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 THIRD QUARTER FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015 ("3Q2015")

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"). 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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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 30 September			9 months ended 30 September		
	2015 (3Q2015) (RM'000)	2014 (3Q2014) (RM'000)	% change Increase/ (decrease)	2015 (9M2015) (RM'000)	2014 (9M2014) (RM'000)	% change Increase/ (decrease)
	Unaudited	Unaudited		Unaudited	Unaudited	
Revenue	31,321	27,770	12.8	87,066	146,636	(40.6)
Cost of sales	(27,144)	(26,508)	2.4	(71,334)	(133,820)	(46.7)
Gross profit	4,177	1,262	231.0	15,732	12,816	22.8
Other operating income	195	423	(53.9)	5,096	9,826	(48.1)
Administration expenses	(6,013)	(5,699)	5.5	(16,458)	(16,685)	(1.4)
Exchange gain/(loss)	8,315	1,346	517.8	12,327	(128)	n.m.
Selling and distribution costs	(713)	(307)	132.3	(1,983)	(938)	111.4
Other operating expenses	187	(457)	n.m.	182	(659)	n.m.
Share of associated companies' results, net of tax	(109)	(284)	(61.6)	(182)	546	n.m.
Finance costs	(266)	(303)	(12.2)	(913)	(1,179)	(22.6)
Profit /(loss) before taxation	5,773	(4,019)	n.m.	13,801	3,599	283.5
Taxation	(720)	(60)	n.m.	(765)	(62)	n.m.
Profit/(loss) for the period	5,053	(4,079)	n.m.	13,036	3,537	268.6
Other comprehensive income after tax						
- currency translation differences arising from consolidation	6,749	453	n.m.	8,748	(457)	n.m.
Total comprehensive income/(loss) for the period, net of tax	11,802	(3,626)	n.m.	21,784	3,080	607.3
Total profit/(loss)attributable to:						
Owners of the parent	5,263	(4,012)	n.m.	13,351	3,644	266.4
Non-controlling interests	(210)	(67)	213.4	(315)	(107)	194.4
	5,053	(4,079)	n.m.	13,036	3,537	268.6
Total comprehensive income/(loss) attributable to:						
Owners of the parent	11,874	(3,559)	n.m.	21,897	3,190	586.4
Non-controlling interests	(72)	(67)	7.5	(113)	(110)	2.7
	11,802	(3,626)	n.m.	21,784	3,080	607.3

n.m. denotes not meaningful.

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

	Group					
	3 months ended 30 September			9 months ended 30 September		
	3Q2015 (RM'000) Unaudited	3Q2014 (RM'000) Unaudited	% change increase/ (decrease)	9M2015 (RM'000) Unaudited	9M2014 (RM'000) Unaudited	% change Increase/ (decrease)
Rental income	123	31	298.6	289	87	232.2
Interest income	20	9	122.2	36	50	(28.0)
Interest expense	(140)	(308)	(54.5)	(539)	(926)	(41.8)

	Group					
	3 months ended 30 September			9 months ended 30 September		
	3Q2015 (RM'000) Unaudited	3Q2014 (RM'000) Unaudited	% change increase/ (decrease)	9M2015 (RM'000) Unaudited	9M2014 (RM'000) Unaudited	% change Increase/ (decrease)
Depreciation of property, plant and equipment (include depreciation accounted for in cost of sales)	(1,103)	(862)	28.0	(3,144)	(2,594)	21.2
Amortisation of intangible assets (include amortisation accounted for in cost of sales)	(165)	(125)	32.0	(456)	(353)	29.2
Write back for doubtful debts	61	-	n.m.	61	-	n.m.
Gain on disposal of property, plant and equipment	9	20	(55.0)	71	81	(12.3)
Gain on disposal of intangible assets	-	-	-	-	4	n.m.
Gain on disposal of shares in associated company	-	-	-	-	8,905	n.m.
Intangible asset written off	56	-	n.m.	56	-	n.m.
Other income from claims settled by a sub-contractor	-	-	-	4,632	-	n.m.
Over provision for tax for prior years	4	-	n.m.	72	-	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 30 September 2015 (RM'000)	Audited As at 31 December 2014 (RM'000)	Unaudited As at 30 September 2015 (RM'000)	Audited As at 31 December 2014 (RM'000)
ASSETS				
Non-Current				
Intangible assets	-	-	6,379	5,393
Property, plant and equipment	-	-	37,682	34,222
Subsidiaries	96,600	67,453	-	-
Associate company	-	-	1,327	-
Investment	-	-	220	-
Oil and gas properties	-	-	55,000	24,943
Prepayments	-	-	-	2,003
Deferred tax assets	-	-	524	321
	96,600	67,453	101,132	66,882
Current				
Inventories	-	-	3,972	5,274
Work-in-progress	-	-	1,641	100
Trade and other receivables	69	-	83,212	93,907
Prepayments	57	59	1,468	1,717

	Company		Group	
	Unaudited As at 30 September 2015 (RM'000)	Audited As at 31 December 2014 (RM'000)	Unaudited As at 30 September 2015 (RM'000)	Audited As at 31 December 2014 (RM'000)
Fixed deposits	-	-	134	6,747
Cash and bank balances	886	131	20,712	21,920
	1,012	190	111,139	129,665
Total assets	**97,612**	**67,643**	**212,271**	**196,547**

EQUITY				
Capital and Reserves				
Share capital	97,704	80,048	97,704	80,048
Currency translation reserve	-	-	6,712	(1,834)
(Accumulated losses)/retained profits	(298)	(12,884)	20,676	8,446
	97,406	67,164	125,092	86,660
Non-controlling interests	-	-	1,381	2,963
	97,406	67,164	126,473	89,623
LIABILITIES				
Non-Current				
Bank borrowings	-	-	6,920	7,254
Finance lease obligations	-	-	323	617
Deferred tax liabilities	-	-	68	59
Provision for post-employment benefits	-	-	2,465	1,758
Advances from third party	-	-	5,000	5,000
Provision for decommissioning	-	-	2,494	1,955
	-	-	17,270	16,643
Current				
Trade and other payables	206	479	67,269	85,422
Advance billings	-	-	65	27
Bank borrowings	-	-	400	4,099
Finance lease obligations	-	-	313	374
Current tax payable	-	-	481	359
	206	479	68,528	90,281
Total equity and liabilities	**97,612**	**67,643**	**212,271**	**196,547**

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	**As at 30 September 2015 Secured (RM'000)**	**As at 31 December 2014 Secured (RM'000)**
Bank loans:		
- Bank loan # 1	-	1,165
- Bank loan # 2	7,320	7,518
	7,320	8,683
Bank overdraft	-	2,670

Group	**As at 30 September 2015 Secured (RM'000)**	**As at 31 December 2014 Secured (RM'000)**
Total Bank Borrowings	**7,320**	**11,353**
Finance lease obligations	636	991
Total Borrowings & Debt Securities	**7,956**	**12,344**
Amount repayable in one year or less, or on demand	713	4,473
Amount repayable after one year	7,243	7,871

Bank loan #1 and bank overdraft have been fully repaid as at 30 September 2015.

Details of collaterals

Details of collaterals of the above borrowings are as follows:-

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); and
- A corporate guarantee provided by IEV Holdings Limited.

The finance lease obligations from non-related parties are for the leasing of motor vehicles, computers and machinery and are secured by the underlying assets.

(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 9M2015 (RM'000)	**Unaudited 9M2014 (RM'000)**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	13,801	3,599
Adjustments for:		
Share of loss/(profit) in associated companies	182	(546)
Amortisation of intangible assets	456	353
Depreciation of property, plant and equipment	3,144	2,594
Provision for employees' benefits	413	572
Gain on disposal of shares in associated company	-	(8,905)
Gain on disposal of property, plant and equipment	(71)	(81)
Gain on disposal of intangible assets	-	(4)
Intangible asset written off	56	-
Write back for doubtful debts	(61)	-
Interest expenses	539	926
Interest income	(36)	(50)
Operating profit before working capital changes	18,423	(1,542)

	Group	
	Unaudited 9M2015 (RM'000)	**Unaudited 9M2014 (RM'000)**
CASH FLOWS FROM OPERATING ACTIVITIES (cont'd)		
Increase in work-in-progress	1,724	(857)
	(1,426)	(692)
Decrease / (Increase) in operating receivables	1,074	(24,707)
(Decrease) / Increase in operating payables	(5,657)	23,650
Increase in amount due from associated company	(5,452)	-
Decrease/(Increase) in progress billings	26	(345)
Cash generated from/(used in) operating activities	8,712	(4,493)
Interest received	36	50
Interest paid	(539)	(926)
Tax refund/(paid)	1,877	(1,735)
Net cash generated from/(used in) operating activities	10,086	(7,104)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for expenditure carried forward	-	(738)
Acquisition of property, plant and equipment	(4,805)	(2,975)
Acquisition of intangible assets	(237)	(193)
Increase in oil and gas properties	(19,601)	(9,165)
Investment in joint venture company	(220)	-
Proceeds from disposal of property, plant and equipment	542	168
Proceeds from disposal of investment in associated company	-	27,536
Effect of reclassification of subsidiary as associated company	(2,693)	-
Dividend paid	(1,020)	-
Net cash (used in)/generated from investing activities	(28,034)	14,633
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease obligations	(241)	(139)
Repayment of bank borrowings	(1,363)	(1,841)
Repayment of bank overdraft	(2,670)	-
Decrease in fixed deposits pledged	509	150
Proceeds from Rights Issue of Ordinary Shares	18,061	-
Transaction cost arising from Rights Issue	(405)	-
Net cash generated from / (used in) financing activities	13,891	(1,830)
Net (decrease)/increase in cash and cash equivalents	(4,057)	5,699
Cash and cash equivalents at beginning of period	19,970	17,474
Currency translation difference of cash and cash equivalents at beginning of year	2,989	44
Cash and cash equivalents at end of period	18,902	23,217
Cash and cash equivalents comprise:		
Cash and bank balances	18,902	24,546
Fixed deposits	1,944	498
Less: Pledged fixed deposits	(1,944)	(1,827)
Cash and cash equivalents at end of period	18,902	23,217

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)**	**Accumulated losses** **(RM'000)**	**Total** **(RM'000)**
Balance as at 1 July 2015	97,733	(10,304)	87,429
Less: Capitalised Rights Issue expenses	(29)	-	(29)
Less: Dividend payment	-	(1,020)	(1,020)
Total comprehensive income for the period	-	11,026	11,026
Balance as at 30 September 2015	97,704	(298)	97,406

Company **Previous Period**	**Share capital** **(RM'000)**	**Accumulated losses** **(RM'000)**	**Total** **(RM'000)**
Balance as at 1 July 2014	80,048	(14,216)	65,832
Total comprehensive loss for the period	-	(285)	(285)
Balance as at 30 September 2014	80,048	(14,501)	65,547

Group **Current Period**	**Share capital (RM'000)**	**Retained profits (RM'000)**	**Currency translation reserve (RM'000)**	**Total attributable to equity holders of the parent (RM'000)**	**Non-controlling interests (RM'000)**	**Total equity (RM'000)**
Balance as at 1 July 2015	97,733	16,457	101	114,291	2,924	117,215
Less: Dividend payment	-	(1,020)	-	(1,020)	-	(1,020)
Total comprehensive income for the period	-	5,263	6,611	11,874	4	11,878
Transaction with owner: - Capitalised Rights Issue expenses	(29)	-	-	(29)	-	(29)
Dilution in parent's share of subsidiary's net assets	-	(24)	-	(24)	24	-
Derecognised subsidiary to associated company	-	-	-	-	(1,571)	(1,571)
Balance as at 30 September 2015	97,704	20,676	6,712	125,092	1,381	126,473

Group **Previous Period**	**Share capital (RM'000)**	**Retained profits (RM'000)**	**Currency translation reserve (RM'000)**	**Total attributable to equity holders of the parent (RM'000)**	**Non-controlling interests (RM'000)**	**Total equity (RM'000)**
Balance as at 1 July 2014	80,048	11,010	(4,401)	86,657	1,540	88,197
Total comprehensive (loss)/income for the period	-	(4,011)	451	(3,560)	(65)	(3,625)
Balance as at 30 September 2014	80,048	6,999	(3,950)	83,097	1,475	84,572

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

Issued and paid-up shares	**Number of shares**	**Resultant issued and paid-up share capital (S$)**
Issued and paid-up share capital of the Company as at 30 June 2015	283,800,000	39,946,178
Issued and paid-up share capital of the Company as at 30 September 2015	283,800,000	39,935,753

There were no outstanding convertibles or share options granted as at 30 September 2015 and 30 September 2014.

There were no treasury shares held or issued as at 30 September 2015 and 30 September 2014.

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 September 2015	**As at 31 December 2014**
Number of issued shares excluding treasury shares	283,800,000	189,200,000

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 30 September 2015.

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

The Group has reassessed during the quarter ended 30 September 2015 and has determined that its 49%-owned entity previously classified as a subsidiary should have been an associated company. The effect of this has been reflected in the 9M2015 results but has no impact on the corresponding period in 9M2014. The statement of financial position as at 31 December 2014 has not been restated to reflect the change.

Except as disclosed above and in Note 5 below, the Group had 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 2014.

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 2015, 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 9M2015.

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>	3Q2015 (Malaysian sen)	3Q2014 (Malaysian sen)	9M2015 (Malaysian sen)	9M2014 (Malaysian sen)
Earnings/(loss) per ordinary share for the period based on the net profit/(loss) attributable to shareholders of the Company:				
(i) Basic	1.85	(2.12)	5.79	1.93
(ii) On a fully diluted basis	1.85	(2.12)	5.79	1.93
Weighted average number of ordinary shares	283,800,000	189,200,000	230,782,418	189,200,000

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

The basic and diluted earnings/(loss) per ordinary share for each of 3Q2015, 3Q2014, 9M2015 and 9M2014 were the same as there were no potentially dilutive ordinary shares existing during 3Q2015, 3Q2014, 9M2015 and 9M2014 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 September 2015	As at 31 December 2014
Group	44.1	45.8
Company	34.3	35.5

Net asset value per ordinary share as at 30 September 2015 and 31 December 2014 have been calculated based on the aggregate number of ordinary shares of 283,800,000 and 189,200,000 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 September 2015 and 2014

Business sector	3Q2015			3Q2014		
	Revenue (RM'000)	Gross Profit/(Loss) (RM'000)	Gross Profit/(Loss) Margin (%)	Revenue (RM'000)	Gross Profit/(Loss) (RM'000)	Gross Profit/(Loss) Margin (%)
Mobile Natural Gas Sector						
Mobile Natural Gas	10,415	(1,427)	(13.7%)	8,830	777	8.8%
Offshore Engineering Sector						
Integrated Engineering Solutions	9,149	5,094	55.7%	3,925	1,977	50.4%
Turnkey projects	11,757	510	4.3%	15,015	(1,492)	(9.9%)
Total Offshore Engineering Sector	20,906	5,604	26.8%	18,940	485	2.6%
Total	**31,321**	**4,177**	**13.3%**	**27,770**	**1,262**	**4.5%**

Nine Months ended 30 September 2015 and 2014

Business sector	9M2015			9M2014		
	Revenue (RM'000)	Gross Profit (RM'000)	Gross Profit Margin %	Revenue (RM'000)	Gross Profit (RM'000)	Gross Profit Margin %
Mobile Natural Gas Sector						
Mobile Natural Gas	30,568	666	2.2%	30,303	3,748	12.4%
Offshore Engineering Sector						
Integrated Engineering Solutions	29,994	12,545	41.8%	22,815	8,783	38.5%
Turnkey projects	26,504	2,521	9.5%	93,518	285	0.3%
Total Offshore Engineering Sector	56,498	15,066	26.7%	116,333	9,068	7.8%
Total	**87,066**	**15,732**	**18.1%**	**146,636**	**12,816**	**8.7%**

Revenue

Total revenue for the Group increased by 12.8% from RM27.8 million in 3Q2014 to RM31.3 million in 3Q2015. This increase was contributed by both the Mobile Natural Gas Sector ("MNGS") and Offshore Engineering Sector ("OES") reflecting overall increased business activities as compared to the previous corresponding quarter.

Total 9-month revenue for the Group experienced a decline of 40.6% from RM146.6 million in 9M2014 to RM87.1 million in 9M2015. Revenue contribution from OES in 9M2015 declined by 51.4% from RM116.3 million in 9M2014 to RM56.5 million, mainly due to lower turnkey project revenue. In 9M2015, there was no similar size turnkey project as the award of the FPSO Perintis decommissioning contract in 9M2014. MNGS recorded steady revenue of RM30.6 million in 9M2015 as compared to RM30.3 million in 9M2014.

Gross Profit

The Group's gross profit for 3Q2015 increased by 231% to RM4.2 million, from RM1.3 million in 3Q2014. The increase in gross profit was attributable to Integrated Engineering Solutions ("IES"), which contributed gross profit of RM5.1 million for 3Q2015 and RM12.5 million for 9M2015. This was due to the high gross profit margin of the Group's proprietary products and services. MNGS for 3Q2015 recorded a gross loss of RM1.4 million from a gross profit of RM0.8 million for 3Q2014. This gross loss arose from a dispute on road access to its EJ-1 CNG mother station, resulting in the need to purchase CNG at higher cost from alternate suppliers and the incurrence of higher transportation expenses. This CNG supply disruption is expected to end when a second CNG mother station, EJ-2, is commissioned and begin operation in the fourth quarter ending 31 December 2015. Due to the said CNG supply disruption, MNGS gross profit for 9M2015 had declined by 81.1% to RM0.7 million from RM3.7 million recorded in 9M2014. Legal action has commenced to recover said losses from the defendant.

The gross profit of the Group was RM15.7 million for 9M2015 compared with RM12.8 million for 9M2014. The increase of RM2.9 million or 22.8% was mainly attributable to higher gross profit margin from OES and partially offset by lower gross profit margins from MNGS for reasons given above.

The Group's gross profit margin for 3Q2015 increased to 13.3% from 4.5% in 3Q2014 whilst the Group's gross profit margin in 9M2015 increased to 18.1% from 8.7% in 9M2014. These were mainly due to (i) an improvement in IES' gross profit margin in 3Q2015 at 55.7% (from 50.4% in 3Q2014) and 41.8% in 9M2015 (from 38.5% in 9M2014); (ii) a decrease in turnkey project business activities in 3Q2015 and 9M2015, which generally has lower gross profit margins; and (iii) partially offset by a decline in the gross profit margin of MNGS, mainly as a result of CNG supply disruption to its EJ-1 mother station.

Other Operating Income

Other operating income of the Group comprised rental income, interest income and administrative fees charged on the purchases of goods and services on behalf of principals and alliance partners during the execution of various projects.

Other operating income for 3Q2015 decreased to RM0.2 million from RM0.4 million for 3Q2014. The decrease for 3Q2015 was mainly attributed to lower administrative fees earned for providing services to the Group's principals and alliance partners for the purchase of goods and services.

Other operating income for 9M2015 of RM5.1 million was mainly due to the global settlement agreement reached with Allison Marine Contractors II LLC ("AMC") in full and final settlement of all claims in relation to the D21 turnkey project. The settlement amount included the sum of RM6.9 million deposited by AMC as performance guarantee for the project, less the cost of the project works the Group had incurred on behalf of AMC. In comparison, the other operating income for 9M2014 of RM9.8 million was mainly due to a one-time gain of RM8.9 million on the divestment of the Group's equity interest in its associated company, CNG Vietnam.

Exchange Gain/(Loss)

The Group recorded an exchange gain of RM8.3 million in 3Q2015 as compared to an exchange gain of RM1.3 million in 3Q2014. The said exchange gain was mainly due to the significant strengthening of US dollar against the Ringgit Malaysia during 3Q2015, as a significant portion of the Company's advances to the subsidiaries is denominated in US dollars.

For the same reason given above, the Group recorded an exchange gain of RM12.3 million in 9M2015. In comparison, the Group recorded an exchange loss of RM0.1 million for 9M2014 due to the weakening of US dollar against Ringgit Malaysia during 9M2014.

Administrative Expenses

Administrative expenses in 3Q2015 were RM6.0 million as compared to RM5.7 million in 3Q2014. Administrative expenses in 9M2015 were RM16.5 million as compared to RM16.7 million in 9M2014. Cost reduction initiatives in 9M2015 undertaken by the Group had been partially offset by general and administrative costs related to the drilling and work over of the twin wells for the Pabuaran KSO project, which were capitalised for 9M2014.

Selling and Distribution Costs

Selling and distribution costs represent commission payable to agents for sales made for the Group. Selling and distribution costs for 3Q2015 increased to RM0.7 million from RM0.3 million in 3Q2014, mainly due to increased sales of the Group's proprietary marine growth prevention products. For 9M2015, selling and distribution costs rose to RM2.0 million from RM0.9 million in 9M2014, for the same reason given for 3Q2015.

Share of Associated Companies' Results, Net of Tax

Share of associated companies' results for 3Q2015 recorded a lower after-tax loss of RM0.1 million compared to an after-tax loss of RM0.3 million for 3Q2014. This is due to higher profit contribution from the OES of an associate company for 3Q2015.

Share of associated companies' results for 9M2015 was recorded as a loss of RM0.2 million as compared to a gain of RM0.5 million in 9M2014 due to the cessation of profit contribution from CNG Vietnam JSC subsequent to the Group's divestment of its equity interest in the company in FY2014.

Finance Costs

Finance costs for both 3Q2015 and 3Q2014 remained steady at RM0.3 million. Finance cost for 9M2015 decreased to RM0.9 million from RM1.2 million in 9M2014 mainly due to the full settlement of a US$2.0 million bank term loan in 2Q2015.

Profit Before Taxation

For reasons set out above, the Group recorded a profit before taxation of RM5.8 million for 3Q2015 as compared to a loss before taxation of RM4.0 million for 3Q2014, and profit before taxation of RM13.8 million for 9M2015 and RM3.6 million for 9M2014.

Review of Statement of Financial Position

Non-Current Assets

Net book value of intangible assets increased by RM1.0 million to RM6.4 million as at 30 September 2015, from RM5.4 million as at 31 December 2014, due to the acquisition of licensing rights for the Oxifree corrosion control technology.

Net carrying value of property, plant and equipment increased by RM3.5 million to RM37.7 million as at 30 September 2015 from RM34.2 million as at 31 December 2014. This was due to (i) capital expenditure for the biomass plant in Vietnam and the construction of the second East Java CNG mother station; and (ii) acquisition of operational equipment for various subsidiaries, partially offset by depreciation charges.

Oil and gas properties increased by RM30.1 million to RM55.0 million as at 30 September 2015, from RM24.9 million as at 31 December 2014, as the Group continues on the drilling and work over of twin wells of existing oil and gas discoveries in the Pabuaran KSO Block, West Java, Indonesia.

Current Assets

Inventories decreased by RM1.3 million to RM4.0 million as at 30 September 2015, from RM5.3 million as at 31 December 2014. The decrease was mainly due to the usage of spares and consumables for drilling works at the Pabuaran KSO Block.

Trade and other receivables decreased by RM10.7 million to RM83.2 million as at 30 September 2015, from RM93.9 million as at 31 December 2014, due mainly to the settlement of OES project invoices including the final settlement of a turnkey project and offset by increased business activities in the IES segment.

The current portion of prepayments, which comprised project related advances and prepaid operating expenses marginally decreased to RM1.5 million as at 30 September 2015, from RM1.7 million as at 31 December 2014. This was attributable to projects reaching billing milestones which allowed project prepayments be billed to clients.

Capital and Reserves

Currency translation reserve reversed to a gain of RM6.7 million as at 30 September 2015, from a loss of RM1.8 million as at 31 December 2014, mainly due to the significant appreciation of the US dollar against Ringgit Malaysia.

Retained profits for the Group increased by RM12.2 million to RM20.7 million as at 30 September 2015, from RM8.4 million as at 31 December 2014, due to the profits recorded for 9M2015 and offset by interim dividend of RM1.0 million.

Non-Current Liabilities and Current Liabilities

Bank borrowings (current and non-current portions) decreased by RM4.1 million to RM7.3 million as at 30 September 2015, from RM11.4 million as at 31 December 2014. This was mainly due to bank repayments including the repayment of an overdraft and the full settlement of a US$2.0 million bank term loan.

Trade and other payables decreased by RM18.2 million to RM67.2 million as at 30 September 2015, from RM85.4 million as at 31 December 2014, which was in line with the settlement of OES project invoices including the final settlement of a turnkey project in 1Q2015.

The Group has a positive working capital of RM42.6 million as at 30 September 2015 as compared to RM39.4 million as at 31 December 2014.

Review of Statement of Cash Flows

The Group recorded net cash generated from operating activities of RM10.1 million for 9M2015. This was mainly due to (i) an operating profit of RM18.4 million; (ii) decrease in operating receivables of RM1.1 million; (iii) net tax refund of RM1.9 million; and (iv) decrease in inventories of RM1.7 million; which was partially offset by (v) a decrease in operating payables of RM5.7 million; (vi) an increase in amounts due from an associate company of RM5.4 million; and (vii) an increase in work-in-progress works of RM1.4 million.

Net cash used in investing activities which amounted to RM28.0 million was mainly due to (i) an increase in oil and gas properties of RM19.6 million; (ii) the net acquisition of property, plant and equipment of RM4.8 million; and (iii) dividend payment to shareholders of RM1.0 million in September 2015. Net cash generated from financing activities of RM13.9 million was mainly due to the proceeds from rights issue and partially offset by repayment of bank borrowings and overdraft.

As a result, after taking into account the currency translation difference of RM3.0 million, the cash and cash equivalents balance was RM18.9 million as at 30 September 2015, as compared to RM23.2 million as at 30 September 2014.

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

In general, the factors that may significantly affect the Group in the next 12 months are:-

(i) The state of the oil & gas industry, especially the movement of energy prices;
(ii) The intensity of competition in the oil services industry; and
(iii) The fluctuations of the US Dollar against the Malaysian Ringgit.

Oil prices continue to stay below USD50 per barrel due to low global demand. This in turn has impacted the price of Liquefied Natural Gas ("LNG"), which has also declined significantly since 2014. Oil and gas producers as well as oil service companies have taken decisive steps to implement cost cutting initiatives throughout their organization to weather a prolonged low oil price environment.

The impact of low oil prices on the Group's performance is however, limited at this time mainly due to (i) low net gearing ratio; (ii) business diversification; and (iii) US Dollar denominated earnings. The Group will continue to invest and develop cost saving solutions to help lower operating and development costs for its customers in the engineering sector. Concurrently, the Group is intensifying its downstream gas and biomass distribution business activities, and enhancing its competitive advantage through a number of vertical integration plans. The long-term infrastructure development for gas distribution throughout Asia remains one of the primary corporate key performance indicators of the Group.

Offshore Engineering Sector ("OES")

The Group has received a substantial number of contract awards from its Marine Growth Control Business Unit, which continues to contribute significant gross profit to OES. The Group is also intensifying its business development plans for the newly-acquired Oxifree distributorships throughout the region, and target all existing industrial facilities and plants, where Oxifree could offer a long-term cost saving solution to the corrosion challenge of ageing assets.

The Group has also received a number of new contract awards from engineering, procurement, construction, installation and commissioning ("EPCIC") contracts in India, where the pace of new field developments has not been affected by the decline of oil price. However, due to intense competition, there is greater pressure on the margin for subsea services. Although, there are new opportunities for EPCIC from a number of Asian countries, the sign of slowdown in new field activities is evident and as a result, it is foreseen that services offered to new field developments could be contracting further in FY2016 and FY2017. The Group continues to look for niche opportunities to offer its platform reuse and decommissioning solutions where it can offer cost savings to both sellers and buyers of reuse facilities.

Engineering work for the Malikai Tension Leg Platform installation is ongoing and barring any unforeseen circumstances, the offshore installation phase will take place in the second half of 2016.

Mobile Natural Gas Sector ("MNGS")

The construction of a mother station site on the East Coast of Peninsular Malaysia shall commence in the fourth quarter of 2015 and will be completed by the end of first quarter of 2016. Barring any unforeseen circumstances, the new supply chain is expected to be operational in the second quarter of 2016. Meanwhile, Gas Malaysia IEV Sdn Bhd has commenced identifying customers for its second mother station in Kinta Valley on the West Coast of Peninsular Malaysia. The feasibility study for the second CNG supply chain will be completed by the fourth quarter of 2015.

Barring any unforeseen circumstances, the new compression station in Cikarang, EJ-2, is expected to commence operation within the month of November 2015. Once EJ-2 goes into operation, the financial performance of PT IEV Gas is expected to improve significantly due to access to large source of more competitively priced feed gas supply. Meanwhile, the land dispute case related to EJ-1 operation is currently being heard by the Courts of Bekasi and, barring unforeseen circumstances is expected to conclude in the first quarter of 2016.

The Group plans to commercialise natural gas from its Pabuaran KSO Block to implement its integrated energy plan in West Java. The vertical integration plan of upstream and downstream gas operations in West Java is the medium term strategy that should give the Group a competitive advantage to increase its market share in the mobile natural gas market as well as feed gas to consider entry to other natural gas markets such as power generation or transport.

A number of feasibility studies in the mobile natural gas sector is being conducted by the Group in the region, including: (i) North Sumatra LNG project; (ii) LNG supply chain in Singapore, and (iii) LNG infrastructure development in the State of Tamil Nadu, India.

Exploration and Production Sector ("EPS")

The Group has recently submitted a bank guarantee to Pertamina to extend its firm work commitment period for another 2 years starting from November 2015.

Meanwhile, the tender process for all procurement and services for the workover program is nearing completion. Due to the depreciation of the Indonesian Rupiah and drop in service rates, the Group is expected to save its workover costs by up to 30%.

Although the current oil glut will negatively impact the cost recovery period from oil production, the gas price from Pabuaran KSO is expected to remain unchanged and as such, the Group intends to proceed with the plan of development for gas from the KSO.

The Group is also planning its strategy for the vertical integration of its West Java gas operation to enhance its competitive advantage and diversify its customer base from industrial to power generation and transport sectors, taking advantage of the gas source from the KSO.

Renewable Energy Sector ("RES")

The rice husk briquetting plant in Vietnam is 90% completed as of 31 October 2015 and is expected to be commissioned in December 2015. The Group plans to ramp up production from the month of February 2016, or the start of the winter and spring rice harvest season, when rice husk is abundant and feed cost is at its lowest price. Excess stocks will be stored at the Group's large warehouse and sold in the low rice harvest season. The Group will also study the viability of producing wood chips from the MK-1 plant during the low rice harvest season as a supplementary biomass crop.

Further research into the downward integration plan of producing steam for industrial usage and biomass stove for cooking and heating is also part of the long-term development of the renewable energy sector.

Barring any unforeseen circumstances, the Group is cautiously optimistic on the business outlook for the next twelve months.

11. If a decision regarding dividend has been made:

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

Yes. An interim dividend has been declared in the previous quarter ended 30 June 2015.

Name of dividend	First Interim
Dividend type	Cash
Dividend amount per ordinary share	0.36 Malaysian sen
Tax rate	Tax Exempted (1-tier)
Date paid	30 September 2015
Book closure date	18 September 2015

(b) Previous corresponding period/rate %

None.

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

Not applicable.

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 Rights Issue

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 94.6 million new ordinary shares at an issue price of S$0.07 per share in the capital of the Company through a Rights Issue Exercise (the "Rights Issue"), which was completed in June 2015. The net proceeds of approximately S$6.47 million (after deducting expenses of approximately S$0.15 million incurred by the Company in connection with the Rights Issue) have been utilised as follows:

Use of Proceeds	**Amount allocated (as announced on 8 May 2015) (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	4,400	4,400	-
(ii) Construction of Vietnam biomass plant	1,500	1,461	39
(iii) CNG Supply Chain in Malaysia	500	438	62
(iv) General Working Capital	70	70	-
Net proceeds from the Placement	6,470	6,369	101

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

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 third quarter and nine months financial period ended 30 September 2015 to be 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

Date: 13 November 2015