



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 FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**Exchange**"). The Sponsor has not independently verified the contents of this announcement.*

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

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1(a)(i) Statement of Comprehensive Income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	3 months ended 30 September ("3Q")			9 months ended 30 September ("9M")		
	Unaudited 3Q2018 (RM'000)	Unaudited 3Q2017 ^(a) (RM'000)	% change Increase/ (decrease)	Unaudited 9M2018 (RM'000)	Unaudited 9M2017 ^(a) (RM'000)	% change Increase/ (decrease)
Revenue	412	1,467	(71.9)	2,019	3,737	(46.0)
Cost of sales	(165)	(823)	(80.0)	(804)	(1,027)	(21.7)
Gross profit	247	644	(61.6)	1,215	2,710	(55.2)
Other operating income	111	1,065	(89.6)	371	1,882	(80.3)
Administration expenses	(2,564)	(3,070)	(16.5)	(7,600)	(9,556)	(20.5)
Exchange (loss)/gain	(430)	(18)	412.0	(672)	1,110	n.m.
Selling and distribution costs	(41)	33	n.m.	(57)	(161)	(64.6)
Other operating expenses	(63)	(12)	425.0	(141)	(19)	642.1
Share of results of associates	(3)	266	n.m.	(25)	(482)	(94.8)
Finance costs	(146)	(145)	0.7	(439)	(459)	(4.4)
Loss before tax	(2,889)	(1,237)	133.5	(7,348)	(4,975)	47.7
Tax	-	281	n.m.	(30)	280	n.m.
Loss for the period from continuing operations	(2,889)	(956)	202.2	(7,378)	(4,695)	57.1
Discontinued operations ^(b)						
Loss for the period from discontinued operations	(957)	(1,086)	(11.9)	(2,853)	(4,770)	(40.2)
Loss for the period	(3,846)	(2,042)	88.3	(10,231)	(9,465)	8.1
Other comprehensive income/(loss) after tax - currency translation differences arising from consolidation	165	(1,649)	n.m.	296	(5,890)	n.m.
Total comprehensive loss for the period, net of tax	(3,681)	(3,691)	(0.3)	(9,935)	(15,355)	(35.3)
Total loss attributable to:						
Owners of the Company						
Continuing operations	(2,889)	(956)	202.2	(7,378)	(4,695)	57.1
Discontinued operations	(957)	(1,150)	(16.8)	(2,853)	(4,770)	(40.2)
Non-controlling interests	-	64	n.m.	-	-	-
	(3,846)	(2,042)	88.3	(10,231)	(9,465)	8.1
Total comprehensive loss attributable to:						
Owners of the Company	(3,681)	(3,760)	(2.1)	(9,935)	(15,346)	(35.3)
Non-controlling interests	-	69	n.m.	-	(9)	n.m.
	(3,681)	(3,691)	(0.3)	(9,935)	(15,355)	(35.3)

n.m. denotes not meaningful.

Notes:

- a) Financial statements for 3Q2017 and 9M2017 have been re-presented to show results from continuing and discontinued operations.
- b) Discontinued operations is in relation to: (i) the exit from renewable energy business following the transfer of the MK-1 biomass plant in Vietnam as announced on 7 November 2017, 11 January 2018 and 4 June 2018; (ii) the exit from the exploration and production sector as announced on 10 January 2018; (iii) the exit from mobile natural gas sector as announced on 16 October 2018, 18 October 2018 and 29 October 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			Group		
	3 months ended 30 September ("3Q")			9 months ended 30 September ("9M")		
	Unaudited 3Q2018 (RM'000)	Unaudited 3Q2017 (RM'000)	% change increase/ (decrease)	Unaudited 9M2018 (RM'000)	Unaudited 9M2017 (RM'000)	% change Increase/ (decrease)
Rental income	108	57	89.5	232	209	11.0
Interest income	-	-	-	1	1	-
Interest expense	(146)	(145)	0.7	(439)	(459)	(4.4)
Depreciation of property, plant and equipment (include depreciation accounted for in cost of sales)	(263)	(472)	(44.3)	(859)	(1,442)	(40.4)
Amortisation of intangible assets (include amortisation accounted for in cost of sales)	(35)	(52)	(32.7)	(105)	(159)	(34.0)
(Impairment) / Write back on impairment of property, plant and equipment	(11)	-	n.m.	52	-	n.m.
(Allowance for)/Write back of allowance for doubtful receivables	-	(2)	n.m.	-	203	n.m.
(Loss) / Gain on disposal of property, plant and equipment	(70)	-	n.m.	1	-	n.m.
Property, plant and equipment written off	-	(1)	n.m.	-	(1)	n.m.
Receivables written off	-	(11)	n.m.	-	(11)	n.m.
Payables written back	-	796	n.m.	-	1,240	n.m.
Inventory written off	-	-	-	(78)	(2)	3,800.0
Inventory written down	(45)	-	n.m.	(45)	-	n.m.
(Under)/over provision for tax in respect to prior years						
Income tax	-	280	n.m.	-	280	n.m.
Deferred tax	30	-	n.m.	-	-	-

n.m. denotes not meaningful

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

	Group			Group		
	3 months ended 30 September ("3Q")			9 months ended 30 September ("9M")		
	Unaudited 3Q2018 (RM'000)	Unaudited 3Q2017 (RM'000)	% change Increase/ (decrease)	Unaudited 9M2018 (RM'000)	Unaudited 9M2017 (RM'000)	% change Increase/ (decrease)
Revenue	5,321	6,942	(23.4)	17,636	23,677	(25.5)
Cost of sales	(5,454)	(6,869)	(20.6)	(17,651)	(24,454)	(27.8)
Gross (loss)/profit	(133)	73	n.m.	(15)	(777)	(98.1)
Other operating income	253	245	3.3	549	308	78.2

Administration expenses	(689)	(1,243)	(44.6)	(2,237)	(4,018)	(44.3)
Exchange gain/(loss)	(109)	(135)	(19.3)	(367)	(188)	95.2
Selling and distribution costs	(5)	(4)	25.0	-	(24)	n.m.
Other operating expenses	(271)	(17)	1,494.1	(774)	(50)	1,448.0
Finance costs	(3)	(5)	(40.0)	(9)	(19)	(52.6)
Loss before tax	(957)	(1,086)	(11.9)	(2,853)	(4,768)	(40.2)
Taxation	-	-	-	-	(2)	n.m.
Loss for the period from discontinued operations	(957)	(1,086)	(11.9)	(2,853)	(4,770)	(40.2)

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

	Group			Group		
	3 months ended 30 September ("3Q")			9 months ended 30 September ("9M")		
	Unaudited 3Q2018 (RM'000)	Unaudited 3Q2017 (RM'000)	% change increase/ (decrease)	Unaudited 9M2018 (RM'000)	Unaudited 9M2017 (RM'000)	% change Increase/ (decrease)
Rental income	12	60	(80.0)	25	60	(58.3)
Interest income	17	5	-	37	30	23.3
Interest expenses	(3)	(5)	(40.0)	(9)	(19)	(52.6)
Depreciation of property, plant and equipment (include depreciation accounted for in cost of sales)	(449)	(642)	(30.1)	(1,393)	(2,010)	(30.7)
Depreciation, depletion and amortisation of oil and gas properties	-	(17)	n.m.	-	(61)	n.m.
Amortisation of intangible assets (include amortisation accounted for in cost of sales)	(2)	(76)	(97.4)	(6)	(238)	(97.5)
Impairment of property, plant and equipment	(80)	-	n.m.	(80)	-	n.m.
Write back of impairment of intangible assets	2	-	n.m.	3	-	n.m.
(Loss)/Gain on disposal of property, plant and equipment	(3)	101	n.m.	(368)	101	n.m.
Inventory written off	(1)	-	n.m.	(1)	-	n.m.
Loss on disposal of finance lease assets	(180)	-	n.m.	(305)	-	n.m.
Income from finance lease receivable	172	-	n.m.	394	-	n.m.
(Under)/over provision for deferred tax in respect to prior years	-	-	-	-	(2)	n.m.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial period

	Company		Group	
	Unaudited As at 30 September 2018 (RM'000)	Audited As at 31 December 2017 (RM'000)	Unaudited As at 30 September 2018 (RM'000)	Audited As at 31 December 2017 (RM'000)
ASSETS				
Current				
Cash and bank balances	60	87	1,160	3,894
Trade receivables	-	-	12,648	17,823
Other receivables and prepayments	1,849	1,889	3,914	3,642
Finance lease receivables	-	-	4,929	65
Inventories	-	-	2,594	3,123
Work-in-progress	-	-	6	29
	1,909	1,976	25,251	28,576
Assets classified as held for sale	-	-	9,654	9,130
	1,909	1,976	34,905	37,706
Non-Current				
Property, plant and equipment	-	-	1,876	7,213
Intangible assets	-	-	173	287
Subsidiaries	26,348	25,880	-	-
Associates	-	-	-	25
Other receivables and prepayments	-	-	9	814
Finance lease receivables	-	-	-	5,087
Deferred tax assets	-	-	111	504
	26,348	25,880	2,169	13,930
Total assets	28,257	27,856	37,074	51,636
LIABILITIES AND EQUITY				
Current				
Bank borrowings	-	-	2,974	9,640
Trade payables	-	-	15,171	19,521
Other payables	28,958	26,809	17,449	14,734
Finance leases	-	-	-	94
	28,958	26,809	35,594	43,989
Liabilities classified as held for sale	-	-	5,350	-
	28,958	26,809	40,944	43,989
Non-Current				
Finance leases	-	-	-	86
Deferred tax liabilities	-	-	90	124
Provision for post-employment benefit obligations	-	-	552	2,015
	-	-	642	2,225
Total liabilities	28,958	26,809	41,586	46,214

	Company		Group	
	Unaudited As at 30 September 2018 (RM'000)	Audited As at 31 December 2017 (RM'000)	Unaudited As at 30 September 2018 (RM'000)	Audited As at 31 December 2017 (RM'000)
Capital and Reserves				
Share capital	98,338	98,338	98,338	98,338
Treasury shares	(38)	(38)	(38)	(38)
Currency translation reserve	(3)	(78)	673	377
Capital reserve	-	-	(380)	(380)
(Accumulated losses)/Retained earnings	(98,998)	(97,175)	(102,931)	(92,700)
Equity attributable to owners of the Company	(701)	1,047	(4,338)	5,597
Non-controlling interests	-	-	(174)	(175)
Total equity	(701)	1,047	(4,512)	5,422
Total liabilities and equity	28,257	27,856	37,074	51,636

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 September 2018 Secured (RM'000)	Audited As at 31 December 2017 Secured (RM'000)
Bank loans	-	6,665
Bank overdraft	2,974	2,975
Total Bank Borrowings	2,974	9,640
Finance leases	-	180
Total Borrowings & Debt Securities	2,974	9,820
Amount repayable in one year or less, or on demand	2,974	9,734
Amount repayable after one year	-	86

Details of collaterals

Details of collaterals of the above borrowings are as follows:

The bank loans were 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 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;
- corporate guarantees provided by IEV Holdings Limited and IEV Group Sdn Bhd; and
- a personal guarantee provided by a director, Christopher Nghia Do.

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

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 September ("3Q")		Group 9 Months ended 30 September ("9M")	
	Unaudited 3Q2018 (RM'000)	Unaudited 3Q2017 (RM'000)	Unaudited 9M2018 (RM'000)	Unaudited 9M2017 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax				
- from continuing operations	(2,889)	(1,237)	(7,348)	(4,975)
- from discontinued operations	(957)	(1,086)	(2,853)	(4,768)
	(3,846)	(2,323)	(10,201)	(9,743)
Adjustments for:				
Share of results of associates	3	(266)	25	482
Amortisation of intangible assets (including amortisation accounted for in cost of sales)	37	128	111	397
Depreciation of property, plant and equipment (include depreciation accounted for in cost of sales)	712	1,114	2,252	3,452
Depreciation, depletion and amortization of oil and gas properties	-	17	-	61
Provision for post-employment benefits	4	(26)	192	183
Loss/(Gain) on disposal of property, plant and equipment	73	(101)	367	(101)
Loss on disposal of finance lease receivables	180	-	305	-
Income from finance lease receivable	(172)	-	(394)	-
Property, plant and equipment written off	-	1	-	1
Inventory written off	1	-	79	2
Inventory written down	45	-	45	-
Receivables written off	-	11	-	11
Payable written back	-	(796)	-	(1,240)
Write back on impairment of property, plant and equipment	28	-	(35)	-
Write back on impairment of intangible assets	(2)	-	(3)	-
Allowance for/(write back of) doubtful receivables	-	2	-	(203)
Interest expense	149	150	448	478
Interest income	(17)	(5)	(38)	(31)
Operating (loss)/profit before working capital changes	(2,805)	(2,094)	(6,847)	(6,251)
(Increase)/decrease in long term other receivables and prepayment	(368)	89	(356)	35
(Increase)/decrease in inventories	(116)	138	(51)	113
(Increase)/decrease in work-in-progress	(6)	48	23	9
(Increase)/decrease in operating receivables	(1,223)	(722)	949	6,319
(Decrease)/increase in operating payables	(328)	1,940	2,987	(43,511)
Decrease in amount due from an associate	309	201	398	33,638
Cash used in operating activities	(4,537)	(400)	(2,897)	(9,648)
Interest received	18	5	38	31
Interest paid	(149)	(150)	(448)	(478)
Post-employment benefit paid	(29)	(41)	(111)	(581)
Tax refund/(paid)	-	120	(31)	58
Net cash used in operating activities	(4,697)	(466)	(3,449)	(10,618)

	Group 3 Months ended 30 September ("3Q")		Group 9 Months ended 30 September ("9M")	
	Unaudited 3Q2018 (RM'000)	Unaudited 3Q2017 (RM'000)	Unaudited 9M2018 (RM'000)	Unaudited 9M2017 (RM'000)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(316)	(281)	(728)	(1,321)
Increase in oil and gas properties	-	(251)	-	(1,119)
(Acquisition of)/Proceeds from finance lease assets	(6)	-	68	-
Proceeds from disposal of property, plant and equipment	9,157	159	9,315	159
Net cash generated/(used) in investing activities	8,835	(373)	8,655	(2,281)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of finance leases	(34)	(45)	(79)	(339)
Drawdown of finance leases	-	-	-	395
Repayment of bank borrowings	(6,512)	(77)	(6,664)	(229)
(Repayment)/drawdown of bank overdrafts	(1)	(1)	(1)	452
Repayment of advances from a third party	-	-	-	(2,500)
Fixed deposits (pledged)/released	-	(16)	1	1,671
Net cash used in financing activities	(6,547)	(139)	(6,743)	(550)
Net decrease in cash and cash equivalents	(2,409)	(978)	(1,537)	(13,449)
Cash and cash equivalents at beginning of period/year	4,581	5,467	3,828	18,217
Currency translation difference of cash and cash equivalents at beginning of period/year	(19)	(128)	(138)	(407)
Cash and cash equivalents at end of period	2,153	4,361	2,153	4,361
<i>Cash and cash equivalents comprise:</i>				
Cash and bank balances	1,094	4,361	1,094	4,361
Fixed deposits	66	2,044	66	2,044
	1,160	6,405	1,160	6,405
Less: Pledged fixed deposits	(66)	(2,044)	(66)	(2,044)
Add: Cash and bank balances classified as assets held for sale	1,059	-	1,059	-
Cash and cash equivalents at end of period	2,153	4,361	2,153	4,361

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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding year

<u>Company</u> Current Period	Share capital (RM'000)	Treasury shares (RM'000)	Accumulated losses (RM'000)	Currency translation reserve (RM'000)	Total (RM'000)
Balance as at 1 July 2018	98,338	(38)	(98,502)	215	13
Total comprehensive loss for the period	-	-	(496)	-	(496)
Transactions with owners: Currency translation differences arising from consolidation	-	-	-	(218)	647
Balance as at 30 September 2018	98,338	(38)	(98,998)	(3)	(701)

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 July 2017	97,691	(38)	(5,142)	2,275	94,786
Total comprehensive loss for the period	-	-	(194)	(233)	(427)
Transactions with owners: Issuance shares to minority shareholders of the subsidiary	647	-	-	-	647
Balance as at 30 September 2017	98,338	(38)	(5,336)	2,042	95,006

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 July 2018	98,338	(38)	(99,085)	(380)	508	(657)	(174)	(831)
Total comprehensive (loss)/income for the period	-	-	(3,846)	-	165	(3,681)	-	(3,681)
Balance as at 30 September 2018	98,338	(38)	(102,931)	(380)	673	(4,338)	(174)	(4,512)

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 July 2017	97,691	(38)	(20,214)	(101)	4,890	82,228	302	82,530
Total comprehensive (loss)/income for the period	-	-	(2,106)	-	(1,654)	(3,760)	69	(3,691)
Transactions with owners: Issuance shares to minority shareholders of the subsidiary	647	-	-	-	-	647	-	647
Effects of changes in ownership interests in subsidiary	-	-	-	(206)	-	(206)	(552)	(758)
Balance as at 30 September 2017	98,338	(38)	(22,320)	(307)	3,236	78,909	(181)	78,728

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that

is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the Company's share capital since 30 June 2018 and up to 30 September 2018.

The total number of issued shares (excluding treasury shares) was 285,512,632 as at 30 September 2018 and as at 30 September 2017.

There were no outstanding convertibles, share options or subsidiary holdings as at 30 September 2018 and 30 September 2017.

	As at 30 September 2018	As at 30 September 2017
Total number of treasury shares	200,000	200,000
Total number of ordinary shares	285,512,632	285,512,632
% of treasury shares over total number of ordinary shares	0.07%	0.07%

1(d)(iii) To show the total number of issued shares excluding treasury shares at the end of the current financial period and as at the end of the immediately preceding financial year

	As at 30 September 2018	As at 31 December 2017
Number of issued shares of the Company	285,712,632	285,712,632
Shares held as treasury shares	(200,000)	(200,000)
Number of issued shares excluding treasury shares	285,512,632	285,512,632

1(d)(iv) A statement showing all sales, transfers, 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 2018.

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 September 2018.

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

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's most recently audited financial statements for the financial year ended 31 December 2017.

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)**”) that is identical to the International Financial Reporting Standards (“**IFRS**”) and Interpretations of FRS (“**INT FRS**”) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2018, 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 3Q2018 and 9M2018.

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	3Q2018 (Malaysian sen)	3Q2017 (Malaysian sen)	9M2018 (Malaysian sen)	9M2017 (Malaysian sen)
Loss per ordinary share for the period based on the net loss attributable to shareholders of the Company:				
(i) Basic				
- from continuing operations	(1.01)	(0.34)	(2.58)	(1.65)
- from discontinued operations	(0.34)	(0.40)	(1.00)	(1.68)
	(1.35)	(0.74)	(3.58)	(3.33)
(ii) On a fully diluted basis	(1.35)	(0.74)	(3.58)	(3.33)
Weighted average number of ordinary shares	285,512,632	284,514,737	285,512,632	283,908,263

Basic and diluted (loss) per ordinary share have been computed based on the Group's 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 per ordinary share for each 3Q2018, 3Q2017, 9M2018 and 9M2017 were the same as there were no potentially dilutive ordinary shares existing during 3Q2018, 3Q2017, 9M2018 and 9M2017 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 2018	As at 31 December 2017
Group	(1.52)	2.0
Company	(0.25)	0.4

Net asset value per ordinary share as at 30 September 2018 and 31 December 2017 have been calculated based on the aggregate number of ordinary shares of 285,512,632 as at the respective dates, excluding treasury shares.

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 2018

Business sector	3Q2018			3Q2017		
	Revenue (RM'000)	Gross Profit/(Loss) (RM'000)	Gross Profit/(Loss) Margin %	Revenue (RM'000)	Gross Profit/(Loss) (RM'000)	Gross Profit/(Loss) Margin %
<u>Asset Integrity Management Sector ("AIMS")</u> Integrated Management Solutions	412	247	60.0%	1,467	644	43.9%
Total from continuing operations	412	247	60.0%	1,467	644	43.9%
<i>Discontinued operations</i> Renewable Energy Sector Vietnam Biomass	-	-	-	1	(3)	(300.0%)
<u>Mobile Natural Gas Sector</u> Mobile Natural Gas	5,321	(133)	(2.5%)	6,941	76	1.1%
Total from discontinued operations	5,321	(133)	(2.5%)	6,942	73	1.1%
Total	5,733	114	2.0%	8,409	717	8.5%

Nine Months ended 30 September 2018

Business sector	9M2018			9M2017		
	Revenue (RM'000)	Gross Profit/(Loss) (RM'000)	Gross Profit/(Loss) Margin %	Revenue (RM'000)	Gross Profit/(Loss) (RM'000)	Gross Profit/(Loss) Margin %
<u>Asset Integrity Management Sector ("AIMS")</u>	2,019	1,215	60.2%	3,737	2,710	72.5%
Total from continuing operations	2,019	1,215	60.2%	3,737	2,710	72.5%
<i>Discontinued operations</i> Renewable Energy Sector Vietnam Biomass	-	-	-	369	(89)	(24.1%)
<u>Mobile Natural Gas Sector</u> Mobile Natural Gas	17,636	(15)	(0.1%)	23,308	(688)	(3.0%)
Total from discontinued operations	17,636	(15)	(0.1%)	23,677	(777)	(3.3%)
Total	19,655	1,200	6.1%	27,414	1,932	7.1%

Continuing Operations

Revenue

Total revenue for the Group for continuing operations decreased by 71.9% from RM1.5 million in 3Q2017 to RM0.4 million in 3Q2018. For 9M2018, total revenue for the Group decreased by 46.0% to RM2.0 million from RM3.7 million in 9M2017. This decrease in revenue for 3Q2018 and 9M2018 was mainly due to the Asset Integrity Management Sector (“AIMS”) continuing to experience reduced business activities from the prolonged downturn in the upstream oil and gas industry.

Gross Profit

The Group’s gross profit for 3Q2018 declined by 61.6% to RM0.2 million from RM0.6 million in 3Q2017. The Group’s gross profit for 9M2018 decreased by 55.1% to RM1.2 million from RM2.7 million for 9M2017. The reduced gross profit for 3Q2018 and 9M2018 was due to AIMS’ reduced business activities from the prolonged downturn in the upstream oil and gas industry.

The Group’s gross profit margin for 3Q2018 improved to 60.0% compared to 43.9% in 3Q2017 due to a higher proportion of contribution from the Group’s proprietary marine growth control products. Similar to 3Q2018, gross profit margin for 9M2018 was maintained at 60.2%, though this was lower than the gross profit margin of 72.5% for 9M2017. The decrease in gross profit margin in 9M2018 was due to an increase in gross profit contribution from certain non-proprietary AIMS business including Oxifree thermoplastic corrosion protection in 9M2018 compared to 9M2017.

Other Operating Income

The Group’s other operating income for 3Q2018 decreased by RM1.0 million to RM0.1 million from RM1.1 million for 3Q2017. The other operating income for 3Q2018 came principally from property rental income whereas in comparison, other operating income for 3Q2017 came mainly from one-off items including: (i) a reversal of vendor payables and accruals of RM0.8 million due to a renegotiation of contract terms; (ii) write-back of RM0.2 million in sales commission that was previously over-provided; and (iii) a RM0.1 million gain on disposal of property plant and equipment.

The Group’s other operating income for 9M2018 decreased by RM1.5 million to RM0.4 million from RM1.9 million for 9M2017. Other operating income for 9M2018 was mainly contributed by: (i) rental income of RM0.2 million; (ii) gain on disposal of property plant and equipment of RM0.1 million; and (iii) write back of property plant and equipment of RM0.1 million. In comparison, other operating income for 9M2017 was mainly contributed by: (i) a reversal of vendor payables and accruals of RM1.2 million due to a renegotiation of contract terms and close-out of projects with over-accruals; (ii) a write back of allowance for doubtful receivables of RM0.2 million due to the settlement of a long outstanding invoice; (iii) write-back of RM0.2 million in sales commission that was previously over-provided; and (iv) rental income of RM0.2 million.

Exchange Loss/Gain

The Group recorded an exchange loss of RM0.4 million in 3Q2018 compared to a marginal exchange loss of RM18 thousand in 3Q2017. For 9M2018, the Group recorded an exchange loss of RM0.7 million compared to an exchange gain of RM1.1 million in 9M2017. The exchange loss for both 3Q2018 and 9M2018 was mainly due to (i) the depreciation of the Indonesia Rupiah for an Indonesian subsidiary which had liabilities denominated in US Dollar and Malaysian Ringgit; and (ii) depreciation of the Malaysian Ringgit for Malaysian subsidiaries which had liabilities denominated in US Dollar.

Administrative Expenses

Administrative expenses in 3Q2018 reduced by 16.5% to RM2.6 million from RM3.1 million in 3Q2017, whilst administrative expenses in 9M2018 reduced by 20.5% to RM7.6 million from RM9.6 million in 9M2017. The lower administrative expenses were mainly due to cost reduction initiatives undertaken by the Group including: (i) reducing manpower headcount and salary cuts; and (ii) disposal of non-essential fixed assets to reduce depreciation expenses. The reduction in depreciation expenses of 44.3% to RM0.3 million in 3Q2018 and of 40.4% to RM0.9 million was mainly due to the disposal of a corporate office at Level 22 of PJX-HM Shah Tower in Petaling Jaya, Selangor, Malaysia. Amortisation of intangible assets decreased by 32.7% to RM35 thousand in 3Q2018 and by 34.0% to RM105 thousand in 9M2018 mainly due to the full impairment of a license for corrosion control technology no longer in use.

Selling and Distribution Costs

Selling and distribution costs represent commissions payable to agents for AIMS sales made for the Group. 3Q2018 had a sales and distribution cost of RM41 thousand compared to a positive figure of RM33 thousand for 3Q2017 due to a reversal of an over-accrual of sales and distribution costs. Sales and distribution cost of RM57 thousand for 9M2018 was a 64.6% reduction from the RM161 thousand for 9M2017, which was reflective of reduced business activities of the Group in the upstream oil and gas industry.

Other Operating Expenses

Other operating expenses for 3Q2018 increased to RM63 thousand from RM12 thousand in 3Q2017 mainly due to a RM45 thousand write-down of inventory value. Other operating expenses for 9M2018 increased to RM141 thousand from RM19 thousand in 9M2017 mainly due to a writing-off of inventory of RM78 thousand and the aforementioned write-down of inventory value of RM45 thousand.

Share of Results of Associates

Share of results of associates was a marginal loss of RM3 thousand for 3Q2018 as compared to a gain of RM0.3 million for 3Q2017. For 9M2018, share of results of associates was a marginal loss of RM25 thousand compared to a loss of RM0.5 million for 9M2017. The lower loss for 9M2018 is due to an increase in business activities of an AIMS associate, IEV (Malaysia) Sdn. Bhd. for the period under review.

Finance Costs

Finance costs for 3Q2018 and 3Q2017 remained at the same level of about RM145 thousand whereas finance cost for 9M2018 of approximately RM440 thousand was a 4.4% reduction from RM460 thousand for 9M2017. The gradual reduction of finance cost is in line with the gradual repayment of borrowings.

Loss Before Tax

For reasons set out above, the Group recorded a loss before tax of RM2.9 million for 3Q2018 from its continuing operations compared to a loss before tax of RM1.2 million for 3Q2017. For 9M2018 the Group recorded a loss before tax of RM7.3 million, which was a 47.7% increase from 9M2017's loss before tax of RM5.0 million.

Discontinued Operations

Mobile Natural Gas Sector ("MNGS")

Due to lower world energy prices and a challenging mobile natural gas business landscape in Indonesia, the Group's MNGS has been reporting losses since the financial year ended 31 December 2015 and the Group has previously communicated its intention to exit from the mobile natural gas business. As announced on 16 October 2018, 18 October 2018 and 29 October 2018, the Group is seeking shareholders' approval in an extraordinary general meeting for the disposal of 630,910 ordinary shares, representing 95% of the total issued and paid-up share capital of PT. IEV Gas to PT. Digas Energi Semesta for a total consideration of Indonesia Rupiah 960 million. With the disposal of this loss-making subsidiary, the Group would then exit from the mobile natural gas business in Indonesia.

Due to the expiry of a major gas sales agreement during 2Q2018, MNGS revenue for 3Q2018 declined by 23.3% to RM5.3 million from RM6.9 million for 3Q2017. Mainly for that same reason, MNGS revenue for 9M2018 declined by 24.3% to RM17.6 million from RM23.3 million for 9M2017. Due to lower energy prices, heightened risks from a changed business landscape and a shrinking compressed natural gas ("CNG") market, MNGS suffered a gross loss of RM133 thousand in 3Q2018 from a marginal gross profit of RM76 thousand in 3Q2017. Although MNGS generated a gross profit for first half-year of FY2018, that was offset by the gross loss in 3Q2018 resulting in gross loss of RM15 thousand for 9M2018. In comparison, there was a larger gross loss of RM0.7 million in 9M2017 due mainly to: (i) the closure of a major toll bridge

for structural repairs which forced the Group's CNG delivery vehicles to make a long detour resulting in higher operating costs; (ii) non-renewal of a CNG supply contract; and (iii) reduced CNG pricing.

Renewable Energy Sector ("RES")

As stated previously, the Group has decided to exit from the rice-husk biomass business in Vietnam. The Vietnam biomass plant ("**MK-1 Plant**") is leased to a third party for a two-year period with an option to purchase at the end of the lease period. With the entering into a lease arrangement, the related building and equipment previously listed in property plant and equipment and long-term land use rights have been reclassified as finance lease receivable. On 1 June 2018 the Group entered into a Sales and Purchase Agreement with BSB Investment and Development Co. Ltd. ("**BSB**") to effect the purchase and complete the transfer of the MK-1 Plant and its related assets during FY2018.

The other operating income under discontinued operations of RM0.3 million for 3Q2018 and RM0.5 million for 9M2018 was mainly for lease income related to the lease of the MK-1 Plant. Other operating expenses of RM0.8 million for 9M2018 was for (i) RM0.5 million loss on disposal of property plant and equipment related MK-1 Plant's briquetting system; and (ii) RM0.3 million loss on disposal of finance lease asset in relation to the disposal of MK-1 Plant. The revenue generated for 9M2017 of RM0.37 million was from the sale of briquettes which was produced in the previous financial year of FY2016. The price of rice husk, the material required to produce briquettes, has remained high during the harvest seasons in 9M2017, making it uneconomical to produce briquettes. For 9M2017 RES recorded a gross loss of RM89 thousand due to the high cost of rice husk as a feedstock and the capping of briquette sales price due to competition from alternate fuels.

Exploration and Production Sector ("EPS")

The Group had on 8 January 2018 received a letter from PT Pertamina EP ("**PEP**") terminating the Operations Cooperation Agreement ("**Agreement**") in the Pabuaran Operation Area effective 2 January 2018 and has made a claim on the disbursement of a bank guarantee amounting to US\$2.34 million. The said letter was served on the basis of PT IEV Pabuaran KSO, a subsidiary of the Group not fulfilling certain conditions and obligations of the Agreement including to spend on a US\$18.6 million work program by 11 December 2017. The Group has completed the process of handing over to PEP the Pabuaran Operation Area and its associated materials and documents. With the termination of the Agreement, the Group will exit from EPS. To date, EPS has not generated any revenue.

In aggregate for MNGS, RES and EPS, administrative expenses for 3Q2018 reduced to RM0.7 million from RM1.2 million for 3Q2017, whilst for 9M2018, administrative expenses reduced to RM2.2 million from RM4.0 million for 9M2017. The significant reduction in administrative expenses stem largely from the winding down of operations in RES and EPS including the retrenchment of employees. MNGS also saw a 13.5% reduction in administrative costs for 9M2018 compared to 9M2017 due mainly to an asset impairment provided for in FY2017 resulting in reduced depreciation expenses for FY2018.

In aggregate MNGS, RES and EPS recorded a loss of RM1.0 million for 3Q2018 and a loss of RM2.9 million for 9M2018, compared to a loss of RM1.1 million for 3Q2017 and a loss of RM4.8 million for 9M2017.

Review of Statement of Financial Position

Current Assets

Trade receivables decreased by RM5.2 million to RM12.6 million as at 30 September 2018, from RM17.8 million as at 31 December 2017, due mainly to the settlement of AIMS project invoices. The current portion of other receivables and prepayments increased by RM0.3 million to RM3.9 million as at 30 September 2018 from RM3.6 million as at 31 December 2017, with the increase mainly due to the net settlement sum receivable from the disposal of a corporate office located at Level 22 of PJX-HM Shah Tower and offset by the reclassification of PT IEV Gas' other receivables and prepayments as assets held for sale. The current portion of the finance lease receivable as at 30 September 2018 rose to RM4.9 million from RM65 thousand as at 31 December 2017. This was due to the non-current portion of finance lease receivable of RM5.1 million as at 31 December 2017 being reclassified as being current after the Group's subsidiary, IEV Vietnam LLC, entered into a transfer agreement with BSB of Vietnam to dispose of the MK-1 Plant during FY2018 instead of at the end of the 2-year lease. Inventories values reduced to RM2.6 million as at 30 September 2018 from RM3.1

million 31 December 2017 mainly due to: (i) the reclassification of PT IEV Gas' inventories as assets held for sale; and (ii) the write down and write off of approximately RM0.1 million inventory values.

Non-Current Assets

Net carrying value of property, plant and equipment decreased by RM5.3 million to RM1.9 million as at 30 September 2018 from RM7.2 million as at 31 December 2017. This was due to: (i) depreciation charges of RM2.3 million; (ii) reclassification of PT IEV Gas' property plant and equipment of RM3.2 million to assets held for sale; (iii) disposal of property plant and equipment of RM0.5 million; and partially offset by capital expenditure of RM0.7 million for operational equipment for various subsidiaries. Net book value of intangible assets decreased to RM0.2 million as at 30 September 2018, from RM0.3 million as at 31 December 2017, due mainly to amortisation charges during the financial period 9M2018.

Non-current portion of other receivables and prepayments reduced to RM9 thousand as at 30 September 2018 from RM0.8 million as at 31 December 2017 due mainly to the reclassification of PT IEV Gas' other receivables and prepayments as assets held for sale. The non-current portion of finance lease receivable, which was RM5.1 million as at 31 December 2017 has been reclassified as current as the Group had entered into a transfer agreement with BSB of Vietnam for the disposal of the MK-1 Biomass Plant during FY2018.

Capital and Reserves

Currency translation reserve increased by RM0.3 million to RM0.7 million as at 30 September 2018 from RM0.4 million as at 31 December 2017, due mainly to the appreciation of the US Dollar against the Malaysian Ringgit and other regional currencies during the period in review.

Accumulated losses for the Group increased by RM10.2 million to RM102.9 million as at 30 September 2018 from RM92.7 million accumulated losses as at 31 December 2017.

Non-Current Liabilities and Current Liabilities

Bank borrowings decreased by RM6.6 million to RM3.0 million as at 30 September 2018 from RM9.6 million as at 31 December 2017, mainly due to the settlement of bank loan related to the disposal of an office at Level 22 PJX-HM Shah tower. Finance leases was nil as at 30 September 2018 from RM0.2 million as 31 December 2017 due mainly to the reclassification of PT IEV Gas' finance leases to liabilities held for sale.

Trade payables decreased by RM4.3 million to RM15.2 million as at 30 September 2018 from RM19.5 million as at 31 December 2017, due mainly to (i) reclassification of PT IEV Gas' trade payables to liabilities held for sale; and (ii) settlement of AIMS related project vendors. Other payables as at 30 September 2018 increased by RM2.7 million to RM17.4 million as compared to other payables as at 31 December 2017 of RM14.7 million. The increase was mainly due to deposits and progress payments received for the sale and disposal of the MK-1 Plant in Vietnam.

The Group has negative working capital of RM6.0 million as at 30 September 2018 and RM6.3 million as at 31 December 2017. This negative working capital position was due to the provision for termination liabilities of RM7.7 million recorded under other payables arising from the discontinuation of the Pabuaran KSO recognized at the end of FY2017. Barring any unforeseen circumstances, the Group should be able to meet its working capital commitments for the next 12 months in view of the Group's estimated earnings for FY2018, proceeds from the sale of the corporate office unit in Malaysia and biomass plant in Vietnam within FY2018, settlement negotiations of termination liabilities and potential corporate exercises.

The Group is in a net liability position of RM4.3 million as at 30 September 2018 due mainly to comprehensive loss of RM9.9 million for 9M2018 and provision for termination liabilities of RM7.7 million in relation to the discontinuation of the Pabuaran KSO. Barring any unforeseen circumstances, the Group should be able to operate as a going concern for the next 12 months in view of the Group's estimated earnings for FY2018, planned disposal of the loss-making mobile natural gas business in Indonesia, settlement negotiations of termination liabilities and potential corporate exercises.

Review of Statement of Cash Flows

For 3Q2018 the Group's operating activities used a net cash of RM4.7 million. This was mainly due to: (i) an operating loss before working capital changes of RM2.9 million; (ii) increase in operating receivables of RM1.2 million; (iii) increase in long term other receivables and prepayments of RM0.4 million; (iv) decrease in operating payables of RM0.3 million; (v) increase in inventories of RM0.1 million and (vi) interest payments of RM0.1 million. These were partially offset by a decrease in amounts due from an associate of RM0.3 million. Investing activities for 3Q2018 generated net cash of RM8.8 million which was from the disposal of a corporate office for RM9.2 million and was partially offset by the purchase of property, plant and equipment of RM0.3 million. Financing activities for 3Q2018 used RM6.5 million for the settlement of a bank borrowing associated with the disposal of a corporate office.

For 9M2018, the Group used net cash of RM3.4 million in its operating activities. This was mainly due to: (i) an operating loss before working capital changes of RM6.8 million; (ii) interest payments of RM0.4 million; (iii) increase in long term other receivables and prepayments of RM0.4 million and (iv) payment of long term employment benefits of RM0.1 million; which were partially offset by (i) an increase in operating payables of RM3.0 million; (ii) a decrease in operating receivables of RM0.9 million; and (iii) decrease in amount due from associate of RM0.4 million. Net cash generated from investing activities for 9M2018 of RM8.7 million was for disposal of a corporate office for RM9.2 million which was partially offset the by the net acquisition of property, plant and equipment of RM0.6 million. Net cash used in financing activities of RM6.7 million for 9M2018 was for: (i) the settlement of a bank loan of RM6.6 million associated with the disposal of a corporate office; and (ii) the repayment of finance lease obligations of RM0.1 million.

As a result of the above and after considering currency translation differences, the cash and cash equivalents balance was RM2.2 million as at 30 September 2018, as compared to RM4.4 million as at 30 September 2017.

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

Oil price rising trend has reversed and fallen into the bear market, with Brent oil price tumbled 15.0 % since its peak in early October 2018¹, due to deteriorating demand and rising supply from key oil producers. A key OPEC meeting on November 11th 2018 will decide if OPEC will consider cutting output next year², making the second production U-turn in just a few months. This signals the level of uncertainty in a market that experiences huge shifts in supply and demand.

The Group maintains its course in building a technology-centric organisation that offers advanced technologies and integrated engineering solutions that generates time and cost savings to its customers worldwide. The Asset Integrity Management (AIM) services focus on three key areas namely inspection, corrosion control and structural integrity. Over the last 12 months, the Group has built a comprehensive suite of inspection and corrosion control solutions through M&A and strategic alliances with selected technology providers, and is on track to become a Centre for Disruptive Technologies with a distribution network throughout Asian region. Besides providing specific inspection technologies to meet challenging inspection needs such as in-service inspection of tanks and non-piggable pipelines, the Group will also develop its total inspection capabilities by offering innovative deployment methods that deliver advanced inspection technologies.

In addition to existing steel structures in upstream and downstream facilities, the Group is also studying the feasibility of offering similar AIM solutions to concrete structures in South East Asia in collaboration with its technology partners. This could potentially lead to the market of concrete infrastructures and buildings. The feasibility study on new foundation

¹ OPEC Considers 2019 Oil Production Cuts in Yet Another U-Turn – Bloomberg.com 9 November 2018

² OPEC Fears Another Downturn In Oil, OilPrice.com 9 November 2018

engineering solutions to support the construction industry through collaboration with EXT Co., Ltd. of Korea, is progressing and scheduled to be completed by mid 2019.

Besides AIMS business, the Group continues to receive contract award for decommissioning studies and pursues new Transportation and Installation (T&I) turnkey contracts with its partner, Heerema Marine Contractors in Malaysia.

Documentation for the sale of both the MK-1 Biomass Plant and the office at PJX are in progress and the Group has received partial payment of these assets as per the terms and conditions of the respective sales and purchase contract.

The Group is divesting the MNGS operation in Indonesia and exiting the MNGS sector, as it is no longer commercially viable in the low oil price environment. An extraordinary general meeting was held today and the shareholders have approved the disposal of PT IEV Gas.

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 September 2018.

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 SGD 100,000 in value.

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

We, Christopher Nghia Do and Harry Ng, the undersigned, 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 ended 30 September 2018 false or misleading in any material aspect.

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

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

ON BEHALF OF THE BOARD OF DIRECTORS

CHRISTOPHER NGHIA DO PRESIDENT & CEO	HARRY NG LEAD INDEPENDENT DIRECTOR
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Date: 14 November 2018