



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 ("2Q2020") AND HALF YEAR ("1H2020") ENDED 30 JUNE 2020

*In view of the material uncertainty relating to going concern issued by the Company's independent auditor, Deloitte Touche LLP, on the audited financial statements of the Group for the financial ended 31 December 2019, the Company is required by the Singapore Exchange Securities Trading Limited ("**Exchange**") to announce its quarterly financial statements pursuant to Catalist Rule 705.*

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

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.

The contact person for the Sponsor is Mr. Ong Hwee Li, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210.

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 2Q2020 (RM'000)	Unaudited 2Q2019 (RM'000)	% change Increase/ (decrease)	Unaudited HY2020 (RM'000)	Unaudited HY2019 (RM'000)	% change Increase/ (decrease)
Revenue	2,851	1,216	134.5	3,165	4,069	(22.2)
Cost of sales	(478)	(561)	(14.8)	(667)	(2,827)	(76.4)
Gross profit	2,373	655	262.3	2,498	1,242	101.1
Other operating income	1,497	79	n.m.	1,589	83	n.m.
Administration expenses	(3,394)	(2,225)	52.5	(7,239)	(4,532)	59.7
Exchange loss	(331)	(197)	68.0	(162)	(95)	70.5
Selling and distribution costs	(547)	(98)	458.2	(547)	(108)	406.5
Other operating expenses	(13)	(39)	(66.7)	(20)	(191)	(89.5)
Share of results of associate	-	(46)	n.m.	-	(75)	n.m.
Finance costs	(221)	(74)	198.6	(453)	(149)	204.0
Loss before tax	(636)	(1,945)	(67.3)	(4,334)	(3,825)	13.3
Income tax	4	77	(94.8)	4	77	(94.8)
Loss for the period from continuing operations	(632)	(1,868)	(66.2)	(4,330)	(3,748)	15.5
Discontinued operations ^(a)						
Loss for the period from discontinued operations	(25)	(199)	(87.4)	(31)	(295)	(89.5)
Loss for the period	(657)	(2,067)	(68.2)	(4,361)	(4,043)	7.9
Other comprehensive income/ (loss) after tax						
- exchange differences on translation of foreign operations	413	(5)	n.m.	278	(128)	n.m.
Total comprehensive loss for the period, net of tax	(244)	(2,072)	(88.2)	(4,083)	(4,171)	(2.1)
Total loss attributable to:						
Owners of the Company						
- Continuing operations	(632)	(1,866)	(66.1)	(4,330)	(3,631)	19.3
- Discontinued operations	(25)	(199)	(87.4)	(31)	(295)	(89.5)
Non-controlling interests	-	(2)	n.m.	-	(117)	n.m.
	(657)	(2,067)	(68.2)	(4,361)	(4,043)	7.9
Total comprehensive loss attributable to:						
Owners of the Company	(244)	(2,071)	(88.2)	(4,083)	(4,052)	0.8
Non-controlling interests	-	(1)	n.m.	-	(119)	n.m.
	(244)	(2,072)	(88.2)	(4,083)	(4,171)	(2.1)

n.m. denotes not meaningful.

Notes:

- a) 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 30 June ("2Q")			6 months ended 30 June ("HY")		
	Unaudited 2Q2020 (RM'000)	Unaudited 2Q2019 (RM'000)	% change increase/ (decrease)	Unaudited HY2020 (RM'000)	Unaudited HY2019 (RM'000)	% change Increase/ (decrease)
Rental income	69	58	19.0	69	58	19.0
Interest income	-	1	n.m.	-	1	n.m.
Interest expense	(221)	(74)	198.6	(453)	(149)	204.0
Depreciation of property, plant and equipment (include depreciation accounted for in cost of sales)	(119)	(175)	(32.0)	(238)	(362)	(34.3)
Depreciation of right-of-use assets ^(a)	(1,421)	(70)	n.m.	(2,826)	(139)	n.m.
Write back of impairment of property, plant and equipment	105	8	n.m.	162	-	n.m.
Write back impairment of receivables	1,161	-	n.m.	1,161	-	n.m.
Impairment of VAT receivables	(4)	-	n.m.	(4)	-	n.m.
Gain on disposal of property, plant and equipment	-	21	n.m.	-	21	n.m.
Property, plant and equipment written off	(1)	(8)	(87.5)	(1)	(8)	(87.5)
Write back allowance / (Allowance) of inventories	30	-	n.m.	30	(132)	n.m.
Amortisation of intangible assets (include amortisation accounted for in cost of sales)	(13)	(13)	-	(25)	(29)	(13.8)
Deferred tax/income tax credit/(charge) in respect to prior years	4	77	(94.8)	4	77	(94.8)

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 2Q2020 (RM'000)	Unaudited 2Q2019 (RM'000)	% change Increase/ (decrease)	Unaudited HY2020 (RM'000)	Unaudited HY2019 (RM'000)	% change Increase/ (decrease)
Revenue	-	-	n.m.	-	-	n.m.
Cost of sales	-	-	n.m.	-	-	n.m.
Gross profit	-	-	n.m.	-	-	n.m.
Other operating income	-	6	n.m.	-	6	n.m.
Administration expenses	(19)	(58)	(67.2)	(26)	(126)	(79.4)
Exchange gain/(loss)	(6)	(83)	(92.8)	(5)	8	n.m.
Other operating expenses	-	(64)	n.m.	-	(183)	n.m.
Finance cost	-	-	n.m.	-	-	n.m.
Loss before tax	(25)	(199)	(87.4)	(31)	(295)	(89.5)
Income tax	-	-	-	-	-	-
Loss for the period from discontinued operations	(25)	(199)	(87.4)	(31)	(295)	(89.5)

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 2020 (RM'000)	Audited As at 31 December 2019 (RM'000)	Unaudited As at 30 June 2020 (RM'000)	Audited As at 31 December 2019 (RM'000)
ASSETS				
Current				
Cash and bank balances	360	1,311	2,977	2,994
Trade receivables	-	-	2,335	995
Other receivables and prepayments	11,224	95	1,757	584
Inventories	-	-	917	971
Contract costs	-	-	443	-
	11,584	1,406	8,429	5,544
Non-current				
Property, plant and equipment	-	-	250	203
Right-of-use assets	-	-	10,365	12,679
Goodwill	-	-	6,133	6,133
Intangible assets	-	-	8	33
Subsidiaries	7,089	7,009	-	-
Other receivables and prepayments	-	-	5,486	5,739
	7,089	7,009	22,242	24,787
Total assets	18,673	8,415	30,671	30,331
LIABILITIES AND EQUITY				
Current				
Bank overdrafts	-	-	1,955	2,281
Trade payables	-	-	1,769	2,013
Other payables and other provisions	1,216	1,216	4,615	9,429
Contract liabilities	-	-	580	34
Advances from a related party	-	-	428	409
Lease liabilities	-	-	5,592	5,201
Income tax payables	-	-	1	23
	1,216	1,216	14,940	19,390
Non-current				
Lease liabilities	-	-	4,936	7,522
	-	-	4,936	7,522
Total liabilities	1,216	1,216	19,876	26,912
Capital and reserves				
Share capital	119,133	107,674	119,133	107,674
Treasury shares	(38)	(38)	(38)	(38)
Currency translation reserve	60	(188)	2,039	1,761
Capital reserve	3,526	3,526	3,526	3,526
Accumulated losses	(105,224)	(103,775)	(113,836)	(109,475)
Equity attributable to owners of the Company	17,457	7,199	10,824	3,448
Non-controlling interests	-	-	(29)	(29)
Total equity	17,457	7,199	10,795	3,419
Total liabilities and equity	18,673	8,415	30,671	30,331

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 2020 Secured (RM'000)	Audited As at 31 December 2019 Secured (RM'000)
Bank overdrafts	1,955	2,281
Total	1,955	2,281

Amount repayable in one year or less, or on demand	1,955	2,281
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 2Q2020 (RM'000)	Unaudited 2Q2019 (RM'000)	Unaudited HY2020 (RM'000)	Unaudited HY2019 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax				
From continuing operations	(636)	(1,945)	(4,334)	(3,825)
From discontinued operations	(25)	(199)	(31)	(295)
	(661)	(2,144)	(4,365)	(4,120)
Adjustments for:				
Share of results of associate	-	46	-	75
Amortisation of intangible assets	13	13	25	29
Depreciation of property, plant and equipment	119	175	238	362
Depreciation of right-of-use assets	1,421	70	2,826	139
Gain on disposal of property, plant and equipment	-	(21)	-	(21)
Property, plant and equipment written off	1	8	1	8
(Write back of allowance of inventories) / Allowance of inventories	(30)	-	(30)	132
Write back impairment of property, plant and equipment	(105)	(8)	(162)	-
Write back impairment of receivables	(1,161)	-	(1,161)	-
Impairment of VAT receivables	4	-	4	-
Interest expense	221	74	453	149
Interest income	-	(1)	-	(1)
Operating loss before working capital changes	(178)	(1,788)	(2,171)	(3,248)
Long term other receivables and prepayment	316	17	316	16
Inventories	153	15	92	(9)
Contract costs	(332)	(4)	(440)	987
Trade and other receivables and prepayments	(1,963)	99	(2,007)	5,136
Contract liabilities	419	11	542	(2,645)
Trade and other payables	1,547	(27)	(860)	(1,519)
Amount due from an associate	598	265	1,147	(97)
Cash generated from/ (used in) operating activities (before renovation works)	560	(1,412)	(3,381)	(1,379)

Other payables – renovation works	(33)	-	(4,516)	-
Cash generated from/ (used in) operating activities	527	(1,412)	(7,897)	(1,379)
Interest received	-	1	-	1
Interest paid	(67)	(74)	(130)	(149)
Post-employment benefit paid	-	(53)	-	(53)
Tax (paid) /refunded	(29)	239	(41)	251
Net cash generated from/(used in) operating activities	431	(1,299)	(8,068)	(1,329)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(51)	(27)	(119)	(56)
Proceeds from disposal of property, plant and equipment	-	23	-	23
Net cash used in investing activities	(51)	(4)	(119)	(33)
CASH FLOWS FROM FINANCING ACTIVITIES				
Lease payments	(1,526)	(68)	(3,031)	(135)
Repayment of bank borrowings	(1)	-	(1)	-
Advances from related party	(84)	-	-	-
Proceeds from issuance of ordinary shares	-	6,095	11,490	6,095
Capitalised transaction costs of issuance of ordinary shares	-	(285)	(31)	(285)
Net cash (used in)/generated from financing activities	(1,611)	5,742	8,427	5,675
Net (decrease)/increase in cash and cash equivalents	(1,231)	4,439	240	4,313
Cash and cash equivalents at beginning of period/year	2,154	(2,056)	647	(1,925)
Currency translation difference of cash and cash equivalents at beginning of period/year	30	25	66	20
Cash and cash equivalents at end of period	953	2,408	953	2,408
Cash and cash equivalents comprise:				
Cash and bank balances	2,908	4,873	2,908	4,873
Fixed deposits	69	66	69	66
	2,977	4,939	2,977	4,939
Less: Pledged fixed deposits	(69)	(66)	(69)	(66)
Less: Bank overdrafts	(1,955)	(2,465)	(1,955)	(2,465)
Cash and cash equivalents at end of period	953	2,408	953	2,408

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)	Capital reserve (RM'000)	Currency translation reserve (RM'000)	Total (RM'000)
Balance as at 1 April 2020	119,133	(38)	(104,559)	3,526	(168)	17,894
Total comprehensive loss for the period	-	-	(665)	-	228	(437)
Balance as at 30 June 2020	119,133	(38)	(105,224)	3,526	60	17,457

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 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	

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 2020	119,133	(38)	(113,179)	3,526	1,626	11,068	(29)	11,039
Loss for the period	-	-	(657)	-	-	(657)	-	(657)
Other comprehensive income	-	-	-	-	413	413	-	413
- Currency translation difference arising from consolidation	-	-	-	-	-	-	-	-
Total comprehensive loss	-	-	(657)	-	413	(244)	-	(244)
Transaction with owner	-	-	-	-	-	-	-	-
Balance as at 30 June 2020	119,133	(38)	(113,836)	3,526	2,039	10,824	(29)	10,795

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 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	-	-	-	-	(6)	(6)	1	(5)
- Currency translation difference arising from consolidation	-	-	-	-	-	-	-	-
Total comprehensive loss	-	-	(2,065)	-	(6)	(2,071)	(1)	(2,072)
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)

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 (\$\$)
Issued and paid-up share capital of the Company as at 31 March 2020 and 30 June 2020 (excluding treasury shares)	487,674,594	47,091,018

There were no changes in the share capital of the Company from 1 April 2020 to 30 June 2020. There were no outstanding convertibles, share options or subsidiary holdings as at 30 June 2020 and 30 June 2019.

	As at 30 June 2020	As at 30 June 2019
Total number of treasury shares	200,000	200,000
Total number of ordinary shares	487,674,594	365,512,632
% of treasury shares over total number of ordinary shares	0.04%	0.05%

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 2020	As at 31 December 2019
Number of issued shares of the Company	487,874,594	411,874,594
Share buy-backs held as treasury shares	(200,000)	(200,000)
Number of issued shares excluding treasury shares	487,674,594	411,674,594

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 2020.

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 2020.

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.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:
a) Updates on the efforts taken to resolve each outstanding audit issue.
b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable as the Group's audit opinion is with respect to a material uncertainty related to going concern.

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 2019.

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 2020, 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 2Q2020 and HY2020.

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	2Q2020 (Malaysian sen)	2Q2019 (Malaysian sen)	HY2020 (Malaysian sen)	HY2019 (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	(0.13)	(0.57)	(0.90)	(1.19)
- from discontinued operations	(0.01)	(0.06)	(0.01)	(0.10)
	(0.14)	(0.63)	(0.91)	(1.28)
(ii) On a fully diluted basis	(0.14)	(0.63)	(0.91)	(1.28)
Weighted average number of ordinary shares	487,674,594	326,831,313	482,246,023	306,286,113

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 2Q2020, 2Q2019, HY2020 and HY2019 were the same as there were no potentially dilutive instruments existing during 2Q2020, 2Q2019, HY2020 and HY2019 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 2020	As at 31 December 2019
Group	2.2	0.8
Company	3.6	1.7

Net asset value per ordinary share as at 30 June 2020 and 31 December 2019 have been calculated based on the aggregate number of ordinary shares (excluding treasury shares) of 487,674,594 and 411,674,594 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 2020

Business sector	2Q2020			2Q2019		
	Revenue (RM'000)	Gross Profit (RM'000)	Gross Profit Margin (%)	Revenue (RM'000)	Gross Profit (RM'000)	Gross Profit Margin (%)
<u>Continuing Operations</u>						
Asset Integrity Management (“AIM”) Sector	2,672	2,298	86.0	1,216	655	53.9
Healthcare Sector	179	75	41.9	-	-	-
Total from continuing operations	2,851	2,373	83.2	1,216	655	53.9

Six Months ended 30 June 2020

Business sector	HY2020			HY2019		
	Revenue (RM'000)	Gross Profit (RM'000)	Gross Profit Margin (%)	Revenue (RM'000)	Gross Profit (RM'000)	Gross Profit Margin (%)
<u>Continuing Operations</u>						
Asset Integrity Management (“AIM”) Sector	2,824	2,341	82.9	4,069	1,242	30.5
Healthcare Sector	341	157	46.4	-	-	-
Total from continuing operations	3,165	2,498	78.9	4,069	1,242	30.5

Continuing Operations

Revenue

Revenue for the Group in 2Q2020 increased by 134.5% to RM2.8 million from RM1.2 million in 2Q2019 due mainly to increased sales from the Group’s proprietary marine growth control (“MGC”) products and project management services for Advanced Inspection Solutions projects that were announced by the Group on 4 May 2020, 27 May 2020 and 3 June 2020. The Healthcare Sector, acquired during the fourth quarter of the financial year ended 31 December 2019 (“FY2019”), contributed RM0.2 million for 2Q2020.

Group revenue for HY2020 decreased by 22.2% to RM3.2 million from RM4.1 million in HY2019. This was mainly due to AIM Sector activities being curtailed in 1Q2020 due to travel and movement restrictions imposed across the region to curb the spread of the Covid-19 outbreak; and the main revenue contributor in HY2019 was a partially completed Advanced Inspection Solutions project for which there was no such comparative project in 1Q2020. The new Healthcare Sector contributed RM0.3 million in revenue for its first half year reporting in HY2020.

Gross Profit

The Group’s gross profit for 2Q2020 increased by 262.3% to RM2.4 million from RM0.7 million in 2Q2019 due mainly to increased MGC product sales and project management services under the AIM Sector which generated higher profit margins. The Healthcare Sector contributed gross profit of RM0.1 million for 2Q2020, the first 2nd quarter reporting for the sector. Similarly, for HY2020 the Group’s gross profit increased by 101.1% to RM2.5 million from RM1.2 million in HY2019 due mainly to MGC product sales and project management services under the AIM Sector; and with the Healthcare Sector contributing gross profit of RM0.2 million for HY2020.

The Group’s gross profit margin for 2Q2020 increased to 83.2% from 53.9% in 2Q2019 due mainly to higher contribution from MGC product sales and project management services, both of which command higher margins. For this same reason, gross profit margin for HY2020 increased to 78.9% from 30.5% in HY2019. The Healthcare Sector gross profit margin remain relatively stable at 41.9% for 2Q2020 and 46.4% in HY2020.

Other Operating Income

The Group has other operating income of RM1.5 million for 2Q2020 and RM1.6 million for HY2020 compared to RM79 thousand for 2Q2019 and RM83 thousand for HY2019. The increase for 2Q2020 and HY2020 were due mainly to (i) RM1.2 million write-back of impairment on receivables due from an IEV (Malaysia) Sdn. Bhd.; (ii) write-back of RM0.2 million on impairment of property plant and equipment (“PPE”) in relation to office renovation and production equipment; and (iii) RM0.16 million received in subsidies and rebates arising from government restrictions on business activities to address the Covid-19 outbreak.

Administrative Expenses

Administrative expenses in 2Q2020 increased by 52.5% to RM3.4 million from RM2.2 million in 2Q2019 due mainly to the inclusion of the new Healthcare Sector. The increase in administrative expenses from the Healthcare Sector mainly comprised of an increase in depreciation of right-of-use assets of RM1.3 million for the lease of a commercial property in Singapore for a planned postpartum centre, which was partially offset by a RM60 thousand reduction in depreciation expenses.

Similarly, administrative expenses in HY2020 increased by 59.7% to RM7.2 million from RM4.5 million in HY2019 due mainly to the inclusion of the new Healthcare Sector. The increase in administrative expenses from the Healthcare Sector was mainly comprised of (i) increase in depreciation of right-of-use assets of RM2.7 million for the lease of a commercial property in Singapore for a planned postpartum centre; and (ii) RM0.2 million increase in remuneration and director expenses; which were partially offset by (i) RM0.2 million reduction in travel and freight expenses due to Covid-19 outbreak movement restrictions and (ii) RM0.1 million reduction in depreciation expenses.

Exchange Loss/Gain

The Group recorded a 68% increase in exchange loss of RM0.3 million in 2Q2020 compared to an exchange loss of RM0.2 million in 2Q2019. For HY2020, the Group similarly recorded a 70.5% increase in exchange loss of RM0.2 million compared to an exchange loss of RM0.1 million in HY2019. The increase in exchange loss was due mainly to the Malaysia Ringgit depreciating against the US Dollar (“USD”) and Singapore Dollar (“SGD”) during 2Q2020 and HY2020 and additional payables denominated in USD and SGD recorded during the periods in review.

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 2Q2020 and HY2020 increased to RM0.5 million from RM0.1 million in 2Q2019 and HY2019 due to increased sales from the Group’s proprietary MGC products.

Other Operating Expenses

Other operating expenses for 2Q2020 of RM13 thousand was for the expensing of prepayments and receivables of a dormant foreign subsidiary whilst RM39 thousand recorded for 2Q2019 was in relation to a tax penalty incurred by the said foreign subsidiary. Other operating expenses for HY2020 of RM20 thousand was for the expensing of prepayments and receivables and tax penalties incurred by a dormant foreign subsidiary. In comparison, other operating expenses of RM191 thousand for HY2019 was due mainly to a write-down in Oxifree inventory no longer in use and a RM39 thousand tax penalty incurred by a dormant foreign subsidiary.

Finance Costs

Finance costs for 2Q2020 increased by 198.6% to RM0.2 million from RM0.1 million in 2Q2019 whilst finance costs for HY2020 increased by 204.0% to RM0.45 million from RM0.15 million in FY2019. The increase in finance costs was due to the computation of interest on finance lease obligations of RM150 thousand in 2Q2020 and RM310 thousand in HY2020 in the application of SFRS(I) 16 Leases for the lease of a commercial property in Singapore, which is planned for a postpartum centre.

Loss Before Tax from Continuing Operations

For the reasons set out above, the Group recorded a loss before tax of RM0.6 million for 2Q2020 compared to a loss before tax of RM1.9 million for 2Q2019. For HY2020 the Group recorded a loss before tax of RM4.3 million, which was a 13.3% increase from HY2019's loss before tax of RM3.8 million.

Discontinued Operations

With the process of winding down discontinued sectors approaching its conclusion, the loss from discontinued operations for 2Q2020 reduced to RM25 thousand from a loss of RM0.2 million for 2Q2019. For HY2020, loss from discontinued operations was decreased by 89.5% to RM31 thousand from the RM0.3 million loss for HY2019. The discontinued subsidiaries of the Renewable Energy and Mobile Natural Gas Sectors have been liquidated and disposed of respectively. The liquidation of a subsidiary for the Exploration and Production Sector is still ongoing. Barring any unforeseen circumstances, it is expected to be completed by end of FY2020.

Review of Statement of Financial Position

Current Assets

Trade receivables increased by RM1.3 million to RM2.3 million as at 30 June 2020 from RM1.0 million as at 31 December 2019, due to AIM Sector activities including MGC sales and project management services. The current portion of other receivables and prepayments increased by RM1.2 million to RM1.8 million as at 30 June 2020, from RM0.6 million as at 31 December 2019, due mainly to (i) deposit payment of RM0.5 million for interior design works in relation to a proposed postpartum centre in Petaling Jaya, Malaysia; (ii) GST receivable of RM0.5 million in relation to a Singapore postpartum centre undergoing renovations; and (iii) increase in insurance prepayment of RM0.1 million. Inventories reduced to RM0.9 million as at 30 June 2020 from RM1.0 million as at 31 December 2019 due mainly to the depletion of MGC inventory to meet MGC sales orders during the period in review. Contract costs of RM0.4 million as at 30 June 2020 is in relation to the payment to a material supplier for an AIM Sector corrosion protection retrofit project.

Non-Current Assets

Net carrying value of property, plant and equipment (“PPE”) increased by RM50 thousand to RM250 thousand as at 30 June 2020 from RM200 thousand as at 31 December 2019. This was mainly due to the acquisition of PPE relating to renovation improvements of a confinement centre in Petaling Jaya and office equipment of RM120 thousand and reversal of an impairment charge of RM162 thousand, which was partially offset by depreciation charges of RM238 thousand. Right-of-use (“ROU”) assets reduced to RM10.4 million as at 30 June 2020 from RM12.7 million as at 31 December 2019 due mainly to depreciation charges of RM2.8 million in HY2020 and partially offset by the addition of a ROU asset of RM0.4 million for the lease of an office space in Singapore. Long term receivables and prepayments as at 30 June 2020 reduced to RM5.5 million from RM5.7 million as at 31 December 2019 due to the reclassification of GST Receivable to the current portion of other receivables and prepayments.

Capital and Reserves

Share capital of the Company and Group increased to RM119.1 million as at 30 June 2020 from RM107.7 million as at 31 December 2019 due to the allotment and issuance of 76,000,000 new ordinary shares in the Company to individual subscribers at an issue price of S\$0.050 per ordinary share pursuant to a placement exercise.

Currency translation reserve increased to RM2.0 million as at 30 June 2020 from RM1.8 million as at 31 December 2019, due mainly to the appreciation of the Singapore Dollar against the Malaysian Ringgit during the period in review.

Accumulated losses for the Group increased by RM4.3 million to RM113.8 million as at 30 June 2020 from RM109.5 million as at 31 December 2019, due to losses recorded for HY2020.

Non-Current Liabilities and Current Liabilities

Bank overdrafts decreased by RM0.3 million to RM2.0 million as at 30 June 2020 from RM2.3 million as at 31 December 2019, due mainly to progressive reductions in the overdraft amount. Trade payables decreased by RM0.2 million to RM1.8 million as at 30 June 2020 from RM2.0 million as at 31 December 2019, due mainly to the settlement of AIMS project invoices during HY2020. Other payables and provisions as at 30 June 2020 decreased to RM4.6 million from RM9.4 million as at 31 December 2019, due mainly to the settlement of payables of RM4.8 million for a postpartum centre in Singapore, including renovation progress payments and rental payments. Contract liabilities as at 30 June 2020 was RM0.6 million compared to RM34 thousand as at 31 December 2019, due mainly to the receipt of payment for the supply and installation of an AIM Sector corrosion protection retrofit project. Current and non-current lease liability as at 30 June 2020 decreased to RM10.5 million from RM12.7 million as at 31 December 2019 due to lease payments of RM3.0 million, which was partially offset by (i) additional lease commitments of RM0.4 million for the lease of an office space in Singapore and (ii) lease-related interest expense of RM0.3 million during HY2020.

The Group has a negative working capital of RM6.5 million as at 30 June 2020, compared to a negative working capital of RM13.8 million as at 31 December 2019. The decrease in the negative working capital position was due to the allotment and issuance of 76,000,000 ordinary shares at an issue price of S\$0.050 per ordinary share in the capital of the Company. Barring any unforeseen circumstances, the Group should be able to meet its working capital commitments for the next 12 months in view of (i) potential additional corporate fund-raising exercises and (ii) the Group's estimated revenue from the AIM and Healthcare Sectors for FY2020.

Review of Statement of Cash Flows

For 2Q2020 the Group recorded net cash generated from operating activities of RM0.4 million. This was mainly due to: (i) increase in operating payables of RM1.5 million; (ii) decrease in amount due from an associate of RM0.6 million; (iii) decrease in progress billing of RM0.4 million; (iv) decrease in other receivables of RM0.3 million and (v) decrease in inventories of RM0.2 million; which were partially offset by (i) an operating loss before working capital changes of RM0.2 million; (ii) increase in operating receivables of RM2.0 million arising from AIM Sector sales; and (iii) increase in contract costs of RM0.3 million. Net cash used in investing activities of RM51 thousand during 2Q2020 was for the acquisition of property, plant and equipment. Net cash used in financing activities of RM1.6 million during 2Q2020 was for (i) lease payments of RM1.5 million and (ii) repayment of RM0.1 million on the loan from Disruptech Holdings Sdn. Bhd.

For HY2020, the Group recorded net cash used in operating activities of RM8.1 million. This was mainly due to: (i) an operating loss before working capital changes of RM2.2 million; (ii) decrease in payables related to renovation works of RM4.5 million; (iii) increase in operating receivables of RM2.0 million arising from AIM Sector sales; (iv) decrease in operating payables of RM0.9 million and (v) increase in contract costs of RM0.4 million. These were partially offset by (i) decrease in amount due from an associate of RM1.1 million; (ii) decrease in progress billings of RM0.5 million; (iii) decrease in other receivables of RM0.3 million and (iv) decrease in inventories of RM0.1 million. Net cash used in investing activities of RM0.1 million for HY2020 was for the acquisition of property, plant and equipment. Net cash generated from financing activities of RM8.4 million for HY2020 was from the net proceeds of RM11.5 million from the issuance of ordinary shares, which was partially offset by lease payments of RM3.0 million.

As a result of the above the cash and bank balances was RM2.9 million as at 30 June 2020, as compared to RM4.9 million as at 30 June 2019.

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 reduction of oil supply from OPEC, Russia and North American oil companies and the easing of coronavirus related restrictions across the globe has resulted in an increase in oil price from the multi-year low in April 2020 to over USD 40

per barrel¹. However, oil price's rebound has stalled near USD 40 per barrel with rising Covid-19 infection cases across all major economies raising doubts about a swift and sustained recovery in consumption and energy demand².

OPEC+ collectively plans to increase production, adding about 1.5 million barrels per day to global supply, after slashing output in the wake of the pandemic. The oil and gas industry outlook remain extremely unstable with reduced economic activity caused by the Covid-19 pandemic³. Several major oil companies posted some of the heaviest losses in three decades and considered further cost cutting measures to deal with the low and long oil price environment.

The Group is taking a very cautious and prudent approach in its future AIM business plan as the recent increase in commercial activities in Malaysia is offset by stalled projects across the Asian region and significant cost-cutting plans by oil and gas companies worldwide.

Healthcare Sector

The postpartum centre in Petaling Jaya, Malaysia, has in recent months, been operating at near capacity. Bookings have been taken for the rest of FY2020. While the Group's plans to open a second proposed postpartum centre in Petaling Jaya, Malaysia is postponed to 2021 due to the Covid-19 pandemic situation, the Group continues to be on the lookout for opportunities in affordable areas such as Klang Valley which are suitable for the opening of new postpartum centers.

With continuing Covid-19 global pandemic, strict health and movement controls remain in place in IEV's postpartum centre. Notwithstanding, IEV remains optimistic on prospects for the Healthcare Sector especially with the heightened public awareness on the need and emphasis on hygiene practices. Further, IEV has diligently been maintaining the quality of its postpartum care services, waiting and preparing for the recovery of this sector.

Renovation works for the planned Singapore postpartum centre on Hendon Road has resumed, and sales and marketing campaigns are expected to commence in the fourth quarter of 2020 with an opening planned for in first quarter of 2021.

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 2020 as the Group recorded a loss from its continuing operations in HY2020.

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.

¹ <https://www.eia.gov/outlooks/steo/>

² <https://www.worldoil.com/news/2020/7/31/july-ends-with-an-oil-price-gain-as-opeplus-plans-to-increase-supply>

³ <https://economictimes.indiatimes.com/markets/commodities/news/oil...-as-us-reports-record-output-cuts-in-may/articleshow/77313536.cms>

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:

- (i) the allotment and issuance 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 share subscription exercise (the “**First Share Subscription**”) that was completed on 15 May 2019. 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 First Share Subscription) have been utilised as follows:

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 (S\$'000)
(i) Identify and invest into new business	1,000	1,000	-
(ii) Working capital	906	906 ⁽¹⁾	-
Total	1,906	1,906	-

Note:

1. Working capital utilisation comprise of (i) payment of trade and other payables of S\$292 thousand; (ii) payment of professional fees of S\$273 thousand; and (iii) manpower and overheads of S\$341 thousand.

- (ii) the allotment and issuance of 76.0 million new ordinary shares at an issue price of S\$0.05 per share in the capital of the Company through a share subscription exercise (the “**Second Share Subscription**”) that was completed on 14 January 2020. The net proceeds of approximately S\$3.788 million (after deducting expenses of approximately S\$0.012 million incurred by the Company in connection with the Second Share Subscription) have been utilised as follows

Use of Proceeds	Amount allocated (as announced on 23 December 2019) (S\$'000)	Amount utilised as at the date of this announcement (S\$'000)	Balance of net proceeds (S\$'000)
(i) Renovation and refurbishment of postpartum centres	3,000	2,126	874
(ii) Working capital	788	788 ⁽¹⁾	0
Total	3,788	2,914	874

Note:

1. Working capital utilisation has been for overheads including property rental for a postpartum centre.

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 2020 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: 13 August 2020