LLC, which is expected to be completed within FY2019.

Review of Statement of Financial Position

Current Assets

Trade receivables decreased by RM3.6 million to RM10.6 million as at 30 June 2019, from RM14.2 million as at 31 December 2018, due mainly to the settlement of an Advanced Inspection Solution project and other AIMS project invoices. The current portion of other receivables and prepayments decreased by RM3.3 million to RM1.3 million as at 30 June 2019, from RM4.6 million as at 31 December 2018, due mainly to receipt of settlement sum for the disposal of the Vietnam biomass plant to BSB amounting to RM2.7 million and corporate tax refund of RM0.3 million. Inventories as at 30 June 2019 reduced to RM1.4 million from RM1.5 million as at 31 December 2018 due mainly to a write-down in value of inventory stock no longer in use. Contract costs reduced to RM8 thousand as at 30 June 2019 from RM1.0 million as at 31 December 2018 due to the transfer of contract cost to cost of sale following the partial completion of a AIMS Advanced Inspection Solution project during HY2019.

Non-Current Assets

Net carrying value of property, plant and equipment decreased by RM0.3 million to RM1.3 million as at 30 June 2019 from RM1.6 million as at 31 December 2018. This was due to depreciation charges of RM0.4 million which was partially offset by new acquisitions of RM0.1 million. Right-of-use assets of RM1.3 million as at 30 June 2019 was due to the adoption of SFRS(I)16 *Lease*, effective from 1 January 2019 of a lease of an office space. Intangible assets decreased to RM58 thousand as at 30 June 2019 from RM87 thousand as at 31 December 2018 due to amortisation charges during HY2019. Value in associate reduced to nil as 30 June 2019 from RM75 thousand in 31 December 2018 due to share of loss of associate recorded during HY2019 which exceeds the net value of investment in associate.

Capital and Reserves

Share capital of the Company and Group increased to RM104.1 million as at 30 June 2019 from RM98.3 million as at 31 December 2018 due to the allotment and issuance of 80,000,000 new ordinary shares in the Company to individual subscribers at an issue price of S\$0.025 per ordinary share.

Currency translation reserve marginally decreased to RM1.4 million as at 30 June 2019 from RM1.5 million as at 31 December 2018, mainly due to the appreciation of the Singapore Dollar against the Malaysian Ringgit during the period in review.

Accumulated losses for the Group increased by RM3.9 million to RM113.5 million as at 30 June 2019 from RM109.6 million accumulated losses as at 31 December 2018, due to losses recorded for HY2019.

Non-Current Liabilities and Current Liabilities

Bank borrowings decreased by RM0.5 million to RM2.5 million as at 30 June 2019 from RM3.0 million as at 31 December 2018, mainly due to progressive reductions in the overdraft amount. Current and non-current lease liability totalling RM1.3 million as at 30 June 2019 is due to the adoption of SFRS(I)16 *Leases* for the lease of an office space.

Trade payables decreased by RM2.9 million to RM10.5 million as at 30 June 2019 from RM13.5 million as at 31 December 2018, due mainly to the settlement of AIMS project invoices during HY2019. Contract liabilities as at 30 June 2019 was nil compared to RM1.0 million as at 31 December 2018. The reduction of the contract liabilities was due to the recognition of such sum as revenue from a AIMS Advanced Inspection Solutions project during HY2019.

The Group has a negative working capital of RM10.1 million as at 30 June 2019, compared to a negative working capital of RM11.9 million as at 31 December 2018. The reduction in the negative working capital position was due to the allotment and issuance of 80,000,000 ordinary shares during HY2019 to raise net capital proceeds of RM5.8 million. The Group's net liability decreased to RM8.5 million as at 30 June 2019 from net liability of RM10.2 million as at 31 December 2018, mainly due to the raising of share capital of RM5.8 million, which was partially offset by the loss of RM4.0 million for HY2019.

Barring any unforeseen circumstances, the Group should be able to meet its working capital commitments for the next 12 months in view of the Group's estimated revenue from incoming contracts for FY2019 and potential corporate fund-raising exercises.

Review of Statement of Cash Flows

For 2Q2019 the Group recorded net cash used in operating activities of RM1.3 million. This was mainly due to: (i) an operating loss before working capital changes of RM1.8 million; which was partially offset by (i) decrease in amount due from an associate of RM0.3 million; and (ii) tax refund of RM0.2 million. Net cash generated from financing activities of RM5.7 million during 2Q2019 was from the net proceeds in the issuance of ordinary shares of RM5.8 million, which was partially offset by lease payments of RM68 thousand.

For HY2019, the Group recorded net cash used in operating activities of RM1.3 million. This was mainly due to: (i) an operating loss before working capital changes of RM3.2 million; (ii) decrease in contract liabilities of RM2.6 million; and (iii) decrease in operating payable of RM1.5 million. These were partially offset by (i) decrease in operating receivables of RM5.1 million; and (ii) decrease in contract cost of RM1.0 million. Net cash used in investing activities of RM33 thousand for HY2019 was for the net acquisition of property, plant and equipment. Net cash generated from financing activities of RM5.7 million for HY2019 was from the net proceeds in the issuance of ordinary shares of RM5.8 million, which was partially offset by lease payments of RM0.1 million.

As a result of the above the cash and bank balances was RM4.9 million as at 30 June 2019, as compared to RM4.6 million as at 30 June 2018.

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 escalation of trade tension between the United States of America and China has significantly affected the oil demand forecast and caused a significant slide in oil price¹. OPEC and the non-OPEC countries continue to commit to their respective production cuts², but this is balanced by the increase in production of non-OPEC countries and the rise in

¹ <https://www.fxempire.com/forecasts/article/oil-price-fundamental-daily-forecast-eia-report-expected-to-show-small-draw-591617>

² <https://oilprice.com/Latest-Energy-News/World-News/Strong-OPEC-Cuts-Slightly-Tightening-Oil-Market-In-The-Short-Term.html>

global inventory. Even when OPEC is still curbing production and the geopolitical tension in the Middle East is affecting oil shipments, a global slowdown in demand growth and higher global oil inventories are more than offsetting supply fears³.

On the engineering front, the Group is cautiously optimistic on the recovery of its oil & gas business with several projects at the pending award stage from its Asset Integrity Management (AIM) business in the brownfield market and niche lump sum turnkey opportunities throughout the Asian region. Barring unforeseen circumstances, the revenue from AIM business is expected to improve in the subsequent quarters, especially in sales of its proprietary “ocean-powered” marine growth control products. The Group is also implementing a plan to introduce Asset-Deployed Remotely Operated Vehicles (ADROV) as a cost saving solution to perform subsea inspection of offshore fixed and floating structures. Further announcement will be made as and when there are material contracts awarded.

The Group is developing its diversification plan in the healthcare and wellness sector and has started the due diligence process for a possible acquisition as per the announcement of 25 June 2019. Further announcements will be made as and when there are material developments.

11. If a decision regarding dividend has been made:

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

No.

(b) Previous corresponding period/rate %

None

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

There is no interim dividend recommended and declared by the Directors in respect of the current financial period ended 30 June 2019 as the Group is loss making.

13. 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 (“IPTs”) 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”). There were no IPTs entered into during the financial period reported on which exceeds S\$ 100,000 in value.

14. 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 80.0 million new ordinary shares at an issue price of S\$0.025 per share in the capital of the Company through a private placement (the “Placement”). The net proceeds of approximately S\$1.906 million (after deducting expenses of approximately S\$0.094 million incurred by the Company in connection with the Placement) have been utilised as follows:

³ <https://oilprice.com/Energy/Crude-Oil/EIA-Lowers-World-Oil-Demand-Forecast-Again.html>

Use of Proceeds	Amount allocated (as announced on 26 April 2019) (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) Identify and invest into new business	1,000	55	945
(ii) Working capital	906	558 ⁽¹⁾	348
Total	1,906	613	1,293

Note:

2. Working capital utilisation comprise of (i) payment of trade and other payables of S\$139 thousand; (ii) payment of professional fees of S\$260 thousand; and (iii) manpower and overheads of S\$159 thousand.

15. Confirmation by the Board of Directors pursuant to Rule 705(5) of the Catalist Rules

We, Christopher Nghia Do and Harry Ng, being Directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the second quarter and half year ended 30 June 2019 false or misleading in any material aspect.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that all the required undertakings under the Rule 720(1) of the Catalist Rules have been obtained from its Directors and Executive Officers in the format set out in Appendix 7H of the Catalist Rules.

ON BEHALF OF THE BOARD OF DIRECTORS

CHRISTOPHER NGHIA DO PRESIDENT & CEO	HARRY NG LEAD INDEPENDENT DIRECTOR
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Date: 14 August 2019