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")

FULL YEAR UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER ("FY") 2014

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Canaccord Genuity Singapore Pte. Ltd. ("Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Canaccord Genuity Singapore Pte. Ltd. has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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

	Group					
	3 months ended 31 December ("4Q")			12 months ended 31 December ("12M")		
	Unaudited 4Q2014 (RM'000)	Unaudited 4Q2013 (RM'000)	% change increase/ (decrease)	Unaudited 12M2014 (RM'000)	Audited 12M2013 (RM'000)	% change increase/ (decrease)
Revenue	23,688	19,295	22.8	176,117	139,705	26.1
Cost of sales	(16,585)	(16,457)	0.8	(154,681)	(120,383)	28.5
Gross profit/(loss)	7,103	2,838	150.2	21,436	19,322	10.9
Other operating income	1,785	1,603	11.4	11,345	2,555	344.0
Exchange gain/(loss)	1,738	225	672.4	1,910	880	117.0
Administrative expenses	(6,679)	(5,900)	13.2	(25,293)	(22,645)	11.7
Selling and distribution costs	(629)	(581)	8.3	(1,567)	(2,958)	(47.0)
Other operating expenses	(597)	(2,103)	(71.6)	(1,493)	(2,483)	(39.9)
Share of associated companies' results, net of tax	(29)	1,153	n.m.	695	4,079	(83.0)
Finance costs	(445)	(201)	121.4	(1,657)	(1,024)	61.8
Profit/(loss) before taxation	2,247	(2,966)	n.m.	5,376	(2,274)	n.m.
Taxation	(481)	(1,360)	(64.6)	(542)	(2,005)	(72.9)
Profit/(loss) for the period	1,766	(4,326)	n.m.	4,834	(4,279)	n.m.
Other comprehensive income/(expense) after tax						
- currency translation differences arising from consolidation	2,176	(87)	n.m.	1,719	(1,455)	n.m.
-Actuarial gain in respect of defined benefit pension plan	27	119	(77.3)	27	119	(77.3)
Total comprehensive income/(expense) for the year, net of tax	3,969	(4,294)	n.m.	6,580	(5,615)	n.m.
Total profit/ (loss) attributable to:						
Owners of the parent	1,434	(3,591)	n.m.	4,795	(4,009)	n.m.
Non-controlling interests	332	(735)	n.m.	39	(270)	n.m.
	1,766	(4,326)	n.m.	4,834	(4,279)	n.m.
Total comprehensive income/ (expense) attributable to:						
Owners of the parent	3,577	(3,489)	n.m.	6,482	(5,159)	n.m.
Non-controlling interests	392	(805)	n.m.	98	(456)	n.m.
	3,969	(4,294)	n.m.	6,580	(5,615)	n.m.

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

	Group					
	3 months ended 31 December			12 months ended 31 December		
	Unaudited 4Q2014 (RM'000)	Unaudited 4Q2013 (RM'000)	% change increase/ (decrease)	Unaudited 12M2014 (RM'000)	Audited 12M2013 (RM'000)	% change increase/ (decrease)
Rental Income	37	35	5.7	145	108	34.3
Interest Income	160	116	37.9	212	598	(64.5)
Interest expense	(445)	(201)	121.4	(1,657)	(1,024)	61.8
Gain/(loss) on disposal of	(32)	15	n.m.	61	(11)	n.m.

property, plant and equipment						
Gain /(loss) on disposal of shares in associate company	0	0	n.m.	8,905	(28)	n.m.
Depreciation of property, plant and equipment (include depreciation accounted for in cost of sales)	(1,592)	(836)	90.4	(4,285)	(3,634)	17.9
Amortisation of intangible assets	(112)	(100)	12.0	(465)	(417)	11.5
Impairment of inventories	141	98	43.9	141	98	43.9
Impairment of trade receivables	765	1,394	(45.1)	765	1,394	(45.1)
Property, plant and equipment written off	0	(429)	n.m.	0	(429)	n.m.
Intangible assets written off	0	(43)	n.m.	0	(43)	n.m.

n.m. denotes not meaningful

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

	Company		Group	
	Unaudited As at 31 December 2014 (RM'000)	**Audited As at 31 December 2013 (RM'000)**	**Unaudited As at 31 December 2014 (RM'000)**	**Audited As at 31 December 2013 (RM'000)**
ASSETS				
Non-Current				
Intangible assets	-	-	5,393	5,277
Property, plant and equipment	-	-	34,222	31,816
Subsidiaries	67,454	59,972	-	-
Associated companies	-	-	-	17,907
Exploration and evaluation	-	-	24,943	6,596
Other assets			-	1,094
Deferred tax assets	-	-	321	192
	67,454	59,972	64,879	62,882
Current				
Inventories	-	-	5,273	4,813
Work-in-progress	-	-	100	354
Trade and other receivables	58	74	97,545	116,657
Fixed deposits	-	-	6,962	14,371
Cash and bank balances	131	1,921	21,705	24,247
	189	1,995	131,585	160,442
Total assets	**67,643**	**61,967**	**196,464**	**223,324**
EQUITY				
Capital and Reserves				
Share capital	80,048	80,048	80,048	80,048
Currency translation reserve	-	-	(1,834)	(3,494)
(Accumulated losses)/retained profits	(12,884)	(18,548)	8,422	3,600
	67,164	61,500	86,636	80,154
Non-controlling interests	-	-	2,963	2,865
	67,164	61,500	89,599	83,019
LIABILITIES				
Non-Current				
Bank borrowings	-	-	7,254	8,607
Finance lease obligations	-	-	617	134

	Company		Group	
	Unaudited As at 31 December 2014 (RM'000)	Audited As at 31 December 2013 (RM'000)	Unaudited As at 31 December 2014 (RM'000)	Audited As at 31 December 2013 (RM'000)
Deferred tax liabilities	-	-	59	46
Other Payables	-	-	5,000	5,000
Provision for post-employment benefit obligations	-	-	1,758	1,203
Provision for decommissioning and site restoration			1,954	-
	-	-	16,642	14,990
Current				
Trade and other payables	479	467	85,364	117,015
Progress billings	-	-	27	549
Bank borrowings	-	-	4,099	6,102
Finance lease obligations	-	-	374	192
Current tax payable	-	-	359	1,457
	479	467	90,223	125,315
Total equity and liabilities	**67,643**	**61,967**	**196,464**	**223,324**

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following at the end of the financial period reported on with comparative figures as at the end of the immediately preceding financial year

Group	**Unaudited As at 31 December 2014**		**Audited As at 31 December 2013**	
	Secured (RM'000)	**Unsecured (RM'000)**	**Secured (RM'000)**	**Unsecured (RM'000)**
Bank loans:				
- Bank loan #1	1,165	-	3,281	-
- Bank loan #2	7,518	-	7,772	-
	8,683	-	11,053	-
Bank overdraft	2,670	-	3,656	-
	11,353	-	14,709	-
Finance leases	-	991	-	326
	11,353	991	14,709	326

Amount repayable in one year or less, or on demand	4,099	374	6,102	192
Amount repayable after one year	7,254	617	8,607	134

Details of collaterals

The above bank borrowings are secured by:

Bank loan #1
- A debenture comprising fixed and floating charge over all present and future assets of IEV Energy Sdn Bhd;
- A first charge over the escrow account to be opened with a financial institution acceptable to the bank and which is to be operated solely by the bank;
- A charge over the assets of PT IEV Gas financed via bank loan #1 and an earlier loan of USD4.6 million which had been fully repaid;
- A corporate guarantee provided by IEV Group Sdn Bhd; and
- A personal guarantee provided by a Director of the Company, Christopher Nghia Do.

Bank loan #2

- The loan is secured by way of assignment to the bank all rights, title and interest of the demised premises (which include the Group's property at Level 22, PJX-HM Shah Tower, No. 16A, Persiaran Barat, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia pending the issuance of a separate document of title / strata title to the property and a legal charge under the National Land Code 1965); and
- A corporate guarantee provided by IEV Holdings Limited.

The 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.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	Unaudited FY2014 (RM'000)	**Audited FY2013 (RM'000)**
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before tax	5,376	(2,274)
Share of results in associated companies	(695)	(4,079)
Adjustments for:		
Provision for post-employment benefits	577	734
Property, plant and equipment written off	-	429
(Gain)/Loss on disposal of property, plant and equipment	(61)	(11)
Intangible assets written off	-	43
Amortisation of intangible assets	465	417
Depreciation of property, plant and equipment	4,285	3,634
Waiver of debt by a creditor of a subsidiary	-	(1,252)
(Gain)/Loss on disposal of shares in associated company	(8,905)	28
Impairment on inventories	141	98
Impairment on trade receivables	765	1,394
Interest expense	1,657	1,024
Interest income	(212)	(598)
Operating (loss)/profit before working capital changes	3,394	(413)
Increase in inventories	(546)	(3,975)
Decrease in work-in-progress	254	3,264
Decrease/(Increase) in operating receivables	21,207	(6,531)
Decrease in operating payables	(30,509)	(7,682)
Decrease in progress billings	(522)	(1,150)
Cash used in operating activities	(6,722)	(16,487)
Interest received	212	598
Interest paid	(1,657)	(1,024)
Tax paid	(1,194)	(1,638)
Net cash used in operating activities	(9,361)	(18,551)
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipt/(Payment) for long term prepayment	1,093	(186)
Increase in exploration and evaluation works	(18,347)	(6,596)
Acquisition of property, plant and equipment	(5,857)	(14,741)
Proceeds from disposal of property, plant and equipment	257	354
Acquisition of intangible assets	(309)	(45)
Dividend income from associate company	-	2,091
Proceeds from sales shareholdings of an associate company	27,507	163
Net cash generated from /(used) in investing activities	4,344	(18,960)

CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease obligations	(347)	(252)
Advances from a third party	-	5,000
Bank borrowings obtained	-	8,192
Bank borrowings repaid	(3,413)	(11,054)
Proceeds from issuance of shares	-	17,173
Capitalization of transaction costs	-	(372)
Proceeds from issuance of ordinary shares	-	1,744
Advances from a director	-	6,000
Decrease in fixed deposits pledged	6,284	3,332
Dividend paid	-	-
Net cash generated from financing activities	2,524	29,763
Net decrease in cash and cash equivalents	(2,493)	(7,748)
Cash and cash equivalents at beginning of year	23,421	30,410
Currency translation difference of cash and cash equivalents at beginning of year	1,173	759
Cash and cash equivalents at end of year	19,754	23,421

	Group	
	Unaudited FY2014 (RM'000)	**Audited FY2013 (RM'000)**
Cash and cash equivalents comprise:		
Cash and bank balances	21,705	24,247
Fixed deposits	6,962	14,371
	28,667	38,618
Pledged fixed deposits	(8,913)	(15,197)
Cash and cash equivalents at end of year	19,754	23,421

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

Company

Current Period	**Share capital (RM'000)**	**Accumulated losses (RM'000)**	**Total (RM'000)**
Balance as at 1 January 2014	80,048	(18,548)	61,500
Total comprehensive income for the year	-	5,664	5,664
Balance as at 31 December 2014	80,048	(12,884)	67,164

Previous Period	**Share capital (RM'000)**	**Accumulated losses (RM'000)**	**Total (RM'000)**
Balance as at 1 January 2013	63,247	(21,077)	42,170
Issuance of share capital	17,173	-	17,173
Commission on placement of shares	(372)	-	(372)
Total comprehensive expense for the year	-	2,529	2,529
Balance as at 31 December 2013	80,048	(18,548)	61,500

Group

Current Period	Share capital (RM'000)	Retained profits (RM'000)	Currency translation reserve (RM'000)	Total attribu-table to equity holders of the parent (RM'000)	Non-control ling interests (RM'000)	Total equity (RM'000)
Balance as at 1 January 2014	**80,048**	**3,600**	**(3,494)**	**80,154**	**2,865**	**83,019**
Total comprehensive (expense)/income for the year	-	4,795		4,795	39	4,834
Actuarial gains in respect of defined benefit pension plan		27		27		27
Currency translation difference arising from consolidation			1,660	1,660	59	1,719
Balance as at 31 December 2014	**80,048**	**8,422**	**(1,834)**	**86,636**	**2,963**	**89,599**

Previous Period	Share capital (RM'000)	Retained profits (RM'000)	Currency translation reserve (RM'000)	Total attribu-table to equity holders of the parent (RM'000)	Non-control ling interests (RM'000)	Total equity (RM'000)
Balance as at 1 January 2013	**63,247**	**7,490**	**(2,225)**	**68,512**	**1,561**	**70,073**
Effect on non-controlling interest on newly incorporated subsidiary					736	736
Effect of non-controlling interest on the enlargement of shares of a subsidiary					1,024	1,024
Issue of ordinary shares	17,173			17,173		17,173
Effect of FRS32 on transaction cost against equity	(372)			(372)		(372)
Total comprehensive (expense)/income for the year		(4,009)		(4,009)	(270)	(4,279)
Actuarial gains in respect of defined benefit pension plan		119		119		119
Currency translation difference arising from consolidation			(1,269)	(1,269)	(186)	(1,455)
Balance as at 31 December 2013	**80,048**	**3,600**	**(3,494)**	**80,154**	**2,865**	**83,019**

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

	Number of shares	Resultant issued and paid-up share capital (S$)
Issued and paid-up share capital of the Company as at 30 September 2014 and 31 December 2014	189,200,000	33,461,741

There were no outstanding share options granted as at 31 December 2014 and 31 December 2013.

There was no treasury shares held or issued as at 31 December 2014 and 31 December 2013.

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

	As at 31 December 2014	As at 31 December 2013
Number of issued shares excluding treasury shares	189,200,000	189,200,000

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

Not applicable. There were no treasury shares held or issued as at 31 December 2014.

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 had applied the same accounting policies and methods of computation in the financial statements for the current financial year ended 31 December 2014 on as those applied in the Group's most recently audited financial statements for the financial year ended 31 December 2013.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRSs") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2014, where applicable. The adoption of these standards from the effective date is not expected to result in material adjustments to the financial position, results of operations or cash flows of the Group for FY2014.

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	**FY2014 (Malaysian sen)**	**FY2013 (Malaysian sen)**
Earnings/(Loss) per ordinary share for the year based on the unaudited net profit attributable to shareholders of the Company:		
(i) Basic earnings/(loss) per share	2.5	(2.2)
(ii) Fully diluted earnings/(loss) per shares	2.5	(2.2)

Basic and fully diluted earnings per ordinary share for FY2014 have been computed based on the Group's profit attributable to owners of the parent and the weighted average number of ordinary shares in issue of 189,200,000 shares.

Basic and fully diluted loss per ordinary share for FY2013 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 of 181,613,151 shares subsequent to the placement of 17,200,000 new ordinary shares in the capital of the Company on 10 June 2013.

The basic and fully diluted earnings/ loss per ordinary share for FY2014 and FY2013 were the same as there were no potentially dilutive ordinary shares existing during FY2014 and FY2013 respectively.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Net asset value per ordinary share (Malaysian sen)	
	As at 31 December 2014	**As at 31 December 2013**
Group	45.8	42.4
Company	35.5	32.5

Net asset value per ordinary share as at 31 December 2014 and 31 December 2013 have been calculated based on the aggregate number of ordinary shares of 189,200,000 shares 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 of Revenue, Gross Profit and Gross Profit Margin by business sectors

Three Months ended 31 December 2014

Business sector	4Q2014			4Q2013		
	Revenue (RM'000)	**Gross Profit (RM'000)**	**GP Margin %**	**Revenue (RM'000)**	**Gross Profit (RM'000)**	**GP Margin %**
Mobile Natural Gas Sector ("MNGS")						
Mobile Natural Gas	10,313	956	9.3%	6,750	2,512	37.2%
Offshore Engineering Sector ("OES")						
Integrated Engineering Solutions	3,674	1,581	43.0%	2,480	226	9.1%
Turnkey projects	9,701	4,566	47.1%	10,065	100	1.0%
Total OES	13,375	6,147	46%	12,545	326	2.6%
Total	**23,688**	**7,103**	**30%**	**19,295**	**2,838**	**14.7%**

Twelve Months ended 31 December 2014

Business sector	12M2014			12M2013		
	Revenue (RM'000)	Gross Profit (RM'000)	GP Margin %	Revenue (RM'000)	Gross Profit (RM'000)	GP Margin %
Mobile Natural Gas Sector						
Mobile Natural Gas	40,615	4,704	11.6%	29,903	9,415	31.5%
Offshore Engineering Sector						
Integrated Engineering Solutions	35,551	15,149	42.6%	41,797	9,697	23.2%
Turnkey projects	99,951	1,583	1.6%	68,005	210	0.3%
Total OES	135,502	16,732	12.3%	109,802	9,907	9.0%
Total	**176,117**	**21,436**	**12.2%**	**139,705**	**19,322**	**13.8%**

Revenue

The Group's revenue increased by RM4.4 million or 22.8% from RM19.3 million for 4Q2014 to RM23.7 million for 4Q2013. This was mainly due to an increase in revenue from the MNGS business by RM3.6 million or 52.7%. Revenue from the OES business has increased marginally by RM0.8 million or 6.6% compared to the corresponding quarter in 4Q2013.

For 12M2014, both MNGS and OES contributed to an overall increase in the Group's revenue by RM36.4mil or 26%, as compared to 12M2013.

Revenue from the MNGS business increased by RM10.7 or 35.8% to RM40.6 million for 12M2014 from RM29.9 million for 12M2013. The revenue growth was due to the full year impact of the conversion of the business model from the combination of throughput and direct sales of compressed natural gas to solely direct sales. The "per unit" sales price of CNG for direct sales is higher as compared to the throughput model. Another revenue contributing factor is the securing of two Gas Sales Agreements with PT Indofood to supply CNG to its manufacturing plants over a 12 and 24 month period from March 2014 onwards.

Revenue from turn key projects in 12M2014 increased by RM31.9 million or 47% from 12M2013. This increase was partially offset by the decrease in revenue contribution from Integrated Engineering Solutions of RM6.2 million or 14.9% compared to 12M2013. The majority of revenue for 12M2014 came from two major turnkey contracts, specifically, the Malikai Project (for the installation of an integrated Tension Leg Platform with a three-year contract value of approximately RM360.0 million) and the FPSO Perintis decommissioning contract (for the decommissioning of a Floating Production Storage and Offloading vessel offshore Malaysia with a contract value of RM52.0 million).

Gross Profit

In 4Q2014, the Group achieved gross profit of RM7.1 million compared to gross profit of RM2.8 million for 4Q2013. In 4Q2014, RM6.1 million of the gross profit was contributed by the OES business with the completion of two turnkey projects and the sale of Marine Growth Prevention products. The MNGS business experienced a reduction in gross profit to RM0.95 million for 4Q2014 from RM2.5 million for 4Q2013. This was primarily due to increased competition in the CNG market. To address this, several cost reduction initiatives had been implemented by the Group.

For 12M2014, the Group achieved a gross profit of RM21.4 million compared to a gross profit of RM19.3 million for 12M2013. The OES business achieved an increase in its gross profit to RM16.7 million for 12M2014 from RM9.9 million in 12M2013. This increase in gross profit was mainly attributable to an increase in the sale of the group's proprietary Marine Growth Prevention products and services.

In 12M2014, the Group's gross profit margin had marginally declined to 12.2% for 12M2014 from 13.8% for 12M2013. This reduction was primarily attributable to the MNGS business in which it had seen its gross profit margin decreasing to 11.6% for 12M2014 from 31.5% for 12M2013, owing to increased competition in the CNG market in Java, Indonesia. In comparison, the gross profit margin of the OES business has improved to 12.3% for 12M2014 from 9.0% for 12M2013, due mainly to the higher margin from its Integrated Engineering Solutions.

Other Operating Income

Other operating income amounted to RM1.8 million for 4Q2014 as compared to RM1.6 million for 4Q2013. This is mainly attributed to the (i) write-back of doubtful debt provisioning; and (ii) reversal of long outstanding payables.

Other operating income amounted to RM11.3million for 12M2014 as compared to RM3.0 million for 12M2013. This is mainly attributable to a one-time gain of RM8.9 million arising from the divestment of the Group's equity interest in an associate company in FY2014.

Exchange (Loss)/Gain

Exchange gain of RM1.7 million was recorded for 4Q2014 as compared to an exchange gain of RM0.2 million for 4Q2013. This was mainly attributable to the appreciation of the US dollar in 4Q2014 against the Malaysian Ringgit and Indonesian Rupiah.

For the same reasons given above, an exchange gain of RM1.9 million was recorded for 12M2014 as compared to an exchange gain of RM0.9 million for 12M2013.

Administrative Expenses

Administrative expenses for 4Q2014 increased by RM0.8 million or 13.6% from RM5.9 million for 4Q2013 to RM6.7 million for 4Q2014. This was due mainly to startup of the Group's biomass project in Vietnam, the transfer of D21 project staff to OES general staff and the ramping up of drilling operations at PT IEV Pabuaran KSO.

Administrative expenses increased by RM2.7 million or 11.9%, from RM22.6 million for 12M2013 to RM25.3 million for 12M2014. This was mainly due to (i) additional administrative expenses of RM2.1 million incurred by PT IEV Pabuaran KSO associated with expanded operations including the on-going drilling program; (ii) an increase in administrative expenses of RM0.45 million associated with the startup of the Group's biomass business in Vietnam; and (iii) the transfer of D21 project staff to OES general staff.

Selling and Distribution Costs

Selling and distribution costs relate to commissions payable to agents for sales secured on behalf of the Group.

Selling and distribution costs for 4Q2014 had remained largely unchanged at RM0.6 million compared with 4Q2013. Selling and distribution costs of RM1.6 million and RM3.0 million has been recorded for 12M2014 and 12M2013 respectively. This 47% decrease in selling and distribution costs was attributable to an overall reduction in commission-based sales in FY2014.

Other Operating Expenses

Other operating expenses for 4Q2014 were RM0.6 million compared to RM2.1 million for 4Q2013. Other operating expenses for 12M2014 were RM1.5 million as compared to RM2.9 million for 12M2013. This comprised mainly (i) provision for doubtful debts of RM0.8 million; (ii) allowance for inventory of RM0.1 million; and (iii) late payment charges of RM0.1 million.

Share of Associated Companies' Results, Net of Tax

Share of associated companies' profits, net of tax had decreased from RM4.1 million in 12M2013 to RM0.7 million in 12M2014 mainly due to the cessation of profit contribution from CNGVN Joint Stock Company subsequent to the Group's divestment of its equity interest in this company.

Finance Costs

Finance costs for 4Q2014 and 4Q2013 were RM0.4 million and RM 0.2 million respectively. The higher finance costs for 4Q2014 were mainly due to the increase in working capital advances from a related party for the financing of the D21 project.

For the same reason given above, finance costs increased to RM1.7 million for 12M2014 from RM1.0 million in 12M2013.

Profit/ Loss Before Taxation

The Group reported a profit before taxation of RM2.2 million for 4Q2014, compared to a Loss before taxation of RM3.0 million for 4Q2013. This was mainly due to an improvement in gross profit and higher foreign exchange gain in 4Q2014.

For 12M2014, the Group reported a profit before taxation of RM5.4 million as compared to a loss before taxation of RM2.3 million for 12M2013. This was mainly due to (i) higher operating income from the divestment of the Group's equity interest in an associate company; (ii) improvement in gross profit; (iii) higher foreign exchange gain; and (iv) lower selling and distribution costs. This was partially offset by (i) higher administrative expenses; (ii) lower share of associate company's profit; and (iii) provisioning for doubtful debts and inventory.

Review of Statement of Financial Position

Non-Current Assets

Net book value of intangible assets increased marginally to RM5.4 million as at 31 December 2014 from RM5.3 million as at 31 December 2013.

Net book value of property, plant and equipment increased by RM2.4 million to RM34.2 million as at 31 December 2014 from RM31.8 million as at 31 December 2013. The increase was mainly due to (i) the acquisition of plant and machinery amounting to RM0.6 million and RM1.9 million by the Group's OES and MNGS respectively; (ii) the construction works in progress in relation to the Group's biomass plant in Vietnam which amounted to RM1.7 million and (iii) office relocation and renovation and others incurred by the MNGS and the Group's Exploration and Production Sector. The aforementioned increases were partially offset by depreciation charges of RM4.3 million for 12M2014.

Net book value of associated companies was nil as at 31 December 2014 in view of the Group's divestment of its equity investment in CNG Vietnam JSC.

Exploration and evaluation assets increased to RM24.9 million as at 31 December 2014 as compared to RM6.6 million as at 31 December 2013. This increase was mainly due to purchases of fixed assets to be used for the drilling of twin wells and work over of existing oil and gas discoveries in the Pabuaran Block, Indonesia, as part of the Pabuaran KSO concession.

Deferred tax assets increased marginally to RM0.3 million as at 31 December 2014 from RM0.2 million as at 31 December 2013.

Current Assets

Inventories increased by RM0.5 million to RM5.3 million as at 31 December 2014 from RM4.8 million as at 31 December 2013. The increase was due to (i) an increase in stocks for the assembly of marine growth control products; and (ii) the purchase of consumables, parts and tools for the Pabuaran KSO Project and the Group's Mobile Natural Gas Sector.

Trade and other receivables decreased by RM19.1 million to RM97.6 million as at 31 December 2014 from RM116.7 million as at 31 December 2013, due mainly to the completion of the D21 project and settlement of billings for the Malikai turnkey project.

Fixed deposits of RM8.9million have been pledged as security for bank facilities including performance bonds and trade facilities.

Cash and bank balances decreased by RM2.5 million to RM21.7 million as at 31 December 2014 from RM24.2 million as at 31 December 2013.

Capital and Reserves

Share capital remained unchanged at RM80.0 million as at 31 December 2014 and 31 December 2013.

Retained profits (including non-controlling interests) have increased by RM4.8 million to RM8.4 million as at 31 December 2014 from RM3.6 million as at 31 December 2013, mainly attributable to the Group's profit for FY2014.

Liabilities

Bank borrowings (including non-current portion) decreased by RM3.3 million to RM11.4 million as at 31 December 2014 from RM14.7 million as at 31 December 2013 due to repayments made during FY2014.

Trade and other payables (both current and non-current) decreased by RM31.6 million to RM90.4 million as at 31 December 2014 from RM122.0 million as at 31 December 2013, due mainly to completion of the D21 project and settlement of billings from contractors and suppliers in relation to the Malikai Project.

As at 31 December 2014, the Group had a net working capital of RM41.4 million

Review of Statement of Cash Flows

The net cash used in operating activities for 12M2014 was RM9.5million. This was mainly due to a decrease in operating payables of RM30.5 million and partially offset by a decrease in operating receivables of RM21.9 million. Net cash generated from investing activities amounting to RM4.4 million came mainly from the sale of shareholding of an associate company generating proceeds of RM27.5 million and was mainly offset by (i) an increase in exploration and evaluation works of RM18.3 million for the Pabuaran KSO concession; and (ii) an increase in property, plant and equipment of RM5.9 million.

The net cash generated from financing activities of RM3.5 million was mainly due to the uplift of RM6.3 million in fixed deposits that were used as collateral for performance bonds and partially offset by the repayment of finance lease obligations and bank borrowings amounting to RM0.3 million and RM2.4 million respectively.

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**

As oil price has declined by more than 50% in the past few months, the global oil and gas industry is expected to face an uncertain future in FY2015. We have already witnessed cutbacks from oil & gas companies as well as service contractors globally. The new oil price will stabilise when the supply and demand for oil reaches its new equilibrium and the speed of recovery will depend on the state of the global economy.

Whilst the low oil price will help to fuel the recovery of net energy-importing countries, it may have an adverse effect on energy exporters such as Malaysia, and hence, affects the value of the local currency.

The Group is taking a prudent position on the future of the global oil and gas industry in the next twelve months and has taken the first steps to reduce operating expenditure in FY2015 and scale back or delay capital projects that are sensitive to oil and LNG prices. The Group will continue to monitor the level of business activities and availability of projects on a quarterly basis and consider further cutbacks if necessary. Meanwhile, increase in productivity and innovation will be critical for the performance of the Group during this uncertain period.

As the Group earnings are denominated mostly in USD whilst its operating expenditures are in local currencies, the strengthening of the USD against MYR could have a positive impact on the Group.

Offshore Engineering Sector ("OES")

The Group will proceed with the windup IEV Oil and Gas Technologies Co. Ltd and its remaining subsidiary, IEV Vietnam JSC, will be reorganized to operate both OES and biomass units in the financial year ending 31 December 2015 ("**FY2015**"). The level of bidding activities and contract awards of OES has not subsided despite the decline in oil prices as most are related to EPIC projects that have started previously. In the region, new field development activities that are spearheaded by national oil and gas companies in India, China and Indonesia are still going strong. However, the pace of marginal field development and Enhanced Oil Recovery ("**EOR**") activities is subsiding as they are no longer economically viable under the current oil price below USD 60/bbl.

The Group will continue to promote engineering products and services that are focused on cost saving solutions to customers, to lessen the impact of oil prices to the upstream oil and gas segment and will also explore business opportunities in the midstream and downstream segments and non-oil & gas industry. The Group will also intensify its plan to sign and extend long-term contracts in all sectors, where possible, to achieve stable earnings during this period.

The Group has recently acquired the licence for Oxifree anti corrosion system to complement its suite of cathodic protection technologies and is now offering a complete portfolio of corrosion control solutions in South East Asia region. The new Oxifree technology is applicable to a broad range of industries besides oil and gas, such as mining as well as power and fertilizer plants.

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

The Group has successfully closed the D21 refurbished project and is in receipt of the final milestone from its customer. The Group has also taken formal steps to commence litigation against its USA contractor to recover costs and further announcement will be made there is any material development.

Mobile Natural Gas Sector ("MNGS")

The CNG supply chain to be developed in Malaysia under the joint venture the Group and Gas Malaysia Berhad is under review by both companies to determine its viability as the supply chain was based on oil indexed alternative fuel prices.

CNG contracts in the West Java supply chain are not oil indexed and not affected by the current oil price plunge. The Group continues to focus its effort to develop the gas to power market segment and is currently negotiating the supply of gas to several independent power producers ("**IPPs**") in Indonesia. Further details on these projects will be disclosed as they materialize.

The Group will also be intensifying its efforts in the commercialization of gas to be produced from Pabuaran KSO to implement its integrated energy plan, in which it can access large amount of gas from its own source for its mobile gas supply chain to consumers in the West Java region.

Exploration and Production Sector ("EPS")

The drilling and production testing of CLS-1 Twin Well ("**CLS-1 TW**") has started since early December 2014 and is scheduled to be completed within 1Q2015 followed by an Independent Qualified Person Report ("**IQPR**"). The later than expected completion of the drilling is caused mainly by the complex geological nature of the Top Parigi formation although strong gas flows have been recorded in this objective. Production testing should start as soon as the drilling, casing and cementing installation is completed. Due to the prolonged drilling and multiple-zone testing program, Pertamina has recently approved a revised AFE to increase the budget for the CLS-1TW campaign. The Group will publish the findings of the exploration results and IQPR report in a separate announcement.

Subsurface studies produced to date from Pabuaran KSO indicate that the block is probably gas rich. Therefore, early gas production and commercialisation is a priority given the current decline of oil prices, subject to agreement from Pertamina. The current price of raw gas sold from wells in Indonesia is not affected by global oil prices so far as it is still significantly lower than current prices of liquid fuels.

Renewable Energy Sector ("RES")

The Group has received the Certificate of Land Use for the biomass plant under its subsidiary, IEV Vietnam JSC, for thirty years from the provincial authority in the month of February 2015.

The management team of Vietnam has revised the feasibility study of the biomass plant to change from the manufacture of rice husk pellets to briquettes and focus on the large domestic market in the first phase of development. This change in biomass product will reduce the capital cost of the project considerably and allow the Group to offer a highly competitive energy to factories in Southern Vietnam, as rice husk briquette is one of the most cost effective renewable energies that can be produced in large quantities from the Mekong Delta for industrial use.

The foundation and land preparation is completed and the Group will make its final decision based on a revised feasibility study by 1Q2015.

11. If a decision regarding dividend has been made:

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

There is no dividend (interim or final) recommended and declared by the directors in respect of the current financial year ended 31 December 2014.

(b)(i) Amount per share/rate %

Not applicable

(b)(ii) Previous corresponding period/rate %

No dividend was declared in the previous corresponding year.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined

Not applicable.

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

The Directors do not recommend any final dividend in respect of the current financial year ended 31 December 2014.

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

(a) Business Segment

	Offshore Engineering		Mobile Natural Gas		Exploration & Production		Renewable Energy		Combined	
	FY2014 RM'000	FY2013 RM'000	FY2014 RM'000	FY2013 RM'000	FY2014 RM'000	FY2013 RM'000	FY2014 RM'000	FY2013 RM'000	FY2014 RM'000	FY2013 RM'000
REVENUE										
Total sales	253,468	209,858	40,615	29,903	-	-	-	-	294,083	239,761
Inter-segment sales	(117,966)	(100,056)	-	-	-	-	-	-	(117,966)	(100,056)
External sales	135,502	109,802	40,615	29,903	-	-	-	-	176,117	139,705
RESULTS										
Segment results	2,482	(8,465)	8,004	4,802	(3,633)	(1,575)	(515)	(91)	6,338	(5,329)
Finance costs	(1,522)	(813)	(135)	(211)	-	-	-	-	(1,657)	(1,024)
	960	(9,278)	7,869	4,591	(3,633)	(1,575)	(515)	(91)	4,681	(6,353)
Share of associated companies' results, net of tax	-	-	695	4,079	-	-	-	-	695	4,079
Profit Before Tax	-	-	-	-	-	-	-	-	5,376	(2,274)
Taxation	-	-	-	-	-	-	-	-	(542)	(2,005)
Non-controlling interests	-	-	-	-	-	-	-	-	(39)	270
Total profit attributable to owners of the parent	-	-	-	-	-	-	-	-	4,795	(4,009)
OTHER INFORMATION										
Segment assets	116,988	136,149	29,969	38,292	43,857	24,342	2,297	2,316	193,111	201,099
Investment in associated companies	-	-	-	17,907	-	-	-	-	-	17,907
Combined total assets (excluding taxation)	116,988	136,149	29,969	56,199	43,857	24,342	2,297	2,316	193,111	219,006
Segment liabilities (excluding taxation)	42,342	88,780	19,995	29,372	44,065	20,643	45	8	106,447	138,803
Capital expenditure										
- intangible assets	251	-	58	-	-	45	-	-	309	45
- property, plant and equipment	1,597	13,650	2,092	1,122	591	-	1,577	-	5,857	14,772
Amortisation of intangible assets	95	56	44	42	326	319	-	-	465	417

Depreciation of property, plant and equipment	1,998	1,591	1,953	2,043	329	-	5	-	4,285	3,634

(b) Geographical Segment

The following table shows the distribution of the Group's combined sales based on geographical location of customers.

	FY2014 RM'000	FY2013 RM'000
Malaysia	104,790	65,292
Indonesia	49,176	44,871
Vietnam	2,713	4,274
Thailand	6,159	957
India	2,650	9,853
Singapore	378	4,722
China	4,344	6,044
South Korea	-	-
Middle East	59	-
United Kingdom	0	3,222
Others	5,848	470
Total	**176,117**	**139,705**

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments

Please refer to Note 8 above.

15. A breakdown of sales

	Group		
	FY2014 RM'000	**FY2013 RM'000**	**% change increase/ (decrease)**
(a) Sales reported for first half year	129,711	83,054	56.2%
(b) Operating profit/loss after tax before deducting non-controlling interests reported for first half year	7,702	(3,893)	not meaningful
(c) Sales reported for second half year	46,406	56,651	(18.1)
(d) Operating profit/loss after tax before deducting non-controlling interests reported for second half year	(2,868)	(386)	643

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Company	FY2014 SGD	FY2013 SGD
(a) Ordinary	-	-
(b) Preference	-	-
(c) Total	-	-

17. 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 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").

18. 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 the allotment and issue of 17.2 million new ordinary shares at an issue price of S$0.413 per share in the capital of the Company through a private placement (the "Placement"). The net proceeds of approximately S$6.9 million (after deducting expenses of approximately S$0.18 million incurred by the Company in connection with the Placement) have been utilised as follows:

Use of Proceeds	Amount allocated (as announced on 10 June 2013) (S$'000)	Amount utilised as at the date of this announcement (S$'000)	Balance of net proceeds as at the date of this announcement (S$'000)
(i) To fund the Pabuaran KSO Project	2,040	2,040	-
(ii) To fund the expansion of Mobile Natural Gas supply chains in West Java, Indonesia and the development and operation of new Mobile Natural Gas supply chains in collaboration with Gas Malaysia Berhad in Peninsular Malaysia	3,710	3,273	437
(iii) To fund the proposed construction of the biomass rice-husk pellet plant in the Mekong Delta, Socialist Republic of Vietnam	1,170	804	366
Net proceeds from the Placement	6,920	6,117	803

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

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

The Company confirms that there is no person occupying a managerial position in the Company and its subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company pursuant to Rule 704(10) of the Catalist Rules.

BY ORDER OF THE BOARD
CHRISTOPHER NGHIA DO
PRESIDENT & CEO
Date: 25 February 2015