



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 FIRST QUARTER FINANCIAL PERIOD ENDED 31 MARCH 2019 ("1Q2019")

*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**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**Exchange**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the 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 3 months ended 31 March ("1Q")		
	Unaudited 1Q2019 (RM'000)	Unaudited 1Q2018 (re-presented) ^(a) (RM'000)	% change increase/ (decrease)
Revenue	2,853	1,072	166.1
Cost of sales	(2,266)	(401)	465.1
Gross profit	587	671	(12.5)
Other operating income	4	123	(96.7)
Administrative expenses	(2,307)	(2,533)	(8.9)
Selling and distribution costs	(10)	-	n.m.
Exchange gain	102	43	137.2
Other operating expenses	(152)	(78)	94.9
Share of results of associate	(29)	(25)	16.0
Finance costs	(75)	(144)	(47.9)
Loss before tax	(1,880)	(1,943)	(3.2)
Income tax	-	-	-
Loss for the period from continuing operations	(1,880)	(1,943)	(3.2)
Discontinued operations^(b)			
Loss for the period from discontinued operations	(96)	(634)	(84.9)
Loss for the period	(1,976)	(2,577)	(23.3)
Other comprehensive loss net of tax			
- Exchange differences on translation of foreign operations	(123)	(251)	(51.0)
Total comprehensive loss for the period, net of tax	(2,099)	(2,828)	(25.8)
Total loss attributable to:			
Owners of the Company			
- Continuing operations	(1,765)	(2,410)	(26.8)
- Discontinued operations	(96)	(167)	(42.5)
Non-controlling interests	(115)	-	n.m.
	(1,976)	(2,577)	(23.3)
Total comprehensive loss attributable to:			
Owners of the Company	(1,981)	(2,828)	(30.0)
Non-controlling interests	(118)	-	n.m.
	(2,099)	(2,828)	(25.8)

n.m. denotes not meaningful.

Notes:

- (a) Financial statements for 1Q2018 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 sale of the MK-1 biomass plant in Vietnam as announced on 7 November 2017, 11 January 2018 and 4 June 2018; (ii) the 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 31 March ("1Q")		
	1Q2019 (RM'000) Unaudited	1Q2018 (RM'000) Unaudited	% change increase/ (decrease)
Rental income	-	38	n.m.
Interest expense	(75)	(144)	(47.9)

	Group 3 months ended 31 March ("1Q")		
	1Q2019 (RM'000) Unaudited	1Q2018 (RM'000) Unaudited	% change increase/ (decrease)
Gain on disposal of property, plant and equipment	-	18	n.m.
Depreciation of property, plant and equipment (include depreciation accounted for in cost of sales)	(187)	(331)	(43.5)
Depreciation of right-of-use assets ^(a)	(69)	-	n.m.
(Impairment)/Write back of impairment on property, plant and equipment	(8)	63	n.m.
Inventories written off	-	(78)	n.m.
Inventories written down in value	(132)	-	n.m.
Amortisation of intangible assets (include amortisation accounted for in cost of sales)	(16)	(35)	(54.3)

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 3 months ended 31 March ("1Q")		
	Unaudited 1Q2019 (RM'000)	Unaudited 1Q2018 (RM'000)	% change increase/ (decrease)
Revenue	-	6,505	n.m.
Cost of sales	-	(6,485)	n.m.
Gross profit	-	20	n.m.
Other operating income	-	169	n.m.
Administrative expenses	(68)	(924)	(92.6)
Exchange gain	91	109	(16.5)
Other operating expenses	(119)	(4)	n.m.
Finance costs	-	(4)	n.m.
Loss before tax	(96)	(634)	(84.9)
Income tax	-	-	n.m.
Loss for the period from discontinued operations	(96)	(634)	(84.9)

n.m. denotes not meaningful

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

	Group 3 months ended 31 March ("1Q")		
	1Q2019 (RM'000) Unaudited	1Q2018 (RM'000) Unaudited	% change increase/ (decrease)
Rental income	-	25	n.m.
Interest Income	-	8	n.m.
Interest expense	-	(4)	n.m.
Depreciation of property, plant and equipment (include depreciation accounted for in cost of sales)	-	(484)	n.m.
Amortisation of intangible assets (includes amortisation accounted for in cost of sales)	-	(2)	n.m.
Income from finance lease	-	110	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 period

	Company		Group	
	Unaudited As at 31 March 2019 (RM'000)	Audited As at 31 December 2018 (RM'000)	Unaudited As at 31 March 2019 (RM'000)	Audited As at 31 December 2018 (RM'000)
ASSETS				
Current				
Cash and bank balances	17	44	728	1,111
Trade receivables	-	-	9,654	14,157
Other receivables and prepayments	74	50	2,701	4,631
Inventories	-	-	1,398	1,529
Contract costs	-	-	9	1,000
	91	94	14,490	22,428
Non-current				
Property, plant and equipment	-	-	1,413	1,589
Right-of-use assets	-	-	1,388	-
Intangible assets	-	-	69	87
Subsidiaries	-	-	-	-
Associate	-	-	46	75
Other receivables and prepayments	-	-	34	33
Deferred tax assets	-	-	13	13
	-	-	2,963	1,797
Total assets	91	94	17,453	24,225
LIABILITIES AND EQUITY				
Current				
Bank overdrafts	-	-	2,718	2,969
Lease liabilities	-	-	248	-
Trade payables	-	-	10,456	13,450
Other payables	2,105	1,825	15,004	15,244
Contract liabilities	-	-	-	2,656
	2,105	1,825	28,426	34,319
Non-current				
Lease liabilities	-	-	1,142	-
Deferred tax liabilities	-	-	90	90
	-	-	1,232	90
Total liabilities	2,105	1,825	29,658	34,409
Capital and reserves				
Share capital	98,338	98,338	98,338	98,338
Treasury shares	(38)	(38)	(38)	(38)
Currency translation reserve	(108)	(121)	1,366	1,486
Capital reserve	-	-	(380)	(380)
Accumulated losses	(100,206)	(99,910)	(111,443)	(109,582)
Equity attributable to owners of the Company	(2,014)	(1,731)	(12,157)	(10,176)
Non-controlling interests	-	-	(48)	(8)
Total equity	(2,014)	(1,731)	(12,205)	(10,184)
Total liabilities and equity	91	94	17,453	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 31 March 2019	Audited as at 31 December 2018
	Secured (RM'000)	Secured (RM'000)
Bank overdrafts	2,718	2,969
Total	2,718	2,969

Amount repayable in one year or less, or on demand	2,718	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	
	Unaudited 1Q2019 (RM'000)	Unaudited 1Q2018 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation		
- from continuing operations	(1,880)	(1,943)
- from discontinued operations	(96)	(634)
	(1,976)	(2,577)
Adjustments for:		
Share of results of associate	29	25
Amortisation of intangible assets	16	37
Depreciation of property, plant and equipment	187	815
Depreciation of right-of-use assets	69	-
Provision for post-employment benefits	-	109
Gain on disposal of property, plant and equipment	-	(18)
Impairment/(Write back on impairment) of property, plant and equipment	8	(63)
Inventories written off	-	78
Impairment of inventories	132	-
Gain on finance lease receivables	-	(110)
Interest expense	75	148
Interest income	-	(8)
Operating loss before movements in working capital changes	(1,460)	(1,564)
Long term other receivables and prepayment	(1)	(34)
Inventories	(24)	72
Contract costs	991	29
Trade and other receivables and prepayments	5,036	2,246
Trade and other payables	(1,492)	(1,008)
Contract Liabilities	(2,656)	-
Amount due from an associate	(362)	(569)
	32	(828)

	Group	
	Unaudited 1Q2019 (RM'000)	Unaudited 1Q2018 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	-	8
Interest paid	(75)	(148)
Tax refunded/(paid)	12	(12)
Net cash used in operating activities	(31)	(980)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(29)	(278)
Proceeds from disposal of property, plant and equipment	-	67
Net cash used in investing activities	(29)	(211)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease payments	(67)	(22)
Repayment of bank borrowings	-	(77)
Net cash used in financing activities	(67)	(99)
Net decrease in cash and cash equivalents	(127)	(1,290)
Cash and cash equivalents at beginning of period	(1,924)	853
Currency translation difference of cash and cash equivalents at beginning of year	(5)	(148)
Cash and cash equivalents at end of period	(2,056)	(585)
<i>Cash and cash equivalents comprise:</i>		
Cash and bank balances	662	2,390
Fixed deposits	66	62
	728	2,452
Less: Pledged fixed deposits	(66)	(62)
Less: Bank overdrafts	(2,718)	(2,975)
Cash and cash equivalents at end of period	(2,056)	(585)

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

<u>Company</u> 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 January 2019	98,338	(38)	(99,910)	(121)	(1,731)
Total comprehensive income for the period	-	-	(296)	13	(283)
Balance as at 31 March 2019	98,338	(38)	(100,206)	(108)	(2,014)

<u>Company</u> 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 January 2018	98,338	(38)	(97,175)	(78)	1,047
Total comprehensive income for the period	-	-	-	544	544
Balance as at 31 March 2018	98,338	(38)	(97,175)	466	1,591

Group Current Period	Share capital (RM'000)	Treasury shares (RM'000)	Accumu- lated Losses (RM'000)	Capital reserves (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 January 2019	98,338	(38)	(109,582)	(380)	1,486	(10,176)	(8)	(10,184)
Loss for the period	-	-	(1,861)	-	-	(1,861)	(115)	(1,976)
Other comprehensive income								
- Currency translation difference arising from consolidation	-	-	-	-	(120)	(120)	(3)	(123)
Transaction with owner								
- Effect of shares subscription in subsidiary	-	-	-	-	-	-	78	78
Balance as at 31 March 2019	98,338	(38)	(111,443)	(380)	1,366	(12,157)	(48)	(12,205)

Group Previous Period	Share capital (RM'000)	Treasury shares (RM'000)	Accumu- lated Losses (RM'000)	Capital reserves (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 January 2018	98,338	(38)	(92,700)	(380)	377	5,597	(174)	5,423
Loss for the period	-	-	(2,577)	-	-	(2,577)	-	(2,577)
Other comprehensive income								
- Currency translation difference arising from consolidation	-	-	-	-	(251)	(251)	-	(251)
Balance as at 31 March 2018	98,338	(38)	(95,277)	(380)	126	2,769	(174)	2,595

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 were no changes in the Company's share capital since 31 December 2018 and up to 31 March 2019.

The total number of issued shares (excluding treasury shares) was 285,512,632 as at 31 March 2019 and as at 31 March 2018.

There were no outstanding convertibles, share options and subsidiary holdings as at 31 March 2019 and 31 March 2018.

	As at 31 March 2019	As at 31 March 2018
Total number of treasury shares	200,000	200,000
Total number of ordinary shares	285,512,632	285,512,632
% of treasury shares over total number of ordinary shares	0.07%	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 31 March 2019	As at 31 December 2018
Number of issued shares of the Company	285,712,632	285,712,632
Shares held as treasury shares	(200,000)	(200,000)
Number of issued shares excluding treasury shares	285,512,632	285,512,632

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

There were no sales, transfers, cancellation and / or use of treasury shares as at 31 March 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 31 March 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 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 1Q2019 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

<u>Group</u>	1Q2019 (Malaysian sen)	1Q2018⁽¹⁾ (Malaysian sen)
Loss per ordinary share for the period based on the net loss attributable to shareholders of the Company:		
(i) Basic		
- from continuing operations	(0.62)	(0.68)
- from discontinued operations	(0.03)	(0.22)
	(0.65)	(0.90)
(ii) On a fully diluted basis	(0.65)	(0.90)
Weighted average number of ordinary shares	285,512,632	285,512,632

Note:

1. The loss in 1Q2018 from the mobile natural gas sector has 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 loss per ordinary share for 1Q2019 and 1Q2018 were the same as there were no potentially dilutive ordinary shares existing during 1Q2019 and 1Q2018 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 March 2019	As at 31 December 2018
Group	(4.3)	(3.6)
Company	(0.7)	(0.6)

Net asset value per ordinary share as at 31 March 2019 and 31 December 2018 have been calculated based on the aggregate number of ordinary shares (excluding treasury shares) of 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 31 March 2019 and 31 March 2018

Business sector	1Q2019			1Q2018		
	Revenue (RM'000)	Gross Profit/(Loss) (RM'000)	Gross Profit/(Loss) Margin (%)	Revenue (RM'000)	Gross Profit/(Loss) (RM'000)	Gross Profit/(Loss) Margin (%)
<u>Continuing Operations</u>						

Business sector	1Q2019			1Q2018		
	Revenue (RM'000)	Gross Profit/(Loss) (RM'000)	Gross Profit/(Loss) Margin (%)	Revenue (RM'000)	Gross Profit/(Loss) (RM'000)	Gross Profit/(Loss) Margin (%)
<i>Asset Integrity Management Sector ("AIMS")</i>	2,853	587	20.6%	1,072	671	62.6%
Total from continuing operations	2,853	587	20.6%	1,072	671	62.6%
<u>Discontinued Operations</u> <i>Mobile Natural Gas Sector</i>	-	-	-	6,505	20	0.3%
Total from discontinued operations	-	-	-	6,505	20	0.3%
Total	2,853	587	20.6%	7,577	691	9.1%

Continuing Operations

Revenue

The Group's revenue from continuing operations for 1Q2019 increased by 166% or RM1.8 million to RM2.9 million from RM1.1 million in 1Q2018. The increase in revenue was due mainly to an partially completed AIMS Advanced Inspection Solutions project.

Gross Profit

The Group's gross profit for 1Q2019 decreased by 12.5% to RM0.6 million from RM0.7 million in 1Q2018. The reduction in gross profit was due to the sale of higher margin proprietary marine growth control products during 1Q2018 for which there was no comparable sale in 1Q2019.

The Group's gross profit margin for 1Q2019 declined to 20.6% from 62.6% 1Q2018. The sales and gross profit for 1Q2019 was from an Advanced Inspection Solutions project involving third-party technology and services and resulting a lower gross profit margin for the Group. In comparison, the sales and gross profit for 1Q2018 was mainly from the sale of the Group's proprietary marine growth control products and hence generates a higher gross profit margin.

Other Operating Income

The Group's other operating income for 1Q2019 was a marginal RM4 thousand, a 96.7% reduction from RM123 thousand in 1Q2018. Other operating income for 1Q2018 was mainly contributed by a gain from disposal of property, plant and equipment ("PPE") and write-back on impairment of PPE, for which there were no comparable gains or write-backs in 1Q2019. An impairment of PPE was provided for during financial ended 31 December 2017 in relation to a commercial office space owned by the Group. When the Group entered into a sale and purchase agreement in 1Q2018 for the disposal of the said commercial office space, the impairment provision was then written back.

Administrative Expenses

Administrative expenses from continuing operations in 1Q2019 reduced by 8.9% to RM2.3 million from RM2.5 million in 1Q2018. The decrease in administrative expenses was mainly the result of cost reduction initiatives that were undertaken by the Group including: (i) 5.5% 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 by 43.5%. Depreciation of right-of-use assets of RM69 thousand for 1Q2019 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 54.3% to RM16 thousand in 1Q2019 from RM35 thousand in 1Q2018 mainly due to the full impairment provision during FY2018 of a licensed corrosion control technology no longer in use.

Exchange Gain

The Group recorded an exchange gain of RM102 thousand in 1Q2019 as compared to an exchange gain of RM43 thousand in 1Q2018. This exchange gain arose mainly from trade payables denominated in US Dollars which depreciated against the Malaysian Ringgit.

Other Operating Expenses

Other operating expenses of RM152 thousand for 1Q2019 was a 94.9% increase from RM78 thousand for 1Q2018, mainly due to a write-down in oxifree inventory no longer in use.

Share of Results of Associate

Share of results of associate for 1Q2019 recorded a loss of RM29 thousand which was marginally higher than the loss of RM25 thousand for 1Q2018.

Finance Costs

Finance costs for 1Q2019 reduced by 47.9% to RM75 thousand from RM144 thousand for 1Q2018, which was mainly due to the full settlement of a bank loan 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 RM1.88 million for 1Q2019 which was marginally lower than the loss before tax of RM1.94 million for 1Q2018.

Discontinued Operations

The loss of RM96 thousand for 1Q2019 from discontinued operations was mainly due to the incurrence of land taxes on the disposal of the Vietnam biomass plant. The Group is in the process to deregister IEV Vietnam LLC, which is expected to be completed within FY2019

Review of Statement of Financial Position

Current Assets

Trade receivables decreased by RM4.5 million to RM9.7 million as at 31 March 2019, from RM14.2 million as at 31 December 2018, due mainly to the settlement of an Advanced Inspection Solution project invoice and other AIMS invoices. The current portion of other receivables and prepayments decreased by RM1.9 million to RM2.7 million as at 31 March 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 RM2.4 million. Inventories as at 31 March 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 cost reduced to RM9 thousand as at 31 March 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 an AIMS Advanced Inspection Solutions project during 1Q2019.

Non-Current Assets

Net carrying value of property, plant and equipment decreased by RM0.2 million to RM1.4 million as at 31 March 2019 from RM1.6 million as at 31 December 2018. This was mainly due to depreciation charges of RM0.2 million for the period under review. Right-of-use assets of RM1.4 million as at 31 March 2019 due to the adoption of SFRS(I)16 *Lease*, effective from 1 January 2019 of a lease for an office space. Intangible assets decreased to RM69 thousand as at 31 March 2019 from RM87 thousand as at 31 December 2018 due to amortisation charges during 1Q2019. Associate decreased to RM46,000 due to share of loss of associate of RM29,000 recorded for 1Q2019.

Capital and Reserves

Currency translation reserve reduced to RM1.4 million as at 31 March 2019 from RM1.5 million as at 31 December 2018, mainly due to the appreciation of the Malaysian Ringgit against the Vietnam Dong during the period under review.

Accumulated losses for the Group increased by RM1.9 million to RM111.4 million as at 31 March 2019, from RM109.6 million as at 31 December 2018, due to the loss recorded for 1Q2018.

Non-Current Liabilities and Current Liabilities

Bank borrowings decreased by RM250 thousand to RM2.72 million as at 31 March 2019, from RM2.97 million as at 31 December 2018, due to repayment of an overdraft facility. Current and non-current lease liability totaling RM1.4 million as at 31 March 2019 is due to the adoption of SFRS(I)16 *Lease* of a lease for an office space.

Trade payables decreased by RM3.0 million to RM10.5 million as at 31 March 2019, from RM13.5 million as at 31 December 2018, due mainly to the settlement of AIMS project invoices during 1Q2019. Contract liability as at 31 March 2019 was nil compared to RM2.7 million as at 31 December 2018. The said contract liability sum, which was in relation to an AIMS Advanced Inspection Solutions project revenue which was recognised during 1Q2019.

The Group has a negative working capital of RM14.0 million as at 31 March 2019, compared to a negative working capital of RM11.9 million as at 31 December 2018. The increase in negative working capital was mainly due to (i) administrative expenses of RM1.9 million and (ii) recognition of a current lease liability of RM0.2 million in relation to an office space arising from the adoption of SFRS(I)16 *Lease*. The Group's net liability increased to RM12.2 million as at 31 March 2019 from a net liability of RM10.2 million as at 31 December 2018, due mainly to the loss of RM2.0 million for 1Q2019.

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, the private placement of 80,000,000 new shares in the Company to raise SGD2.0 million in April 2019 and other potential corporate fund-raising exercises.

Review of Statement of Cash Flows

The Group recorded net cash used in operating activities of RM31 thousand for 1Q2019. This was mainly due to: (i) an operating loss before working capital changes of RM1.5 million; (ii) a decrease in operating receivables of RM5.0 million; and (iii) a RM1.0 million decrease in contract cost; which were partially offset by: (i) a decrease in operating payables of RM1.5 million, (ii) decrease in contract liabilities of RM2.7 million and (iii) increase in amount due from an associate of RM0.4 million.

Net cash used in investing activities of RM29 thousand was for the purchase of property, plant and equipment. Net cash used in financing activities of RM67 thousand was mainly for lease payments.

As a result of the above the cash and bank balances was RM0.7 million as at 31 March 2019, as compared to RM1.1 million as at 31 December 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

There is no clear trend on the oil price forecast. The oil price is expected to remain volatile given the recent geopolitical tension, the continued surge in US shale oil production and the US-China trade war that has weighed on the global economy and created uncertainty for businesses and consumers. The US Energy Information Administration ("EIA") has, however, forecasts Brent spot prices will average \$70/bbl in 2019 and \$67/bbl in 2020¹, reflecting tighter expected global oil market balances in mid-2019 and increasing supply disruption risks. Analysts are also waiting on the outcome from the forthcoming OPEC meeting on May 19th 2019², to see if the group will continue to regulate the energy market beyond the June deadline.

¹ <https://www.ogj.com/articles/2019/05/eia-revises-upwards-its-oil-price-forecasts-for-2019-20.html>

² https://www.dailyfx.com/forex/fundamental/us_dollar_index/daily_d...Price-Forecast-Bullish-Momentum-Abates-Ahead-of-OPEC-Meeting.html

On the engineering front, the Group continues to secure awards for disruptive engineering solutions in Asset Integrity Management (AIM) business in the brownfield market and its traditional subsea cold cutting services around the Asia region. However, the Group continues to face challenges in generating significant income from AIM business due to the long gestation period required for its new technologies to be evaluated and acceptance by customers. The long-term contracts for the anti-corrosion thermoplastic coatings in Malaysia have also generated smaller revenues than expected due to the on-going evaluation of the technology for new applications. The Group is also actively expanding its decommissioning solutions following its recent successful completion of a large decommissioning study for a major operator in Malaysia.

Moving forward, the Group plans to simplify its corporate structure and reduce the number of foreign subsidiaries to further reduce operating expenditure. Concurrently, the Group will focus in expanding the establishment of channel partners in targeted territories. Lean management and simplification of business processes are management initiatives to be implemented in FY2019.

The feasibility study on new foundation engineering solutions to support the construction industry through collaboration with EXT Co., Ltd. of Korea, has been completed and the management has decided not to enter into this new business sector.

The Group has completed the disposal of the Vietnam biomass plant to BSB and has received full settlement in accordance with the terms and conditions of the sale and purchase contract.

Lastly, as stated in the announcement made by the Company on 26 April 2019 in relation to the proposed subscription of 80,000,000 shares, S\$1 million of net proceeds will be set aside for the Company to identify and invest into new businesses.

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 and the reason(s) for the decision.

There is no interim dividend recommended and declared by the Directors in respect of the current financial period ended 31 March 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 Catalyst 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. 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 first quarter financial period ended 31 March 2019 false or misleading in any material aspect.

15. 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 May 2019