



IEV HOLDINGS LIMITED

(Company Registration No: 201117734D)
(Incorporated in the Republic of Singapore on 26 July 2011)

MATERIAL DIFFERENCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND THE UNAUDITED FINANCIAL RESULTS ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

The Board of Directors (the “**Board**”) of IEV Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the unaudited full year results announcement for the financial year ended 31 December 2014 (“**FY2014**”) made on 25 February 2015 (the “**2014 Unaudited Results**”).

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board wishes to announce that there are certain material differences between the audited financial statements of the Group for FY2014 (the “**Audited Statements**”) and the 2014 Unaudited Results.

Details and clarifications of the differences are as follows:

STATEMENT OF COMPREHENSIVE INCOME

	Group				Note
	Audited FY2014 (RM'000) (A)	Unaudited FY2014 (RM'000) (B)	Differences (RM'000) (C = A – B)	Differences % (C/B)	
Revenue	172,850	176,117	(3,267)	-2%	Immaterial
Cost of sales	(152,601)	(154,681)	2,080	1%	Immaterial
Gross profit	20,249	21,436	(1,187)	-6%	
Other operating income	11,373	11,345	28	-	Immaterial
Exchange gain	1,262	1,910	(648)	-34%	N.1
Administrative expenses	(22,992)	(25,293)	2,301	9%	N.2
Selling and distribution costs	(1,567)	(1,567)	-		
Other operating expenses	(2,035)	(1,493)	(542)	-36%	N.3
Share of associated companies' results, net of tax	517	695	(178)	-26%	N.4
Finance costs	(1,246)	(1,657)	411	25%	N.5
Profit before taxation	5,561	5,376	185	3%	
Taxation	(543)	(542)	(1)	-	Immaterial
Total profit for the year	5,019	4,834	185	4%	
Other comprehensive expense after tax:					
- currency translation differences arising from	1,720	1,719	1	-	Immaterial
- Actuarial gain in respect of defined benefit pension plan	27	27	-		
Total comprehensive income for the year	6,766	6,580	186	3%	

STATEMENT OF COMPREHENSIVE INCOME (continued)

	Group				Note
	Audited FY2014 (RM'000) (A)	Unaudited FY2014 (RM'000) (B)	Differences (RM'000) (C = A – B)	Differences % (C/B)	
Total profit attributable to:					
Owners of the parent	4,794	4,795	(1)	-	Immaterial N.4
Non-controlling interests	224	39	185	474%	
	5,019	4,834	1,072		
Total comprehensive income attributable to:					
Owners of the parent	6,482	6,482	-		N.4
Non-controlling interests	283	98	185	189%	
	6,766	6,580	186		

STATEMENT OF FINANCIAL POSITION

	Group				Note
	Audited As at 31-Dec 2014 (RM'000) (A)	Unaudited As at 31-Dec 2014 (RM'000) (B)	Differences (RM'000) (C = A – B)	Differences % (C/B)	
ASSETS					
Non-Current					
Intangible assets	5,393	5,393	-		
Property, plant and equipment	34,222	34,222	-		
Subsidiaries	-	-	-		
Associated companies	-	-	-		
Oil and gas properties	24,943	24,943	-		
Prepayment	2,003	-	2,003	n.m.	N.6
Deferred tax assets	321	321	-		
	66,882	64,879	2,003		
Current					
Inventories	5,273	5,273	-		
Work-in-progress	100	100	-		
Trade and other receivables	93,907	97,545	(3,638)	-4%	N.6
Prepayment	1,717	-	1,717	n.m.	N.6
Fixed deposits	6,747	6,962	(215)	-3%	Immaterial
Cash and bank balances	21,920	21,705	215	1%	Immaterial
	129,664	131,585	(1,921)		
Total assets	196,546	196,464	82		
EQUITY					
Capital and Reserves					
Share capital	80,048	80,048	-		
Currency translation reserve	(1,834)	(1,834)	-		
Retained profits	8,446	8,422	24	-	Immaterial
	86,660	86,636	24		
Non-controlling interests	2,963	2,963	-		
Total Equity	89,623	89,599	24		

STATEMENT OF FINANCIAL POSITION (continued)

	Group				
	Audited As at 31-Dec 2014 (RM'000) (A)	Unaudited As at 31-Dec 2014 (RM'000) (B)	Differences (RM'000) (C = A – B)	Differences % (C/B)	Note
LIABILITIES					
Non-Current					
Bank borrowings	7,254	7,254	-		
Finance lease obligations	617	617	-		
Deferred tax liabilities	59	59	-		
Provision for post-employment benefit obligations	1,758	1,758	-		
Other payables	5,000	5,000	-		
Provision for decommissioning	1,954	1,954	-		
	16,642	16,642	-		
Current					
Trade and other payables	85,422	85,364	58	-	Immaterial
Progress billings	27	27	-		
Bank borrowings	4,099	4,099	-		
Finance lease obligations	374	374	-		
Current tax payable	359	359	-		
	90,281	90,223	58		
Total equity and liabilities	196,546	196,464	82		

	Company				
	Audited As at 31-Dec 2014 (RM'000) (A)	Unaudited As at 31-Dec 2014 (RM'000) (B)	Differences (RM'000) (C = A – B)	Differences % (C/B)	Note
ASSETS					
Non-Current					
Subsidiaries	67,454	67,454	-		
	67,454	67,454			
Current					
Prepayments	58	58	-		
Amount owing by subsidiaries	-	-	-		
Cash and bank balances	131	131	-		
	189	189			
Total assets	67,643	67,643			
EQUITY					
Capital and Reserves					
Share capital	80,048	80,048	-		
Accumulated losses	(12,884)	(12,884)	-		
	67,164	67,164			
LIABILITY					
Current					
Trade and other payables	479	479	-		
	479	479			
Total equity and liability	67,643	67,643			

CONSOLIDATED STATEMENT OF CASH FLOW

	Audited FY2014 (RM'000) (A)	Unaudited FY2014 (RM'000) (B)	Differences (RM'000) (C = A - B)	Differences % (C/B)	Note
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax	5,561	5,376	185	3%	Immaterial
Share of profits in associated companies	(517)	(695)	178	26%	N.4
Adjustments for:					
Provision for post-employment benefits	430	577	(147)	-25%	N.7
Property, plant and equipment written off	58	-	58	n.m.	N.8
Gain on disposal of property, plant and equipment	(44)	(61)	17	28%	N.9
Amortisation of intangible assets	461	465	(4)	-1%	Immaterial
Depreciation of property, plant and equipment	4,128	4,285	(157)	-4%	Immaterial
Gain on disposal of shares in associated Company	(8,903)	(8,905)	2	-	Immaterial
Impairment on inventories	-	141	(141)	-100%	N.10
Impairment on trade receivables	-	765	(765)	-100%	N.11
Waiver of debt by a creditor of a subsidiary	(380)	-	(380)	n.m.	N.9
Interest expense	1,246	1,657	(411)	-25%	N.9
Interest income	(495)	(212)	(283)	-133%	N.9
Operating profit before working capital changes	1,545	3,393	(1,848)		
Increase in inventories	(460)	(546)	86	16%	N.12
(Increase)/Decrease in work-in-progress	(6)	254	(260)	-102%	N.4
Decrease in operating receivables	46,448	21,207	25,241	119%	N.4
Decrease in operating payables	(51,921)	(30,509)	(21,412)	-70%	N.4
Increase in oil & gas properties	(18,347)	-	(18,347)	n.m.	N.13
Decrease in progress billings	(318)	(522)	204	39%	N.4
Cash used in operating activities	(23,059)	(6,723)	(16,336)		
Interest received	495	212	283	134%	N.9
Interest paid	(1,246)	(1,657)	411	25%	N.9
Tax paid	(5,580)	(1,194)	(4,386)	-367%	N.9
Net cash used in operating activities	(29,390)	(9,362)	(20,028)		
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipt for long term prepayment	-	1,093	(1,093)	-100%	N.9
Increase in exploration and evaluation works	-	(18,347)	18,347	100%	N.13
Acquisition of property, plant and equipment	(5,034)	(5,857)	823	14%	N.9
Proceeds from disposal of property, plant and equipment	161	257	(96)	-37%	N.9
Acquisition of intangible assets	(251)	(309)	58	19%	N.9
Proceeds from sales shareholdings of an associated company	27,536	27,507	29	-	Immaterial
Effect of reclassification of associated company as a subsidiary, net of cash required	24,669	-	24,669	n.m.	N.4
Net cash generated in investing activities	47,081	4,344	42,737		
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of finance lease obligations	(347)	(347)	-		
Bank borrowings repaid	(2,599)	(3,413)	814	24%	N.9
(Repayment to)/advances from a director	(6,411)	-	(6,411)	n.m.	N.9
(Increase)/Decrease in fixed deposits pledged	(6,719)	6,284	(13,003)	-207%	N.9
Net cash generated from financing activities	(16,076)	2,524	(18,600)		

	Audited FY2014 (RM'000) (A)	Unaudited FY2014 (RM'000) (B)	Differences (RM'000) (C = A - B)	Differences % (C/B)	Note
Net increase/(decrease) in cash and cash equivalents	1,615	(2,494)	4,109		
Cash and cash equivalents at beginning of year	17,474	23,421	(5,947)	-25%	N.4
Currency translation difference of cash and cash equivalents at beginning of year	881	(1,173)	2,054	175%	N.4
Cash and cash equivalents at end of year	19,970	19,754	216		

	Audited FY2014 (RM'000) (A)	Unaudited FY2014 (RM'000) (B)	Differences (RM'000) (C = A - B)	Differences % (C/B)	Note
<i>Cash and cash equivalents comprise:</i>					
Cash and bank balances	21,920	21,705	215	1%	Immaterial
Fixed deposits	6,747	6,962	(215)	-3%	Immaterial
	28,667	28,667	-		
Pledged fixed deposits	(8,697)	(8,913)	216	2%	Immaterial
Cash and cash equivalents at end of year	19,970	19,754	216		

Notes

N.1	The difference was due to the following:-	RM'000
	i) Effect of reclassification of an associated company as a subsidiary (the "Reclassification")	(741)
	ii) Adjustment on elimination of intercompany transactions which has affected exchange gain	93
		<u>(648)</u>
N.2	The difference was due to the following:-	RM'000
	i) Effect of the Reclassification	(2,346)
	ii) Being elimination of intercompany transactions and reclassification from other operating income	45
		<u>(2,301)</u>
N.3	The difference was due to the following:-	RM'000
	i) Effect of the Reclassification	(535)
	ii) Being reclassification of finance cost to other operating expenses [N.5]	(7)
		<u>(542)</u>
N.4	Effect of the Reclassification	
N.5	The difference was due to the following:-	RM'000
	i) Effect of the Reclassification	404
	ii) Being reclassification of finance cost to other operating expenses [N.3]	7
		<u>411</u>
N.6	The difference was due to the following:-	RM'000
	i) Effect of reclassification of trade & other receivables to non-current prepayment	2,003
	ii) Effect of reclassification of trade & other receivables to current prepayment	1,717
	iii) Others	(82)
		<u>3,638</u>

- N.7 Being adjustment made by the auditors of the respective companies in the Group, in deriving the post-employment benefits accrued in the financial statements
- N.8 Being adjustment made by the Company's auditors in which the respective disclosure item is omitted
- N.9 Being adjustment made by the Company's auditor in which the respective disclosure item is re-computed
- N.10 Being reclassification made to inventory
- N.11 Being reclassification made to trade and other receivables
- | | | |
|------|--|--------|
| N.12 | The difference was due to the following:- | RM'000 |
| | i) Being adjustment made for provision for slow moving stock | (34) |
| | ii) Being reclassification made to working capital | 141 |
| | iii) Being currency translation difference | (21) |
| | | 86 |
- N.13 Being reclassification from investing activities to operating activities

BY ORDER OF THE BOARD

CHRISTOPHER NGHIA DO

PRESIDENT & CEO

Date: 30 March 2015

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Canaccord Genuity Singapore Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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