IEV HOLDINGS LIMITED

ANNUAL REPORT 2015

WE ARE IEV

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

The contact person for the Sponsor is Mr Sebastian Jones, Associate Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road, #21-02 Singapore 068896, telephone (65) 6854-6160.

Cover Rationale

In a climate of uncertainty and complexity, we stand steadfast and remain committed in facing these challenges head on. With strong fundamentals, an empowered team and the drive to push things forward, we continue to offer and deliver the best of our services. We have the will to succeed, because together as a united IEV, we stand resilient.

Our Vision

We Champion Innovative Solutions To Make Energy Affordable And Accessible To All

View Our Report Online

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Proxy Form

Corporate Profile

1.

2.

IEV HOLDINGS LIMITED

IEV Holdings Limited, its subsidiaries and associates ("IEV" or the "Group"), currently operate in four sectors namely, Offshore Engineering Sector, Mobile Natural Gas Sector, Exploration and Production Sector and Renewable Energy Sector. The Group's operations span the Asian region while projects are undertaken worldwide. IEV offers both specialised technologies and turnkey services to construct, repair, maintain, rejuvenate and remove offshore oil and gas production facilities in the Offshore Engineering Sector. In the Exploration and Production Sector, IEV is currently involved in the onshore exploration and production of hydrocarbons in Indonesia. In the Mobile Natural Gas Sector, IEV develops and operates compressed natural gas supply chains to deliver natural gas to customers without gas pipeline access in Indonesia and Malaysia. IEV is engaged in the Renewable Energy Sector through the manufacture of briquettes from rice husk in the Mekong Delta to provide a low cost and green fuel source to factories in Vietnam.

For more information
Please scan the QR Code to view
our Corporate Profile.

1. Preparation of Oxifree thermoplastic spray for an offshore project

2. Inauguration of MK-1 Biomass Plant

29 YEARS AND GROWING

IEV's history started with the invention of the "ocean-powered" marine growth control ("MGC") technology by its founder and current President and CEO, Christopher Do in 1987. Now in its 29th year of operation, IEV has grown into a multinational group of companies, serving the regional oil and gas industry and growing steadily to become a fully integrated energy provider.

Today, IEV provides a range of specialised technologies and niche turnkey engineering solutions to support the oil and gas industry.

In 2005, the Group entered into the energy business and developed two mobile natural gas supply chains in Indonesia and Vietnam. In 2012, the Group took a step closer to becoming an integrated energy provider with the award of the first cooperation agreement ("KSO") by PERTAMINA to carry out onshore exploration and production activities in the Pabuaran block in West Java, Indonesia. IEV's goal to make energy affordable to all was further realised through the establishment of its Renewable Energy Sector business in 2013 to champion alternative and clean energy solutions.

1.

2.

"The four sectors form the foundation to achieve our vision in making energy affordable and accessible to all"

OFFSHORE ENGINEERING SECTOR ("OES")

In OES, IEV provides a range of highly specialised technologies under its Integrated Engineering Solutions ("IES") to address the engineering challenges of installing and operating subsea facilities of upstream oil and gas assets. Such solutions support the installation of offshore platforms and pipelines, enhance and maintain their structural integrity, and aid in the decommissioning of ageing structures. The core technologies of the Group are in the fields of marine growth control, corrosion control, diamond wire cutting, structural pile grouting, freespan correction, trenching, underwater dry welding, grouted clamps, concrete mattress and decommissioning studies. In 2013, IEV launched and applied for patents for its new generation of Marine Growth Preventers with self-cleaning and anti-impact features to provide marine structures with a long term and cost effective solution against marine growth colonisation. From 2015, the Group has offered the Oxifree corrosion control technology under an exclusive distribution agreement in five countries including Vietnam, Indonesia, Malaysia, Brunei and India. Oxifree is a unique reusable corrosion inhibitor that can be applied to not only the oil and gas industry, but also power plants, fertilizer plants and the mining industry.

Also in this sector, IEV provides niche Turnkey Solutions ("TS"), particularly for projects that require "end-of-life" engineering needs through its "3-Re" value proposition - Rejuvenate, Remove and Reuse. These turnkey services help to extend life of ageing structures, decommission assets that are no longer in service, as well as supply refurbished structures for marginal field developments to reduce both project time and cost. The Group manages large transportation and installation contracts for both shallow and deep-water facilities through collaboration with its strategic alliance partners. Currently, IEV operates its OES business from its headquarters in Malaysia and two foreign operating centres in Indonesia and Vietnam. The Group has also established a network of agents to distribute its proprietary Marine Growth Control products in India, China, Australia, America, Africa, Europe and the Middle East.

1. CNG tube skids ready to deliver Natural Gas to industries in the Mobile Natural Gas Sector
2. Rice husk feed stock delivered to MK-1 Biomass Plant

Corporate Profile

MOBILE NATURAL GAS SECTOR ("MNGS")

In MNGS, IEV currently operates a 4.5 million standard cubic feet per day ("mmscfd") compressed natural gas ("CNG") supply chain in West Java, Indonesia. The plant supplies CNG to industrial customers within a 200 kilometer radius without pipeline access, who are using CNG to replace more expensive fuels such as liquefied petroleum gas and diesel. IEV is currently developing the first CNG supply chain for the East Coast of Peninsular Malaysia under Gas Malaysia IEV Sdn. Bhd., a joint venture company with Gas Malaysia Berhad.

The Group is engaged in feasibility studies for several mobile natural gas infrastructure developments, where its capabilities and experience can be utilised for the commercialisation of stranded gas via CNG or small scale liquefied natural gas ("LNG") supply chains. IEV's strategy in this area focuses on the use of natural gas to replace oil as the primary source of fuel for industrial, transport and remote power generation applications.

EXPLORATION AND PRODUCTION SECTOR ("EPS")

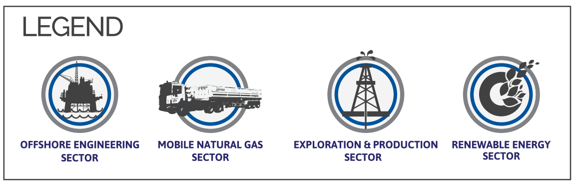
The Group's entry to exploration and production through the Pabuaran KSO in Indonesia with PERTAMINA is a significant step towards implementing its strategy to develop an integrated energy business. The Group was awarded a 15-year joint operation agreement for the Pabuaran onshore block in Indonesia in September 2012. In 2015, the Group has conducted several test drills and intersected multiple zones of oil and gas bearing intervals in this field. In line with this activity, the Group had also engaged an independent consultant, who meets the Catalist Rules requirements of a qualified person, to prepare the Independent Qualified Person's Report ("IQPR") and provide an estimate of hydrocarbon reserves and valuation of the Pabuaran block. The IQPR highlighted proven reserves and contingent resources based on the first onshore well drilled by the Group in Cilamaya Selatan.

The Group is now proceeding to implement the approved production plan for Cilamaya Selatan. As the price of gas from wellheads in Indonesia has not been affected by the current oversupply of oil, the Group will accelerate its plan of development for gas from the Pabuaran KSO. The Group also plans to continue to appraise the potential of the shallower structures at Cisubuh and deeper Talang Akar and Jatibarang Formations in future development wells.

RENEWABLE ENERGY SECTOR ("RES")

In 2013, IEV implemented its strategic plan to meet the energy mix requirements through its first biomass plant in the Mekong Delta, commonly referred to as the "rice bowl of Southern Vietnam". Rice husk, a waste product from rice production will be used as feedstock to manufacture briquettes to fuel boilers in factories and power plants. In March 2016, IEV inaugurated its first biomass manufacturing plant, MK-1 Biomass Plant ("MK-1 Plant"). The MK-1 Plant is situated on a 13,000m^2 land space with a capacity to store up to 10,000 metric tons of rice husk and produce up to 150 tons of rice husk briquettes per day. In the initial phase, the Group will focus on the manufacturing and supply of rice husk briquettes to satisfy domestic demand for steam production. This will be followed by the production of diverse valued-added biomass products for a wide range of industries.

FINANCIAL YEAR 2015 BUSINESS ACTIVITY MAP



Corporate Information

BOARD OF DIRECTORS

TAN SRI DATO' HARI N. GOVINDASAMY
Non-Independent Non-Executive Chairman

CHRISTOPHER NGHIA DO
President & Chief Executive Officer

JOANNE BRUCE
Non-Independent
Non-Executive Director

NG WENG SUI, HARRY
Lead Independent Director

KESAVAN NAIR
Independent Director

AUDIT COMMITTEE

NG WENG SUI, HARRY
Chairman

TAN SRI DATO' HARI N.
GOVINDASAMY

KESAVAN NAIR

REMUNERATION COMMITTEE

KESAVAN NAIR
Chairman

TAN SRI DATO' HARI N.
GOVINDASAMY

NG WENG SUI, HARRY

NOMINATING COMMITTEE

KESAVAN NAIR
Chairman

TAN SRI DATO' HARI N.
GOVINDASAMY

NG WENG SUI, HARRY

COMPANY SECRETARY

TEO MENG KEONG, ACIS

COMPANY REGISTRATION NUMBER

201117734D

REGISTERED OFFICE

80 Robinson Road
#02-00
Singapore 068898
T : +65 6236 3333
F : +65 6236 4399

PRINCIPAL PLACE OF BUSINESS

Level 22 PJX-HM Shah Tower
No. 16A Persiaran Barat
Petaling Jaya 46050
Selangor Darul Ehsan, Malaysia

CONTINUING SPONSOR

Canaccord Genuity Singapore Pte. Ltd.
77 Robinson Road #21-02
Singapore 068896

SHARE REGISTRAR & SHARE TRANSFER OFFICE

Boardroom Corporate & Advisory
Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

AUDITORS & REPORTING ACCOUNTANT

Deloitte & Touche LLP
Public Accountants and Chartered
Accountants
Unique Entity No. T08LL0721A
6 Shenton Way, OUE Downtown 2
#33-00
Singapore 068809

Partner-In-Charge: Yang Chi Chih
(Appointed on 27 April 2015)

INTERNAL AUDITORS

Crowe Horwath Governance Sdn. Bhd.
Level 16 Tower C, Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur, Malaysia

Director-In-Charge: Amos Law
(Appointed on 21 Sept 2012)

PRINCIPAL BANKERS

AmBank (M) Berhad
Level 24, Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur, Malaysia

The Hongkong and Shanghai
Banking Corporation Limited
21 Collyer Quay #06-01
HSBC Building
Singapore 049320

Corporate Structure

IEV HOLDINGS LIMITED
(SINGAPORE)

- 100% — **IEV ENERGY INVESTMENT PTE. LIMITED** (SINGAPORE)
  - 95% — **PT IEV PABUARAN KSO** (INDONESIA)
- **IEV GROUP SDN. BHD.** (MALAYSIA)
  - 100% — **IEV MANUFACTURING SDN. BHD.** (MALAYSIA)
  - 100% — **IEV ENGINEERING SDN. BHD.** (MALAYSIA)
  - 49% — **IEV (MALAYSIA) SDN. BHD.*** (MALAYSIA)
  - 100% — **IEV INTERNATIONAL LIMITED** (HONG KONG)
  - 95% — **PT IEV INDONESIA** (INDONESIA)
  - 100% — **IEV OIL & GAS TECHNOLOGIES CO., LTD.** (VIETNAM)
  - 100% — **IEV ENERGY SDN. BHD.** (MALAYSIA)
    - 25% — **GAS MALAYSIA IEV SDN. BHD.*** (MALAYSIA)
    - 95% — **PT IEV GAS** (INDONESIA)
    - 90.3% — **IEV VIETNAM JOINT STOCK COMPANY** (VIETNAM)

*Associate

Offshore Engineering Sector (OES)

Mobile Natural Gas Sector (MNGS)

Exploration & Production Sector (EPS)

Renewable Sector (RES)

Directors' Profile

TAN SRI DATO' HARI N. GOVINDASAMY

Non-Independent Non-Executive Chairman

Tan Sri Dato' Hari was appointed Chairman of the Board on 29 September 2011. He has been a Non-Executive Director of IEV Group (Malaysia) since 2004.

Tan Sri Dato' Hari is a businessman by profession and is a member of the Institute of Engineers, Malaysia and a registered professional engineer with the Board of Engineers, Malaysia. Tan Sri Dato' Hari is the Director and Deputy Chairman of Emrail Sdn. Bhd. and is also an Independent Non-Executive Director of Puncak Niaga Holdings Berhad, a public listed company in Malaysia. He also holds non-executive directorships on the Board of several private companies.

Tan Sri Dato' Hari obtained a Bachelor Degree in Electrical & Electronic Engineering from the University of Northumbria, England in 1977.

CHRISTOPHER NGHIA DO

President and Chief Executive Officer

Christopher Do is the Group's founder, President and Chief Executive Officer ("CEO") and was appointed to the Board on 26 July 2011.

Christopher Do established the business in 1987 to commercialise his invention, the "ocean-powered" Marine Growth Control ("MGC") technology. With 30 years of experience in the oil and gas industry, he is responsible for the overall business performance, growth strategy and corporate planning of the Group and directly supervises the Renewable Energy and Exploration and Production sectors of the Group. He is also actively involved in negotiating new technologies, strategic alliances and businesses, and is pivotal in the development of growth strategies and future plans of the Group.

Christopher Do spearheaded the transformation of the Group from a specialist subsea technology provider into a niche turnkey contractor and from a mobile natural gas supplier into an integrated energy provider with upstream, midstream and downstream activities.

Christopher Do is the founder and chairman of the Sunshine Scholarship Foundation, a charitable organisation in Vietnam with a mission to help eradicate poverty through education by providing scholarships to students from challenging backgrounds until their tertiary graduation.

Christopher Do graduated from the University of New South Wales, Australia, in 1984 with a Bachelor Degree in Mechanical Engineering (First Class Honours).

JOANNE BRUCE

Non-Independent Non-Executive Director

Joanne Bruce was appointed to the Board on 29 September 2011.

Joanne Bruce has been with the Group as a senior executive member since 1988. In June 2015, Joanne Bruce relinquished her position as the Company's Executive Director – Corporate Affairs and Compliance and has been re-designated as a Non-Independent Non-Executive Director of the Company.

As the Non-Independent Non-Executive Director, Joanne Bruce will provide corporate advisory services to IEV International Limited (a wholly-owned subsidiary of the Group) as specified by the Chief Executive Officer of the Company and the board of directors of IEV International from time to time.

Prior to relinquishing her position as the Corporate Affairs and Compliance Director, Joanne Bruce was responsible for corporate finance, compliance and legal matters, including corporate negotiations and overseeing the Group's company secretarial matters. She also assisted in the establishment of branch offices and subsidiaries and provided support in administrative and corporate matters of the Group. Prior to joining the Group, Joanne Bruce was the Dean of the New South Wales College of Natural Therapies.

Joanne Bruce graduated with a Diploma in Naturopathy and a Diploma of Botanic Medicine from the New South Wales College of Natural Therapies, Australia in 1985.

NG WENG SUI, HARRY

Lead Independent Director

Harry Ng was appointed to the Board on 26 July 2011.

Harry Ng is the Lead Independent Director, the Chairman of the Audit Committee, the Risk Committee and a member of the Nominating Committee and the Remuneration Committee. Harry Ng is currently the Executive Director of HLM (International) Corporate Services Pte. Ltd., which provides corporate services including corporate advisory, business consultancy, accounting, tax and secretarial services. He has more than 30 years of experience in accountancy, finance and audit. He is an Independent Director and Chairman of the Audit Committee of Artivision Technologies Ltd., Q&M Dental Group (Singapore) Limited, Oxley Holdings Limited and HG Metal Manufacturing Limited, all of which are currently listed on the SGX-ST. Harry Ng was the Chief Financial Officer and Executive Director of Achieva Limited from 2008 to 2010. From 2004 to 2008 he was the Chief Financial Officer of Sunmoon Food Company Limited.

Harry Ng is a Fellow member of the Institute of Singapore Chartered Accountants and a Fellow of the Association of Chartered Certified Accountants (UK). He obtained a Master of Business Administration (General Business Administration) from The University of Hull, UK.

KESAVAN NAIR

Independent Director

Kesavan Nair was appointed to the Board as an Independent Director on 29 September 2011.

Kesavan Nair is the Chairman of the Nominating Committee and the Remuneration Committee and a member of the Audit Committee and the Risk Committee.

Kesavan Nair is also an Independent Director of Kitchen Culture Holdings Ltd., Elektromotive Group Ltd., and HG Metal Manufacturing Ltd. He is a practising Advocate & Solicitor with Genesis Law Corporation.

Kesavan Nair is a member of the Law Society of Singapore, the Singapore Academy of Law, the Honourable Society of The Middle Temple, the Singapore Institute of Arbitration, the Criminal Legal Aid Scheme and the Association of Criminal Lawyers in Singapore. He graduated from the University College Wales, Aberystwyth with a Bachelor of Laws (Honours) in 1988.

Further Information on Board of Directors

TAN SRI DATO' HARI N. GOVINDASAMY — Non-Independent Non-Executive Chairman

Date of first appointment as a Director
29 September 2011

Date of first appointment as a Chairman
29 September 2011

Date of last re-election as a Director
23 April 2012

Length of Service as a Director (as at 31 December 2015)
4 years 3 months

Board Committee(s) served on
- Audit Committee (Member)
- Risk Committee (Member)
- Remuneration Committee (Member)
- Nominating Committee (Member)

Present directorship/chairmanship in other listed companies
- Puncak Niaga Holdings Berhad (Independent Non-Executive Director)

Present principal commitments (other than directorships in other listed companies)
- Emrail Sdn. Bhd. (Director & Deputy Chairman)

Past principle directorships/ chairmanship held over the preceding 3 years in other listed companies (from to 1 January 2013 to 31 December 2015
- Tenaga Nasional Berhad
  Resigned on 19 December 2013
  (Independent Non-Executive Director)
- SP Setia Berhad
  Resigned on 12 March 2015
  (Independent Non-Executive Director)

Any relationships including immediate family relationships between the directors, the Company or its 10% shareholders
- Spouse to Vimala J. Govindasamy (a 10% shareholder)

CHRISTOPHER NGHIA DO — President and CEO

Date of first appointment as a Director
26 July 2011

Date of last re-election as a Director
22 April 2013

Length of Service as a Director (as at 31 December 2015)
4 years 5 months

Board Committee(s) served on
- Risk Committee (Member)

Present directorship/chairmanship in other listed companies
Nil

Present principal commitments (other than directorships in other listed companies)
- Majestic Megamax Sdn. Bhd. (Director & Shareholder)

Past principle directorships/ chairmanship held over the preceding 3 years in other listed companies (from to 1 January 2013 to 31 December 2015)
- CNG Vietnam Joint Stock Company
  Resigned on 15 September 2014
  (Board of Management)

Any relationships including immediate family relationships between the directors, the Company or its 10% shareholders
None

JOANNE BRUCE — Non-Independent Non-Executive Director

Date of first appointment as a Director
29 September 2011

Date of last re-election as a Director
25 April 2014

Length of Service as a Director (as at 31 December 2015)
4 years 3 months

Board Committee(s) served on
- Risk Committee (Member)

Present directorship/chairmanship in other listed companies
Nil

Present principal commitments (other than directorships in other listed companies)
- Biossentials Limited (Director & Shareholder)
- Biossentials Sdn. Bhd. (Director & Shareholder)

Past principle directorships/ chairmanship held over the preceding 3 years in other listed companies (from to 1 January 2013 to 31 December 2015)
Nil

Any relationships including immediate family relationships between the directors, the Company or its 10% shareholders
None

NG WENG SUI, HARRY — Lead Independent Director

Date of first appointment as a Director
26 July 2011

Date of last re-election as a Director
25 April 2014

Length of Service as a Director (as at 31 December 2015)
4 years 5 months

Board Committee(s) served on
- Audit Committee (Chairman)
- Risk Committee (Chairman)
- Remuneration Committee (Member)
- Nominating Committee (Member)

Present directorship/chairmanship in other listed companies
- Artivision Technologies Ltd. (Independent Director and Chairman of Audit Committee)
- Q&M Dental Group (Singapore) Limited (Independent Director and Chairman of Audit Committee)
- Oxley Holdings Limited (Lead Independent Director and Chairman of Audit Committee)
- HG Metal Manufacturing Limited (Independent Director and Chairman of Audit and Risk Committee)

Present principal commitments (other than directorships in other listed companies)
- HLM (International) Corporate Services Pte. Ltd. (Executive Director)

Past principle directorships/ chairmanship held over the preceding 3 years in other listed companies (from to 1 January 2013 to 31 December 2015)
Nil

Any relationships including immediate family relationships between the directors, the Company or its 10% shareholders
None

KESAVAN NAIR — Independent Director

Date of first appointment as a Director
29 September 2011

Date of last re-election as a Director
22 April 2013

Length of Service as a Director (as at 31 December 2015)
4 years 3 months

Board Committee(s) served on
- Remuneration Committee (Chairman)
- Nominating Committee (Chairman)
- Audit Committee (Member)
- Risk Committee (Member)

Present directorship/chairmanship in other listed companies
- Kitchen Culture Holdings Ltd. (Independent Director and Chairman of Nominating Committee)
- Elektromotive Group Ltd. (Independent Director and Chairman of Nominating Committee)
- HG Metal Manufacturing Limited (Independent Director and Chairman of Nominating and Remuneration Committees)

Present principal commitments (other than directorships in other listed companies)
- Genesis Law Corporation (Executive Director)
- Genvest Pte. Ltd. (Executive Director & Shareholder)

Past principle directorships/ chairmanship held over the preceding 3 years in other listed companies (from to 1 January 2013 to 31 December 2015)
- Kitchen Culture Holdings Ltd. (Chairman of Remuneration Committee)

Any relationships including immediate family relationships between the directors, the Company or its 10% shareholders
None

Key Management

EDWARD CHEN
Chief Financial Officer

Edward Chen joined the Group as Chief Financial Officer on 1 September 2014. He is responsible for the formation and execution of the Group's financial strategies and planning, treasury and foreign exchange management, tax planning, risk management and internal controls. He is also responsible for the Group's financial reporting.

Prior to joining the Group, he served as the Head of Finance and Internal Audit with a Malaysian upstream oil and gas company in the Exploration and Production sector and the provision of FPSO/FSO solutions. Prior to that, he was the Vice President, Finance & Investment for a Singapore environmental engineering company offering niche environmental waste management technologies, engineering and management solutions.

Edward Chen holds two degrees in Bachelor of Laws LLB and Bachelor of Commerce in Finance from the University of New South Wales, Australia. He had been admitted to the status of Certified Practising Accountant of CPA Australia in 2000 and as Chartered Accountant of the Malaysian Institute of Accountants in 2012.

JUZER NOMANBHOY
Managing Director - IEV Malaysia
Vice President - Offshore Engineering Sector

Juzer Nomanbhoy is the Managing Director (IEV Malaysia) and Vice President of Offshore Engineering Sector. He has been with the Group since 1992. He is responsible for the development and overall performance of the Group's Offshore Engineering Sector. He also oversees the day-to-day operations of the Group's Malaysian operations.

Before joining the Group in 1992, he was attached to Dowell Schlumberger Asia Pte. Ltd. for a period of six years, where he was responsible for the day-to-day running of the base for the provision of well cementing services to various national oil companies in Mexico, Brunei, Korea, Japan and Taiwan. Before his stint with Dowell Schlumberger Asia Pte. Ltd., he spent one year as an engineer on the Malaysia International Shipping Corporation vessels.

Juzer has been instrumental in transforming the decommissioning business of the Group from sub-contractor to main contractor's role with emphasis on Rejuvenation, Removal and Reuse of existing offshore structures.

Juzer Nomanbhoy graduated with a Bachelor Degree with Honours from the University of New South Wales, Australia in Mechanical Engineering in 1982.

JUSTIN YONG
Vice President -
Mobile Natural Gas Sector & Special Projects

Justin Yong is the Vice President of the Group's Mobile Natural Gas Sector and Special Projects. He has been with the Group since 2002 and spearheaded the development of the Mobile Natural Gas Sector since its inception in 2005.

Prior to his current position with the Group, Justin served as the General Manager of PT IEV Gas for a period of three years. He then returned to Malaysia to undertake the position of Vice President of Operations in the Offshore Engineering Sector in 2010. As the Group embarked on major developments in its Mobile Natural Gas Sector, he was reassigned to the new position in January 2012 and has been spearheading the sector ever since. Justin is responsible for the management of the Group's Mobile Natural Gas Sector business, its growth plans and strategies. In addition to his current position, in 2015, Justin was given an assignment to evaluate and undertake new projects and opportunities as part of the Company's long-term development plans under the Special Projects category.

Prior to joining the Group, he was the Finance and Administration Manager at Stock Niaga Dotcom Sdn. Bhd. in 2000 and Regional Accountant at Cape East (M) Sdn. Bhd. from 1994 to 1998.

Justin Yong obtained both a diploma in Business Administration and a certificate from the Association of Chartered Certified Accountants (United Kingdom) in 2001.

NG SIEW HAN
Senior Manager - Finance

Ng Siew Han joined the Group as Senior Manager - Finance on 27 May 2015. She is responsible for all aspects of financial and treasury management activities of the Group. She is also responsible for the management of the accounting team to ensure efficiency in the day-to-day operations of the overall accounting activities of all companies.

Prior to joining the Group, she served as the Senior Manager of Finance with a Malaysian upstream oil and gas company. Prior to that, she was the Accountant for public listed Malaysian companies offering financial services, property development, investment holding in leisure and hospitality.

Ng Siew Han is a Chartered Management Accountant from CIMA and a member of the Malaysia Institute of Accountant (MIA).

LOH KOON YAU
Head of Business Unit - Marine Growth Control Business Unit

Loh Koon Yau is the Head of Marine Growth Control Business Unit. She has been with the Group since 2012. She is responsible for the overall business performance of the product line, including sales and marketing, day-to-day operations and production activities.

Before joining the Group in 2012, she was attached to Tractors Petroleum Services Sdn. Bhd., under Sime Darby Group for a period of five years, where she was responsible for sales and project management of rotating equipment and inline inspection services for oil and gas sector covering Southeast Asian countries. Prior to that, she was Regional Sales Representative for a China based valve manufacturer in Southeast Asia.

Loh Koon Yau graduated with a Bachelor Degree in Geography from the University of Malaya, Malaysia in 2002.

Financial Highlights

INCOME STATEMENT	FY2015 RM'000	FY2014 RM'000
Revenue	**111,704**	173,629
Gross profit	**20,964**	18,593
Earnings before interest, tax, depreciation and amortisation	**18,123**	10,778
Profit/(Loss) attributable to owners of the Company	**12,659**	4,794
Earnings/(Loss) per share (Malaysian sen)[1]		
- basic	**5.11**	2.49
- diluted	**5.11**	2.49

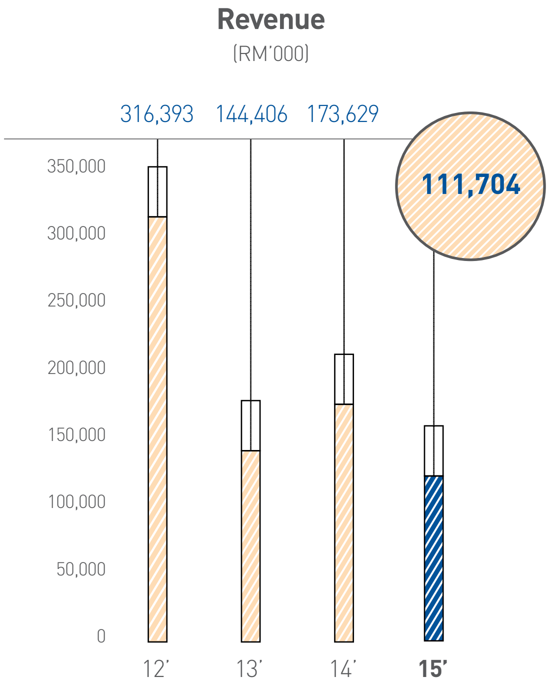
BALANCE SHEET	As at 31 December 2015 RM'000	As at 31 December 2014 RM'000
Property, plant and equipment	**37,077**	33,955
Associates	**2,770**	1,509
Other non-current assets	**73,019**	32,661
Current assets excluding cash and bank balances	**71,235**	84,483
Cash and bank balances	**20,716**	21,230
Total assets	**204,817**	173,838
Non-current liabilities	**(16,898)**	(16,545)
Current liabilities	**(63,434)**	(70,392)
	124,485	86,901
Equity attributable to owners of the Company	**123,950**	86,660
Non-controlling interests	**535**	241
	124,485	86,901
Gearing ratio (times)	**0.34**	0.44
Net asset value per share (Malaysian sen)[2]	**43.7**	45.8

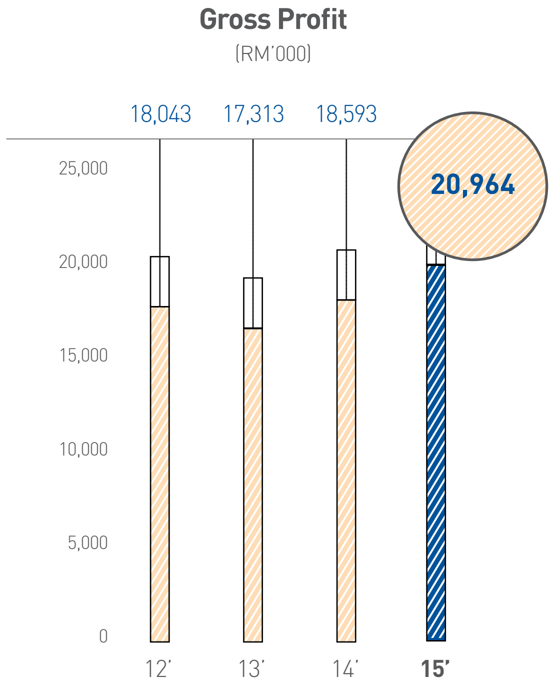
CASH FLOW STATEMENT	2015 RM'000	2014 RM'000
Cash and cash equivalents as at 31 December	**16,958**	17,541

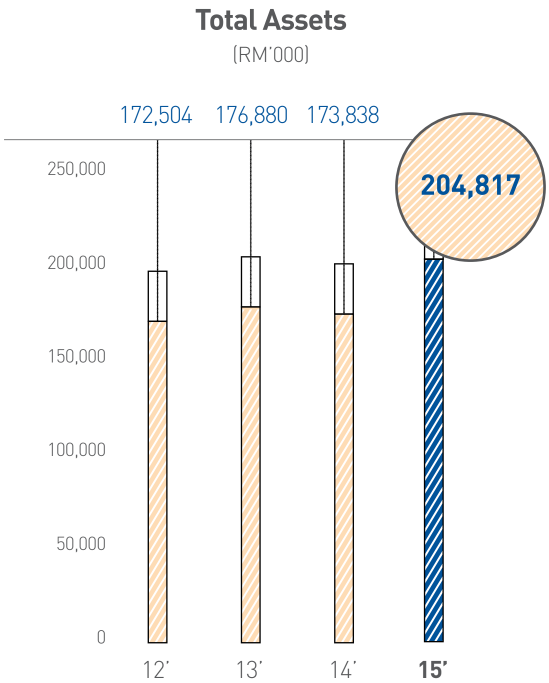
Notes:

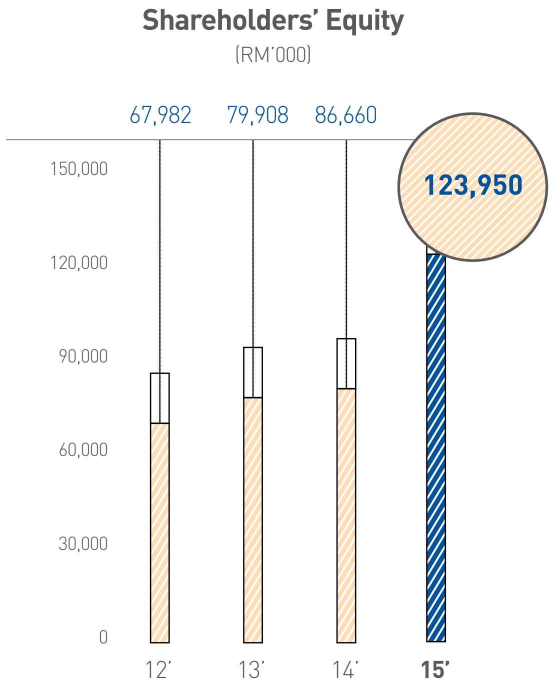
(1) For FY2015, the earnings per share (basic and on a fully diluted basis) have been computed based on the Group's profit attributable to owners of the Company and the weighted average number of ordinary shares in issue of 247,847,958 shares, subsequent to the allotment and issue of 94,600,000 new ordinary shares through a rights issue exercise, which was completed on 3 June 2015. For comparative purposes, the earnings per share (basic and on a fully diluted basis) for FY2014 have been computed based on the Group's profit attributable to owners of the Company and the weighted average number of ordinary shares in issue of 192,671,560 shares of the Company. The weighted average numbers of shares for FY2015 and FY2014 have been adjusted to take into effect the notional bonus element in the 94,600,000 rights issue shares.

(2) Net asset values per share as at 31 December 2015 and 31 December 2014 have been calculated based on the aggregate number of ordinary shares of 283,800,000 and 189,200,000 shares as at the respective dates.


Revenue
(RM'000)
316,393
144,406
173,629
111,704
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
12'
13'
14'
15'


Gross Profit
(RM'000)
18,043
17,313
18,593
20,964
25,000
20,000
15,000
10,000
5,000
0
12'
13'
14'
15'


Total Assets
(RM'000)
172,504
176,880
173,838
204,817
250,000
200,000
150,000
100,000
50,000
0
12'
13'
14'
15'


Shareholders' Equity
(RM'000)
67,982
79,908
86,660
123,950
150,000
120,000
90,000
60,000
30,000
0
12'
13'
14'
15'

Chairman's Statement

DEAR
VALUED SHAREHOLDERS

ON BEHALF OF THE BOARD OF DIRECTORS AND MANAGEMENT OF IEV, I AM PLEASED TO PRESENT OUR ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 ("FY2015").

TAN SRI DATO' HARI N. GOVINDASAMY
CHAIRMAN

"Despite a global oil oversupply which caused oil prices to plunge by 70% and the downturn of the oil and gas industry, IEV posted profit after tax of RM12.6 million for FY2015. This demonstrates the resilience of the Group and its capacity to generate a good profit margin from its portfolio of businesses, whilst maintaining a low net gearing ratio. The disruption of the mother station at the EJ1 natural gas compression station in West Java, Indonesia caused by a dispute in relation to road access, was a temporary setback and had a negative impact on the performance of MNGS. The relocation of the mother station to the EJ2 natural gas compression station should stabilise the earnings of MNGS, especially when the CNG supply chain of our associate in the west coast Malaysia, Gas Malaysia IEV Sdn. Bhd., commences operation in the second quarter of 2016. We take a cautious approach in our investment plan in the EPS and will continue to focus on the natural gas development plan from the Pabuaran KSO, whilst monitoring the oil price trend to decide on the optimal timing for the commencement of oil production. The inauguration of the MK-1 Biomass Plant in the Mekong Delta signifies IEV's entry to the RES and its progress in diversification towards renewable energy."

IEV recorded a profit before tax ("PBT") of RM12.1 million in FY2015 compared to a PBT of RM5.0 million for the financial year ended 31 December 2014 ("FY2014"), due mainly to a strong profitability in our OES, which is partially offset by the losses in MNGS and the continued investment costs in our RES and EPS businesses.

The Group experienced a 35.7% decline in revenue from RM173.6 million in FY2014 to RM111.7 million in FY2015. Revenue contribution from OES in FY2015 declined by 47.5% from RM133.0 million in FY2014 to RM69.8 million, mainly due to lower turnkey project revenue in FY2015. However, the offshore installation of the Malikai Tension Leg Platform turnkey contract for Sabah Shell Petroleum Company is expected to make a significant contribution to revenue for OES for the financial year ending 31 December 2016.

Overall, the Group's gross profit margin improved to 18.8% in FY2015 from 10.7% in FY2014. This improvement was attributable to the increase in gross profit margin for OES to 32.1% for FY2015 from 10.4% for FY2014, which was partially offset by the gross loss of MNGS. Our proprietary marine growth control technology has been contributing significant gross profit to the Group and we continue our efforts in expanding the market for this product line. We also continue to focus on the commercialisation of the Oxifree anti-corrosion solution in five (5) South East Asian countries and prepare our plan to set up a new operation in India to further capitalise on business opportunities in this fast growing economy.

The depreciation of local currencies against the US Dollar has also caused significant foreign exchange gains and lowered both the Group's cost of sales and operating expenses, as US Dollar revenues dominate the Group's earnings.

"The Group posted a profit before tax of RM12.1 million in FY2015"

I am encouraged by the preliminary results of our market study in mobile natural gas infrastructure development in Singapore and Tamil Nadu, and look forward to the commercial operation of the first CNG supply chain in Peninsular Malaysia. I believe that natural gas, which has been used as the main energy source for many power plants in the region, will also become the main fuel source for the industrial and transport sectors in the future, as we move towards building and living in a greener environment and take part in the global commitment to reduce greenhouse gases under the Paris Agreement. Our involvement in the biomass sector in generating energy from rice husks and exploring all green products that can be produced from this agricultural waste is our contribution towards this effort and an integral part of our philosophy in building an enduring company.

On behalf of the Board of Directors, I am confident that with the relentless and multi-dimensional efforts in cost optimisation, diversification strategies and concurrent development of our four (4) sectors, the Group is well positioned to weather the current downturn of the oil and gas industry whilst laying solid foundations for capitalising on future growth opportunities derived from our ongoing feasibility studies in OES, MNGS and RES.

I would like to take this opportunity to extend my appreciation to the Board of Directors and the Sponsor for their invaluable guidance and support, and to IEV's management and employees for their continued loyalty, commitment to excellence and support in overcoming challenges and delivering our profitable results and important milestones in FY2015.

I also wish to extend my sincere gratitude to our existing and new shareholders, customers, regulatory authorities, financiers and business associates for their confidence in our business and future plans.

TAN SRI DATO' HARI N. GOVINDASAMY
Chairman and Non-Executive Director

Pursuant to Rule 708 of the SGX-ST Listing Manual Section B: Rules of Catalist, the Chairman's Statement represents the collective view of the Board of Directors of IEV.

President & CEO's Statement

DEAR SHAREHOLDERS

FY2015 WAS AN IMPORTANT YEAR FOR THE GROUP AS IT NAVIGATED A VERY UNSTABLE AND PROLONGED LOW OIL PRICE ENVIRONMENT TO DELIVER A 177% INCREASE IN PROFIT AFTER TAX AND A DIVIDEND OF 0.36 MALAYSIAN SEN PER SHARE TO SHAREHOLDERS.

CHRISTOPHER NGHIA DO
PRESIDENT & CEO

Several important milestones were also achieved in FY2015, including the successful rights issue to increase the Group's equity by SGD6.47 million, the global settlement of USD2.2 million with Allison Marine Contractors II LLC on the D21 turnkey project, the successful launch and strong sale of IEV's new generation of marine growth control products, and the issuance of the Independent Qualified Person's Report for the Pabuaran KSO.

Financial Highlights	**Audited FY2015 RM'000**	Audited FY2014 RM'000	% Change
Revenue	**111,704**	173,629	(35.7)
Gross Profit	**20,964**	18,593	12.8%
Profit/(Loss) Before Tax	**12,102**	4,999	142.1%
Profit/(Loss) After Tax ("PAT")	**12,574**	4,543	176.8%

The Group experienced a 35.7% decline in revenue from RM173.6 million for FY2014 to RM111.7 million for FY2015, mainly due to lower turnkey project revenue in FY2015.

For FY2015, the Group achieved a gross profit of RM21.0 million compared to a gross profit of RM18.6 million for FY2014. The increase in gross profit was mainly attributable to an increase in the sale of the Group's proprietary Marine Growth Prevention products and services. This increase was however offset by the gross loss of RM1.4 million recorded by MNGS for FY2015. Overall, the Group's gross profit margin improved to 18.8% in FY2015 from 10.7% in FY2014.

Other operating income amounted to RM17.6 million in FY2015 compared to RM11.7 million in FY2014. Other operating income for FY2015 was mainly from the global settlement reached with Allison Marine Contractors II LLC in full and final settlement of all claims in relation to the D21 turnkey project and an exchange gain. The exchange gain was mainly due to the significant strengthening of the US Dollar against the Malaysian Ringgit during FY2015 and because a significant portion of the Company's advances to its subsidiaries was denominated in US dollars.

For FY2015, the Group reported a profit before taxation of RM12.1 million, an increase of RM7.1 million from the profit before taxation of RM5.0 million in FY2014.

In FY2015, the Group invested RM32.7 million in the following four (4) capital projects:

1) RM24.5 million for the drilling of CLS-1TW in the Pabuaran KSO;
2) RM4.3 million for the MK-1 Biomass Plant;
3) RM2.6 million for the construction of EJ-2 natural gas compression station in West Java; and
4) RM1.3 million for the Gebeng CNG supply chain with Gas Malaysia IEV Sdn. Bhd.

These investments were capital commitments of the Group to achieve sustainability and growth.

Order Book

IEV's order book was RM392 million as at 28 February 2016, which included RM353.4 million for OES and RM38.6 million for MNGS. Trade in RES commenced in February 2016 with purchase orders for briquettes continuing on spot trade basis but it is expected that this will soon change into a combination of spot trade and long term sales contracts.

The Group continues to secure awards in its IES business although there is a slow-down in business opportunities in new field developments from Indonesia, Vietnam and Malaysia. The Group is bidding for several turnkey engineering projects, including those related to decommissioning work in India, Vietnam and Turkmenistan. From second quarter of 2016 ("2Q2016"), the Group will execute the offshore installation of the RM420 million Malikai Tension Leg Platform turnkey contract for Sabah Shell Petroleum Company, which is scheduled to be completed within the financial year ending 31 December 2016 ("FY2016"). The Group's proprietary marine growth control business continues to perform well and is expected to make a significant contribution to the overall gross profit in FY2016.

PT IEV Gas, our Indonesian subsidiary, is currently negotiating for an extension of several CNG supply contracts that expire in FY2016 as well as new gas sales agreements with several potential customers in West Java, Indonesia. Meanwhile, Gas Malaysia IEV Sdn. Bhd. has also signed several gas sales agreements with customers in the West Coast of Peninsular Malaysia and will start delivering gas in 2Q2016.

Looking Forward – 2016 and Beyond

Global energy supply and demand has been out of equilibrium since mid-July 2014. The plunge in oil price due to oversupply of oil continues to be the source of uncertainty that is affecting the performance and sustainability of all production and service companies operating in not only the oil and gas industry but also the energy sector around the world. Whilst analysts' opinions differ on the timing of the oil price recovery, the general consensus is that the price of oil would not recover to USD100/barrel for the foreseeable future, and OPEC members are targeting USD50/barrel as the new anchor for global oil prices, a price that is considered fair for both producers and consumers. This new lower-for-longer oil price environment has forced oil and gas operators to suspend or cancel many new as well as old oil fields and they would only target their highest rate of return projects which have lower commercial risk.

To weather this downturn, the Group is implementing a set of strategies to address its short, medium and long term goals. This includes implementing immediate cost-cutting measures to improve operating efficiency, focusing on high-margin products and implementing diversification plans from upstream to downstream and green field to brown field businesses for our OES. In MNGS, we are actively looking at diversifying from red ocean to blue ocean geographical areas, and vertically integrating our exploration and production and distribution businesses to maximise the value of both sectors. In RES, we have a great opportunity to diversify beyond the energy sector and position the Group as a regional producer of green products for various industries by exploring the chain of value-added products that can be developed from rice husks.

The shift from upstream to downstream and new field developments to maintenance and decommissioning of ageing assets will help the OES to sustain and continue to contribute to the Group's profitability. So far, the launch of the Group's new generation of marine growth control products has been successful with 3053 products sold since 2012. The potential global market for both replacement of ageing products, which were installed more than 10 years ago, and new product installation on platforms and jetties is significant and the Group is focusing and accelerating its efforts in unlocking this great potential.

In FY2016, we will also focus on the development plan for natural gas from the Pabuaran KSO, which involves the production and the commercialisation of gas, preferably via mobile natural gas, where the Group has established its CNG business since 2007. The lower cost of gas from the KSO would also allow our subsidiary, PT IEV Gas, to compete favourably in a very competitive natural gas market in West Java.

A market study is underway as the Board of Directors of the Group recently approved third party research into the higher value-added chain of rice husk based biomass products, which ranges from animal feed to nano silica. The Group will make further announcements in this effort as appropriate.

The Group is also considering disinvestment of certain assets with low returns under the current energy downturn and redeploy financial resources to implement its diversification plans, whilst maintaining its low borrowing level.

Looking ahead, barring any unforeseen circumstances, the Group is cautiously optimistic of its performance in FY2016 and looking forward to the successful implementation of its diversification plans.

I would like to take this opportunity to convey my sincere appreciation to all our employees, directors, sponsor, strategic alliance partners, suppliers, customers, bankers and shareholders for your continuous support throughout this challenging period to allow IEV to deliver profitable results in FY2015. We are also grateful for the continued partnership and confidence in the Group and we look forward to sharing the promising results of our Group with all of you in FY2016 and beyond.

CHRISTOPHER NGHIA DO
President & CEO

REVENUE AND SALES ANALYSIS

For FY2015, the Group's revenue decreased by RM61.9 million or 35.7% due to a decrease in revenue contribution of RM63.3 million from OES. The decline in revenue contribution from OES in FY2015 was mainly from the lack of any similar sized turnkey project such as the award of the FPSO Perintis decommissioning contract in FY2014. The decline in turnkey projects was partially offset by an increase in revenue contribution of RM3.4 million or 10.3% from the IES business. The MNGS experienced a marginal revenue increase of RM1.3 million or 3.3% for FY2015.

REVENUE BY GEOGRAPHICAL LOCATIONS OF OUR CUSTOMERS

The Group sells to customers in the following geographical locations:-

	FY2015		FY2014	
	RM'000	**%**	RM'000	%
Malaysia	**41,745**	**37.4**	83,926	48.3
Indonesia	**43,558**	**39.0**	67,327	38.8
India	**9,160**	**8.2**	2,650	1.5
Argentina	**8,555**	**7.6**	-	-
China	**2,543**	**2.3**	4,344	2.5
Oman	**1,875**	**1.7**	-	-
Vietnam	**1,256**	**1.1**	2,804	1.6
Thailand	**1,117**	**1.0**	6,159	3.6
Singapore	**-**	**-**	1,128	0.7
Others	**1,895**	**1.7**	5,291	3.0
Total	**111,704**	**100.0**	173,629	100.0

OPERATING MARGINS ACROSS SEGMENTS

Gross Profit

In FY2015, the Group recorded a 12.8% growth in gross profit from RM18.6 million in FY2014 to RM21.0 million in FY2015. At the sector level, OES improved its gross profit contribution to RM22.4 million in FY2015 from RM13.9 million in FY2014, due mainly from its IES business, which includes the Group's proprietary Marine Growth Control products and services. MNGS recorded a gross loss of RM1.4 million for FY2015 compared to a gross profit of RM4.7 million for FY2014. This gross loss arose from a dispute in relation to the road access to its EJ-1 CNG mother station, resulting in the need to purchase CNG at a higher cost from alternate suppliers and the incurrence of higher transportation expenses. This CNG supply disruption ended when a second CNG mother station, EJ-2, was commissioned and began operations at the end of the fourth quarter of 2015.

Earnings per share for the Group (on both basic and fully diluted bases) improved to 5.11 Malaysian sen in FY2015 from 2.49 Malaysian sen in FY2014.

OPERATING MARGINS ACROSS SEGMENTS (CONT'D)

Administrative Expenses

Administrative expenses decreased by RM0.6 million or 2.8%, to RM21.9 million in FY2015 from RM22.5 million in FY2014. The benefits of the cost reduction measures undertaken by the Group during FY2015 had been partially offset by administration expenses related to the Pabuaran KSO project, an increase in depreciation and amortisation charges relating to the acquisition of licensing rights for the Oxifree corrosion control technology and land use rights.

BALANCE SHEET

Net asset value per share of the Group decreased by 4.6% to 43.7 Malaysian sen as at 31 December 2015 from 45.8 Malaysian sen as at 31 December 2014, due mainly to dilution effects of the rights issue exercise in June 2015 wherein 94.6 million new ordinary shares were allotted and issued at S$0.07 per share, which was partially offset by profit attributable to owners of the Company of RM12.7 million for FY2015. Cash and bank balances as at 31 December 2015 stood at RM20.7 million as compared to RM21.2 million as at 31 December 2014. Gearing ratio had decreased to 0.34 as at 31 December 2015 from 0.44 as at 31 December 2014 mainly due to the rights issue exercise in June 2015 and the repayment of bank loans and bank overdrafts. Oil and gas properties had increased to RM56.9 million as at 31 December 2015 from RM24.9 million as at 31 December 2014. This increase was mainly due to the Group's drilling of the CLS-1 twin well in Cilamaya structure in the Pabuaran Block, West Java, Indonesia, as part of the Pabuaran KSO work commitment.

CASH FLOW

Net cash generated from operating activities for FY2015 was RM18.0 million. This was mainly due to: (i) an operating profit before working capital changes of RM18.6 million; (ii) a decrease in amount due from an associate of RM8.5 million; (iii) a RM1.7 million reduction in inventories; and (iv) a decrease in trade and other receivables of RM1.4 million which were partially offset by: (i) a decrease in trade and other payables of RM8.8 million; and (ii) an increase in long term other receivables of RM3.3 million.

Net cash used in investing activities amounting to RM33.0 million was mainly due to (i) an increase in oil and gas properties of RM23.5 million for the Pabuaran KSO concession; and (ii) purchase of property, plant and equipment of RM8.2 million which include the biomass plant in Vietnam and the construction of the second CNG mother station, EJ2, in West Java, Indonesia and (iii) equity investment of RM1.3 million in Gas Malaysia IEV Sdn. Bhd., a joint venture with Gas Malaysia Bhd.

Net cash from financing activities of RM12.2 million was mainly due to RM18.0 million proceeds from the rights issue exercise completed in June 2015, which was partially offset by: (i) the repayment of bank loans and overdrafts of RM4.1 million; and (ii) dividend distribution of RM1.0 million.

Developments subsequent to the release of the Company's full year unaudited financial statements for FY2015 on 27 February 2016, which would materially affect the Group's operating and financial performance

RENEWABLE ENERGY SECTOR

The MK-1 Biomass Plant ("MK-1 Plant") in Can Tho province in Vietnam was successfully inaugurated on 2 March 2016. The MK-1 Plant spans 13,000 square meters on Tan Loc island, Thot Not district, Can Tho province and has the capacity to store up to 10,000 tons of rice husk and produce up to 150 tons of rice husk briquettes ("briquettes") per day. The entire supply chain of the plant is operational and briquettes are now sold domestically as a low cost and renewable energy source for factories in Vietnam.

The board of directors (the "**Board**" or "**Directors**") of IEV Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") is committed to maintaining a high standard of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Board confirms that, for the financial year ended 31 December 2015 ("**FY2015**"), the Company has generally adhered to the principles and guidelines set out in the Singapore Code of Corporate Governance 2012 (the "**2012 CG Code**"). Where there are deviations from the 2012 CG Code, appropriate explanations are provided in this Report. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure compliance with the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

BOARD MATTERS

Principle 1 - The Board's Conduct of Affairs

The Board is entrusted with the responsibility for the overall management of the Group with the primary function of protecting the interests of shareholders and to enhance long-term shareholders' value. Besides carrying out its statutory duties and responsibilities, the Board reviews and advises on overall strategic plans and key operational initiatives, reviews the performance of the management of the Company (the "**Management**") and assumes responsibility for overall corporate governance of the Group to ensure that the Group's strategies are in the interests of the Group and its shareholders.

The principal functions of the Board are:

a) reviewing the financial results of the Group, internal controls, external audit reports and resource allocation;
b) supervising and approving strategic directions of the Group;
c) reviewing the business practices and risk management of the Group;
d) approving the annual budgets and major funding proposals;
e) approving and monitoring major investments, divestments, mergers and acquisitions;
f) convening of shareholders' meetings;
g) appointing of Directors and key executives; and
h) assuming responsibility for corporate governance.

The Company has in place a limitation and authorisation policy. The policy contains schedule of matters specifically reserved for the Board's approval. Below the Board's level, there are appropriate delegations of authority at the Executive Committee (which comprises the Group's key management personnel set out in page 12 and 13 of this annual report) or the Management's level, to facilitate operational efficiency.

The following matters have been reserved for the Board's decision:

- the Group's long-term objectives and commercial strategy;
- merger and amalgamation initiatives;
- ventures into new businesses and markets;
- acquisition of any investment and asset by the Company or any of its subsidiaries;
- changes in capital structure;
- recommendation or declaration of dividends;
- remuneration packages for Executive Directors and key management personnel; and
- any matter required to be considered or approved by the Board as a matter of law or regulation.

To facilitate effective management and to support the Board in its duties, certain functions of the Board have been delegated to the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively referred to as the "**Board Committees**"). The Board Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The effectiveness of each Board Committee is also regularly reviewed by the Board. In addition, in order to strengthen the independence of the Board, the Company has appointed Mr Ng Weng Sui, Harry as its Lead Independent Director. Mr Ng Weng Sui, Harry is available to shareholders where they have concerns which contact through the normal channels of the Chairman and Chief Executive Officer or Chief Financial Officer has failed to resolve or is inappropriate. The principal responsibilities of the Executive Committee are as follows:

a) review and recommend to the Board, proposed investments and acquisitions of the Group which are considered strategic for the long-term prospects of the Group;
b) recommend to the Board, the Group's annual operating and capital budgets; and
c) carry out such other functions as may be delegated to it by the Board.

The names of the members and principal responsibilities of the respective Board Committees are set out in this Report.

Board attendance

The Board has scheduled to meet at least four (4) times a year and to coincide such meetings with the review and approval of the Group's results announcements. The Board also meets as and when necessary to address any specific significant matters that may arise. To ensure meetings are held regularly with maximum Directors' participation, the Company's Constitution allows for telephone and video-conferencing meetings.

The number of meetings of the Board and the respective Board Committees held and the attendance of each Director at these meetings in FY2015 are as follows:

Name	Board	Audit Committee	Nominating Committee	Remuneration Committee
Number of meetings held	5	4	1	1
Directors	**Number of meetings attended**			
Tan Sri Dato' Hari N. Govindasamy	5	4	1	1
Christopher Nghia Do	5	NA	NA	NA
Joanne Bruce	5	NA	NA	NA
Ng Weng Sui, Harry	5	4	1	1
Kesavan Nair	5	4	1	1
Vinh Quang Le [Note 1]	0	NA	NA	NA

NA: Not Applicable

Note:

1. Mr Vinh Quang Le resigned as an Executive Director of the Company with effect from 17 February 2015.

The Board also takes into account the contributions by the Board members including the provision of guidance and advice on various matters relating to the Group in addition to consideration of the Board's attendance at Board meetings.

Training for Directors

During FY2015, the Company held site visits to the Group's offices in Malaysia for the Directors during which they received updates and information in relation to the Group's businesses, the Catalist Rules, industry developments, business initiatives and accounting standards. Updates on relevant legal, regulatory and technical developments may be in writing or disseminated by way of briefings, presentations and/or handouts. Where necessary, the Company arranges for presentations by external professionals, consultants and advisers on topics that would have an impact on the relevant regulations, accounting standards and the implications on responsibilities of the Directors. The Directors are informed and encouraged to attend relevant courses conducted by the Singapore Institute of Directors and the SGX-ST, which would be funded by the Company.

Newly appointed Directors would receive a formal letter from the Company, setting out the Director's duties and obligations. The Company would arrange orientation programs to enable the new Directors to familiarise themselves with the Group's business and governance practices. The Company would also arrange and fund such trainings for new Directors.

Principle 2 - Board Composition and Guidance

The Board currently comprises the following members:

- Tan Sri Dato' Hari N. Govindasamy *(Non-Independent Non-Executive Chairman)*
- Christopher Nghia Do *(President and CEO)*
- Joanne Rose Bruce *(Non-Independent Non-Executive Director)*
- Ng Weng Sui, Harry *(Lead Independent Director)*
- Kesavan Nair *(Independent Director)*

During FY2015, the following changes to the Board took place:

- Resignation of Vinh Quang Le as an Executive Director of the Company with effect from 17 February 2015.
- Re-designation of Joanne Rose Bruce to Non-Independent Non-Executive Director with effect from 24 June 2015.

The Board comprises five (5) Directors, two (2) of whom are independent directors. Mr Ng Weng Sui, Harry is the Lead Independent Director and is also the Chairman of the AC and a member of the NC and the RC. There is therefore a good balance between the Executive and Non-Executive Directors as well as a strong and independent element on the Board with independent directors making up at least one-third of the Board. The Board notes that the requirement for independent directors to make up at least half of the Board where the Chairman is not an independent director (Guideline 2.2 of the 2012 CG Code) must be fulfilled by the time of the annual general meeting following the financial year ending 31 December 2017. Necessary arrangements will be made in due course for the satisfaction of the aforesaid guideline.

Mr Ng Weng Sui, Harry and Mr Kesavan Nair have confirmed that they do not have any relationship with the Company or its related corporations or its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgment with a view to the best interests of the Company.

The independence of each Director is reviewed annually by the NC. The NC has adopted the 2012 CG Code's definitions of an independent director in its review, and has reviewed and determined that the said Directors are independent. Taking into account the views of the NC, the Board determined that the said Directors are independent in character and judgement and no relationships or circumstances which are likely to affect, or could appear to affect, the said Directors' judgement. None of the Independent Directors have served on the Board beyond nine years from the date of his appointment.

The NC and the Board have reviewed the size of the present Board and is satisfied that the current Board facilitates effective decision-making and that no individual or small group of individuals dominates the Board's decision-making process. The NC and the Board are of the view that the present Board has the necessary mix of gender, expertise, experience and competencies such as accounting or finance, business or management experience and industry knowledge for the effective functioning of the Board and is appropriate for the current scope and nature of the operations of the Group.

The Board and the Management are given opportunities to engage in open and constructive debate for the furtherance of achieving strategic objectives. The Non-Executive Directors may challenge and help develop proposals on strategy, review the performance of and to extend guidance to the Management. Non-Executive Directors have been actively participating in discussions and decision-making at the Board and the Board Committees' levels, and had open discussions with the Management. Where necessary, the Non-Executive Directors meet and discuss the Group's affairs without the presence of the Management.

Principle 3 - Chairman and Chief Executive Officer

Tan Sri Dato' Hari N. Govindasamy is the Non-Independent Non-Executive Chairman of the Company ("**the Chairman**") and Mr Christopher Do assumes the role of Chief Executive Officer of the Company ("**CEO**").

The Chairman is responsible for (i) leading the Board to ensure its effectiveness in all aspects of its role; (ii) ensuring adequate time is available for discussion of all agenda items, in particular strategic issues; (iii) ensuring that the Board receives complete, adequate and timely information; (iv) encouraging constructive relations among the Directors and their interactions with the Management; and (v) facilitating the effective contribution of the Non-Executive Directors. He takes a lead role in promoting high standards of corporate governance, with the full support of the Directors, the Company Secretary and the Management.

At annual general meetings of the Company, the Chairman plays a pivotal role in fostering constructive dialogue between the shareholders, the Board and the Management.

The CEO is responsible for the Group's day-to-day operations and leads the Management in setting strategies, objectives and missions, as well as translating the Board's decisions and plans into execution and drives the Group's growth and development.

The separation of the roles of the Chairman and the CEO ensures an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman is not related to the CEO.

The Independent Directors of the Company discuss issues via meetings, telephone and electronic devices as the situations require without the presence of the other Directors. The Lead Independent Director will provide feedback to the Chairman if it is deemed necessary.

Principle 4 - Board Membership

The Board has established a NC which comprises three (3) members who are Non-Executive Directors, and a majority of whom, including the NC Chairman are independent. The members of the NC are as follows:

• Kesavan Nair *(Chairman)*	Independent Director
• Ng Weng Sui, Harry *(Member)*	Lead Independent Director
• Tan Sri Dato' Hari N. Govindasamy *(Member)*	Non-Independent Non-Executive Chairman

The NC meets at least once a year. The principal functions of the NC include, but are not limited to, the following:

a) reviewing and recommending the nomination or re-nomination of the Directors having regard to the Director's contribution and performance;
b) determining on an annual basis whether or not a Director is independent;
c) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director;
d) reviewing and approving any new employment of related persons and proposed terms of their employment;
e) reviewing and recommending the training and professional development programmes for the Board;
f) recommending to the Board the review of board succession plans for Directors, in particular, the Chairman and the CEO; and
g) recommending the appointment of key management positions, reviewing succession plans for key positions within the Group and overseeing the development of key executives and talented executives within the Group.

The NC reviews and determines annually whether Directors, who have multiple board representations and other principal commitments, give sufficient time and attention to the affairs of the Company and adequately carry out his duties as a Director of the Company. The NC takes into account the results of the assessment of the effectiveness of the individual Director and his actual conduct on the Board, in making this determination.

For FY2015, the NC was satisfied that, where a Director had other listed company board representations and/or other principal commitments, the Director had devoted sufficient time and attention to the affairs of the Company and had adequately discharge his duties as a Director of the Company. As time requirements of each Director are subjective, the NC has decided not to fix a maximum limit on the number of directorship a Director can hold. The NC considers that the multiple board representations held presently by the Directors do not impede their respective performance in carrying out their duties to the Company.

New Directors are appointed by way of Board resolutions after the NC has reviewed and nominated them, having taken into consideration the existing composition of the Board and ensuring that the Board has an appropriate balance of independent directors as well as the qualification and experience of each candidate, his/her ability to increase the effectiveness of the Board and ability to add value to the Group's business and its strategic objectives.

The NC recommends all appointments and re-elections of Directors for approval by the Board, taking into account the directors' overall contributions and performance and an appropriate mix of core competencies for the Board to fulfill its roles and responsibilities. At each annual general meeting of the Company ("**AGM**"), at least one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) are required to retire from office by rotation. All Directors are required to retire from office at least once in every three years and submit themselves for re-election by the shareholders at the AGM.

The NC has recommended to the Board that Mr Christopher Nghia Do and Mr Ng Weng Sui, Harry be nominated for re-election at the forthcoming AGM. In making the recommendation, the NC has considered the said Directors' overall contributions and performance. The Board recommends the shareholders to approve the re-election of the said Directors. The details of the proposed resolutions are stipulated in the Notice of AGM set out in this annual report.

All newly appointed Directors during the year will hold office only until the next AGM following his appointment and will be eligible for re-election but shall not be taken into account in determining the number of Directors who are retiring by rotation at each financial year. In evaluating each Director's contribution and performance for the purpose of re-nomination, factors such as attendance, preparedness, participation and candour are taken into consideration.

Each member of the NC shall abstain from voting on any resolutions and making any recommendation and/or participating in any deliberations in respect of matters in which he has an interest in.

Key information regarding the Directors such as academic, professional qualifications, shareholdings in the Company and its related corporations, Board Committees served on (as a member or Chairman), date of first appointment as a Director, date of last re-appointment as a Director, directorships or chairmanships both present and those held over the preceding three years in other listed companies, and other principal commitments is disclosed in the "Directors' Profiles", "Further Information on Board of Directors" and "Directors' Statement" sections of this annual report.

Principle 5 - Board Performance

Subject to the approval of the Board, the NC will periodically review and decide on how the Board's performance is to be evaluated and will propose objective performance criteria which will evaluate and address how the Board has enhanced long-term shareholders' value. The Board has implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution of each individual Director to the effective functioning of the Board. Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance for re-nomination as Director.

At the date of this annual report, a Board evaluation exercise has been carried out by way of a board assessment checklist, which is circulated to the Board members for completion. The assessment covers areas such as Board Composition, Information to the Board, Board Procedures, Board Accountability, CEO/Top Management, Standards of Conduct, Risk Management and Internal Control, Communication with Shareholders and Director self-evaluation. Directors can also provide input on issues which do not fall under these categories, for instance, addressing specific areas where improvements can be made. Feedback and comments received from the Directors are reviewed by the NC, in consultation with the Chairman of the Board, to determine the actions required to improve the corporate governance of the Company and effectiveness of the Board as a whole.

The NC, having reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole for the financial year reported on, is of the view that the performance of the Board as a whole has been satisfactory. The NC, in assessing the contribution of an individual Director, has considered each Director's level of participation and attendance at Board and Board Committee meetings, his or her qualifications, experience, expertise and the time and effort dedicated to the Group's business and affairs. The NC is satisfied that sufficient time and attention has been given to the Group by the Directors. The NC is also satisfied that the current size and composition of the Board provides it with adequate ability to meet the existing scope of needs and the nature of operations of the Group. From time to time, the NC will review the appropriateness of the Board size, taking into consideration changes in the nature of the Group's businesses, the scope of operations, as well as changing regulatory requirements.

Principle 6 - Access to Information

The Management provides the Board with periodic updates covering operational performance and financial results, market and business development updates and other important and relevant information.

The Board is provided with the contact details of the Management and the Company Secretary and has separate and independent access to such persons.

Prior to each Board meeting, the Board is provided with relevant background or explanatory information relating to the business of the meeting and information on major operational, financial and corporate issues. This is to give the Directors sufficient time to review and consider the matters being tabled and/or discussed. The Management is invited to attend Board meetings to provide additional insights into matters being discussed, and to respond to any queries that the Directors may have.

The Company Secretary or his representative is always present at such meetings to record the proceedings, to ensure that all Board procedures are followed as well as to ensure that good information flows within the Board and its Board Committees and between the Management and the Non-Executive Directors. The appointment and removal of the Company Secretary is a matter for consideration by the Board as a whole.

Together with other Management staff of the Company, the Company Secretary ensures that the Company complies with the requirements of the Catalist Rules, the Companies Act as well as other rules and regulations that are applicable to the Company and the Group.

The Board is entitled to seek appropriate independent and professional advice at the expense of the Company, in furtherance of their duties.

REMUNERATION MATTERS

Principle 7 - Procedures for Developing Remuneration Policies

The Board has established a RC which comprises three (3) members who are Non-Executive Directors, and a majority of whom, including the RC Chairman are independent. The members of the RC are as follows:

- Kesavan Nair *(Chairman)* — Independent Director
- Ng Weng Sui, Harry *(Member)* — Lead Independent Director
- Tan Sri Dato' Hari N. Govindasamy *(Member)* — Non-Independent Non-Executive Director

The RC meets at least once a year. The principal functions of the RC include, but are not limited to, the following:

a) review and approve the general remuneration framework of the Directors and key management personnel of the Company and its subsidiaries;
b) structure a significant and appropriate proportion of Executive Directors and key management personnel's remuneration;
c) review the on-going appropriateness and relevance of the executive remuneration policy and other benefit programs;
d) determine, review and approve the design of all option plans, stock plans and/or other equity based plans that the Group proposes to implement;
e) review the remuneration of employees who are related to the Directors and 10% substantial shareholders; and
f) review and recommend to the Board the eligibility of the Executive Directors and key management personnel under long-term incentive schemes and to evaluate the costs and benefits of such long-term incentive schemes.

The Company's compensation framework comprises fixed, variable pay and other benefits-in-kind. The Company subscribes to linking remuneration of the Executive Directors and key management personnel to corporate and individual performance. This is based on an annual appraisal of employees using the Company's internal Key Performance Indicator ("**KPI**") system. The RC and the Board will review the KPI and reward systems of the Group on an annual basis to ensure that the remuneration packages and systems are put in place to motivate and reward employees and align their interests to maximise long-term shareholders' value.

The RC will review and recommend to the Board a framework of remuneration for the Directors and key management personnel, and determine specific remuneration packages for each Director. The recommendations of the RC are submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and other benefits-in-kind shall be overseen by the RC. The RC will also review the remuneration received by key management personnel. As and when the need arises, the RC also will review the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

Each member of the RC shall abstain from voting on any resolutions or making any recommendations and/or participating in the deliberations of the RC in respect of his remuneration package.

The RC may from time to time, where necessary or required, seek advice from external consultants in framing the remuneration policy and determining the level and mix of remuneration for the Directors and the Management, so that the Group remains competitive in this regard.

Principle 8 - Level and Mix of Remuneration

In setting the remuneration packages of the Executive Directors, the Company takes into consideration the existing remuneration and employment conditions and makes a comparative study of the packages of Executive Directors in comparable companies/industries as well as the Group's relative performance. The RC ensures that the level and structure of remuneration of the Executive Directors and key management personnel are aligned with the long-term interest and risk policies of the Company, as well as the ability of such remuneration structures to attract, retain and motivate Executive Directors and key management personnel to provide good stewardship and management of the Company.

The Non-Executive Directors are paid a fixed base fee and an additional fixed fee for serving on any of the Board Committees.

The Chairman of each Board Committee is compensated for his additional responsibilities. The RC recommends the payment of such fees in accordance with the contributions and responsibilities of the Non-Executive Directors, which will then be endorsed by the Board and subject to approval by the shareholders of the Company at the AGM. Such fees are payable quarterly in arrears. The Company recognises the need to pay competitive fees to attract, motivate and retain Directors without being excessive to the extent that their independence might be compromised.

The Company had renewed the service agreement with Mr Christopher Nghia Do, the President and CEO of the Company on 6 October 2014 for a further period of three years. The service agreement is renewable in accordance with the specific terms as set out in the service agreement.

Following the re-designation of Ms Joanne Bruce as a Non-Independent Non-Executive Director of the Company with effect from 24 June 2015, IEV International Limited (an indirect wholly-owned subsidiary of the Company) has entered into a consultancy services agreement with Ms Joanne Bruce for a period of one (1) year for a fixed monthly retained fee.

The service agreement with Mr Vinh Quang Le was terminated upon his resignation as an Executive Director of the Company on 17 February 2015.

Having reviewed and considered the variable components of the Executive Directors and the key management personnel, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss.

In addition, the Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

Principle 9 - Disclosure on Remuneration

Directors' remuneration

The breakdown of the level and mix of remuneration of the Directors for FY2015 are as follows:

Name [1]	Salary (%)	Benefits (%)	Bonus (%)	Directors' Fee (%)	Total (%)
SGD500,000 to below SGD750,000					
Christopher Do	78	17	-	5	100
SGD250,000 to below SGD500,000					
-	-	-	-	-	-
Below SGD250,000					
Joanne Bruce[2]	82	2	-	16	100
Vinh Quang Le[3]	63	34	-	3	100
Tan Sri Dato' Hari Govindasamy	-	-	-	100	100
Ng Weng Sui, Harry	-	-	-	100	100
Kesavan Nair	-	-	-	100	100

Notes:

1) Remuneration reported in the table above are in respect of actual amounts received by the Directors in FY2015 which may include amounts owing from the previous year. These amounts may vary slightly from that set out in the notes to the Audited Financial Statements for FY2015 which reflect remuneration payable in FY2015.

2) Ms Joanne Bruce had been re-designated as a Non-Independent Non-Executive Director with effect from 24 June 2015.

3) Mr Vinh Quang Le resigned as an Executive Director of the Company with effect from 17 February 2015.

The remuneration of each individual Director and key management personnel of the Group is, however, not disclosed as the Company believes that such disclosure may be prejudicial to the Group's business interests given the highly competitive environment it is operating in. The RC has reviewed the practice of the industry in this regard, weighing the advantages and disadvantages of such disclosure.

Key Management Personnel's remuneration

The Company adopts a remuneration policy for staff that is responsive to market elements and performance of the Company and business segments respectively.

A breakdown of the level and mix of the Group's key management personnel's remuneration for FY2015 are as follows:

Name	Salary (%)	Benefits (%)	Bonus (%)	Total (%)
Below SGD250,000				
Justin Yong	84	16	-	100
Juzer Nomanbhoy	89	11	-	100
Edward Chen Boon Pok	86	14	-	100
Ng Siew Han	89	11	-	100
Loh Koon Yau	80	11	9	100

The annual aggregate remuneration paid to the top five (5) key management personnel (excluding the CEO) of the Group for FY2015 is SGD530,305.

The Executive Directors of the Group are entitled to a monthly salary for a period of six (6) months following the date the Executive Directors ceased to be employees of the Company. Save for the aforesaid, there are no other termination, retirement and post-employment benefits granted to the Directors, the CEO or any key management personnel.

For FY2015, none of the Directors' immediate family members are employees of the Company or any of its principal subsidiaries.

The performance share plan of the Company, "IEV Holdings Performance Share Plan" (the "**Plan**"), was approved by the shareholders in an extraordinary general meeting held on 6 October 2011 as part of the Group's compensation plan to reward, retain and motivate Directors and employees of the Group to greater dedication, loyalty and higher standards of performance. The RC is responsible for the administration of the Plan. Further details of the Plan were set out in the Company's offer document dated 12 October 2011.

No share award has been granted under the Plan by the Company during the financial year reported on and since the date of commencement of the Plan. Further information on the Plan is set out in the "Directors' Statement" section of this annual report. The RC and the Board will constantly evaluate and assess the implementation of long-term incentive schemes through the Plan, or any other appropriate incentive plans, with the aim of enhancing the link between rewards and corporate and individual performance.

ACCOUNTABILITY AND AUDIT

Principle 10 - Accountability

In presenting the annual financial statements and announcements to the shareholders of the Company, it is the aim of the Board to provide the shareholders with a balanced and understandable assessment of the Group's financial performance, financial position and business prospects. In respect of the annual budgets, any material variances between the projections and actual results are disclosed and explained to the Board by the Management during the Board meetings.

The Board is primarily responsible to present a fair and balanced report of the financial affairs of the Group, which is prepared in accordance with the Companies Act (Chapter 50) of Singapore and the Singapore Financial Reporting Standards prescribed by the Accounting and Standards Council.

The financial performance and annual reports are announced or issued within the mandatory period under the Catalist Rules and are available on the Company's website. The Board also provides negative assurance confirmation to shareholders for the half-year and quarterly financial results announcements pursuant to Rule 705(5) of the Catalist Rules.

The Management also provides the Board with periodic updates covering operational performance, financial results, marketing and business development efforts as well as other important and relevant information as the Board may require from time to time, to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

Other ways in which information is disseminated to shareholders are further disclosed under Principles 14, 15 and 16 of this Report.

Principle 11 - Risk Management and Internal Controls

In consultation with Crowe Horwath Governance Sdn. Bhd. ("**Crowe Horwath**"), an Enterprise Risk Management framework for the Group had been developed. All significant matters identified during the risk management procedure will be highlighted to the Risk Committee, the AC and the Board. The Group will continue to review and improve its risk management procedures to identify and mitigate areas of significant risks in its business operations.

The Risk Committee comprising the following members:

- Ng Weng Sui, Harry (*Chairman*)
- Kesavan Nair
- Tan Sri Dato' Hari Govindasamy
- Christopher Do
- Joanne Bruce
- Edward Chen Boon Pok

The Risk Committee assumes the responsibility of the risk management function and oversees the overall adequacy and effectiveness of the Group's risk management systems and procedures. The Management reviews the Group's business and operational activities regularly to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. The Management will also be responsible for ensuring that the risk management framework is effectively implemented within all areas of the respective business units. All significant matters will be highlighted to the Risk Committee and the Board.

The Board had received assurance from the CEO and the Chief Financial Officer that the Group's financial records as at 31 December 2015 have been properly maintained and the financial statements for FY2015 give a true and fair view of the Company's operations and finances, and the Company's risk management and internal control systems are effective. In providing such assurance, the CEO and the Chief Financial Officer had evaluated the effectiveness of the Company's internal controls and had discussed with the Company's external and internal auditors of their reporting points and noted that there have been no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise or report financial data.

Based on the internal controls established and maintained by the Group, work performed by the external and internal auditors, as well as regular reviews performed by the Management, the various Board Committees and the Board, the Board, with the concurrence of the AC, is of the view that the Group's internal controls, addressing financial, operational, compliance and information technology risks, as well as the risk management policies adopted, were adequate to provide reasonable assurance of the integrity and effectiveness of the Company in safeguarding its assets and shareholders' value as at 31 December 2015.

The Board recognises that no internal control system will preclude all errors and irregularities. The Board ensures that the Management maintains a sound system of risk management and internal controls to safeguard shareholders' investments and the Group's assets and determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Principle 12 - Audit Committee

The AC comprises three (3) members who are Non-Executive Directors, and a majority of whom, including the AC Chairman are independent. The members of the AC are as follows:

• Ng Weng Sui, Harry *(Chairman)*	Lead Independent Director
• Tan Sri Dato' Hari N. Govindasamy *(Member)*	Non-Executive Director
• Kesavan Nair *(Member)*	Independent Director

The Board is of the view that the members of the AC have sufficient accounting and/or financial management expertise and experience to discharge the AC's functions given their experience as directors and/or senior management in accounting and financial field.

The AC meets periodically to perform the following functions:

a) review with the external auditors, the audit plans, their evaluation of the system of internal controls, their audit report, their management letter and the Management's response;
b) review the internal controls and internal procedures and ensure coordination between the external auditors and the Management, and review the assistance given by the Management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the Management where necessary);
c) review the annual and quarterly financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments arising from the audit, going concern basis of the Company, compliance with accounting standards as well as compliance with the Catalist Rules and other relevant statutory/regulatory requirements;
d) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;
e) consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors;
f) review transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules;

g) review potential conflict of interest and to set out a framework to resolve or mitigate any potential conflict of interests;
h) review the effectiveness and adequacy of the administrative, operating, internal accounting and financial control procedures;
i) review the key financial risk areas, with a view to provide independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, immediately announced via SGXNET;
j) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
k) review the performance of the Financial Controller/Chief Financial Officer on an annual basis to ensure satisfactory performance;
l) review arrangements by which the staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up; and
m) review the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, including such amendments made thereto from time to time.

In line with the terms of reference of the AC, the following activities were carried out by the AC during FY2015 in the discharge of its functions and duties including the deliberation and review of:

- the unaudited quarterly and full year financial results of the Group, and announcements prior to submission to the Board for approval and release of the results via SGXNET;
- the internal and external audit plans in terms of their scope of audit prior to their commencement of their annual audit;
- the external auditors' report in relation to audit and accounting issues arising from the audit and meeting with the external auditors without presence of the executive board members and the Management;
- the adequacy and effectiveness of the Group's internal audit function;
- the audited financial statements of the Group and of the Company prior to submission to the Board for consideration and approval;
- the external audit and internal audit fees for FY2015 and recommended to the Board for approval;
- the independence and re-appointment of the external auditors and recommended to the Board for approval;
- interested person transactions falling within scope of Chapters 9 and 10 of the Catalist Rules and any potential conflict of interests;
- the performance of the Chief Financial Officer; and
- the whistle-blowing policy of the Group and procedures by which employees of the Group and any other persons could report the possible improprieties to the AC Chairman.

Apart from the duties listed above, the AC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. Each member of the AC will abstain from voting in respect of matters in which he is interested.

The AC has full access to, and co-operation from, the Management and full discretion to invite any Director and/or executive officer to attend its meetings, and has reasonable resources to enable it to discharge its functions properly.

The AC also meets with the internal and external auditors without the presence of the Management at least once a year to ascertain if there are any material weaknesses or control deficiencies in the Group's financial and operational systems.

The aggregate amount of audit fees paid and/or payable to the external auditors for FY2015 amounted to approximately SGD250,100. In addition, approximately SGD20,600 non-audit fees were paid to the external auditors for FY2015 in relation to tax and other advisory services rendered. The AC has undertaken a review of the volume and nature of the non-audit services provided by the external auditors to the Group and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. Accordingly, the AC and the Board have recommended the re-appointment of Deloitte & Touche LLP as external auditors of the Company for financial year ending 31 December 2016 at the forthcoming AGM.

The external auditors have unrestricted access to the AC.

The AC is satisfied that the Company is in compliance with Rules 712 and 715 of the Catalist Rules.

The AC takes measures to keep abreast of the changes to accounting standards and issues which have impact on the Group's financial statements, with training conducted by professionals or external consultants. No former partner or director of the Company's existing auditing firm is a member of the AC.

Whistle-blowing policy

The Company has in place a whistle-blowing policy which provides well-defined and accessible channels in the Group through which employees and any other persons may raise concerns, in confidence, on improper conduct or other matters to the Management and/or the AC, where applicable. The details of the policy have been disseminated and made available to all parties concerned.

The AC oversees the administration of the policy and ensures that all concerns to be raised are independently investigated and appropriate follow-up actions are carried out.

Principle 13 - Internal Audit

During FY2015, the Company has outsourced the internal audit function to Crowe Horwath. The internal auditors are expected to meet or exceed the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The AC approves the hiring, removal, evaluation and compensation of the internal auditors and the internal auditors have unrestricted access to all the Company's documents, records, properties and personnel, and reports directly to the AC on audit matters. The AC will also meet with the internal auditors at least once a year without the presence of the Management. To ensure the adequacy and effectiveness of the internal audit function, the AC will review and approve the internal audit plan on an annual basis.

During the financial year reported on, the internal auditors conducted its audit reviews based on the approved internal audit plan. The internal audit report detailing audit findings and recommendations are provided to the Management who would respond on the actions to be taken. The internal auditors would then submit a report on the status of audit plan, audit findings and actions taken by the Management on such findings to the AC. Any material non-compliance or lapses in the internal controls together with the corrective measures taken up by the Management are highlighted to the AC. The AC would monitor the timely and proper implementation of such corrective measures and will follow up on the required corrective, preventive or improvement measures undertaken or to be undertaken by the Management.

For FY2015, the AC has reviewed the effectiveness of the internal audit function and is satisfied that the internal audit function is adequately resourced and has appropriate standing within the Group to fulfil its mandate. The AC will review annually, the adequacy and effectiveness of the internal audit function.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14 - Shareholder Rights

All shareholders of the Company are treated fairly and equitably to facilitate their ownership rights. In this regard, care is taken to ensure that no market sensitive information such as corporate proposals, financial results and other material information is disseminated to any party without first making an official announcement through SGXNET.

Any notice of general meeting is issued at least 14 clear days before the scheduled date of such meeting. All shareholders can vote in person or to appoint up to two (2) proxies during his absence to attend, vote and speak in general meeting in compliance with Companies Act (Chapter 50) of Singapore. There is no provision in the Company's Constitution that limits the number of proxies for nominee companies.

The Directors ensure that the shareholders have the opportunity to participate effectively in and vote at general meetings and shareholders will be well informed of the meeting and voting procedures.

Principle 15 - Communication with Shareholders

The Company's dedicated Investor Relations ("**IR**") team is tasked with and focuses on facilitating effective and fair communication between the Company and its shareholders by regularly conveying pertinent information to shareholders.

The Company does not practice selective disclosure, and price sensitive information is publicly released on an immediate basis pursuant to the Catalist Rules. Shareholders, investors and analysts are kept informed of the major developments of the Company on a timely basis through various means of communication as follows:

- announcements and press releases (with contact details for investors to channel their comments or queries) via SGXNET;
- annual reports and notice of AGM issued to all shareholders;
- price sensitive information, significant transactions or matters are communicated to shareholders via SGXNET; and
- the Company's website at www.iev-group.com.

The IR team, together with the Management, will conduct roadshows, participate in investor seminars and conferences, analyst meetings to keep the market, shareholders and investors apprised of relevant information, to enable them to have a better understanding of the business, latest developments and financial performance of the Group. The Company makes available its briefing materials to analysts and the media through press releases which are released on SGXNET and its corporate website, with contact details for investors to channel their comments and queries.

The Company does not have a fixed dividend policy. The form, frequency and amount of declaration and payment of future dividends on shares of the Company that the Directors may recommend or declare in respect of any particular financial year or period will be subject to the factors outlined below as well as other factors deemed relevant by the Directors:

- the level of cash and retained earnings;
- actual and projected financial performance;
- projected levels of capital expenditure and expansion plans;
- working capital requirements and general financing needs and conditions; and
- restrictions on payment of dividend imposed to the Company (if any).

Principle 16 - Conduct of Shareholder Meetings

The Board supports and encourages shareholders' participation at general meetings of the Company.

The Company has not amended its Constitution to provide for absentia voting methods. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of the identity of the shareholders through the web is not compromised.

At the Company's general meetings, shareholders are given the opportunity to voice their views and ask Directors or the Management questions regarding the Company. In addition to the Board Committees, the external auditors are also invited to attend the AGMs to assist the Directors in addressing shareholders' queries about the conduct of audit and the preparation and contents of the auditors' report.

Besides the external auditors, the chairmen of all Board Committees are normally present and available to address queries from shareholders.

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meetings, and responses from the Board and the Management, and makes these minutes, subsequently approved by the Board, available to shareholders during office hours.

At the AGMs, separate resolutions are set out on distinct issues for approval by shareholders. The Company will conduct its voting by poll at the forthcoming AGM in the presence of independent scrutineers. Explanation on polling procedures will be provided to shareholders before the poll voting is conducted. The total numbers and percentage of valid votes cast for or against each resolution will be announced at the AGM and also to SGX-ST after the AGM.

INTERESTED PERSON TRANSACTIONS ("IPTs")

The AC is satisfied that the review procedures for IPTs and the reviews to be made periodically by the AC in relation thereto are adequate to ensure that the IPTs will be transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders. All IPTs are subject to review by the AC to ensure compliance with the established procedures. In the event that a member of the AC is involved in any IPT, he will abstain from reviewing that particular transaction.

In compliance with Chapter 9 of the Catalist Rules, the Group confirms that there were no IPTs entered into during the financial year reported on, which exceeded SGD100,000 in value. The Group does not have a general mandate from shareholders for recurring IPTs pursuant to Rule 920(1)(a)(i) of the Catalist Rules.

DEALINGS IN SECURITIES

In line with Rule 1204(19) of the Catalist Rules on dealings in securities, the Company has in place a policy prohibiting share dealings by Directors, officers and employees of the Group during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, and one month before the full financial year, as the case may be, and ending on the date of the announcement of the relevant results. This has been made known to Directors, officers and employees of the Group. They are also reminded to observe the insider trading laws at all times even when dealing in securities within permitted trading period. Directors, officers and employees of the Group are also prohibited from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information.

MATERIAL CONTRACTS

Save for the service agreements entered into between Executive Directors and the Company there are no other material contracts or loans entered into by or taken up by the Company or its subsidiaries involving the interest of any Director or controlling shareholder which are either still subsisting as at the end of FY2015 or if not then subsisting, entered into since the end of the previous financial year.

UTILISATION OF PROCEEDS

The Company's net proceeds from the allotment and issuance of 94.6 million new ordinary shares at an issue price of S$0.07 per share in the capital of the Company through a Rights Issue Exercise, which was completed in June 2015 (the "**Rights Issue**") of approximately SGD6.47 million (after deducting expenses of approximately SGD0.15 million incurred by the Company in connection with the Rights Issue) have been utilised as follows:

Use of Proceeds	Amount allocated (as announced on 8 May 2015) (S$'000)	Amount utilised as at the date of this annual report (S$'000)	Balance of net proceeds as at the date of this annual report (S$'000)
(i) To fund the Pabuaran KSO Project	4,400	4,400	-
(ii) Construction of Vietnam biomass plant	1,500	1,461	39
(iii) CNG Supply Chain in Malaysia	500	438	62
(iv) General Working Capital	70	70	-
Net proceeds from the Rights Issue	6,470	6,369	101

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

NON-SPONSORSHIP FEES

With reference to Rule 1204(21) of the Catalist Rules, SGD50,000 non-sponsor fees were paid to the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd. in FY2015 in relation to the Rights Issue.

Financial Statements

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The Directors present their statement together with the audited consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2015.

In the opinion of the Directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 41 to 116 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

(1) DIRECTORS

The Directors of the Company in office at the date of this statement are:

Tan Sri Dato' Hari N. Govindasamy
Christopher Nghia Do
Joanne Bruce
Ng Weng Sui, Harry
Kesavan Nair

(2) ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the Share Scheme mentioned in paragraph 5 of this statement.

(3) DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the **"Act"**) except as follows:

(3) DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

Names of Directors and corporation in which interests are held	Shareholdings registered in name of Director		Shareholdings in which Directors are deemed to have an interest	
	At beginning of financial year	At end of financial year	At beginning of financial year	At end of financial year
The Company				
IEV Holdings Limited				
(Ordinary shares)				
Tan Sri Dato' Hari N. Govindasamy	-	-	36,571,000	54,856,500
Christopher Nghia Do	23,338,000	30,537,758	10,336,000	19,673,392
Joanne Bruce	2,025,000	-	-	2,175,000
Ng Weng Sui, Harry	200,000	300,000	-	-
The Subsidiaries				
PT IEV Indonesia				
(Ordinary shares)				
Tan Sri Dato' Hari N. Govindasamy	-	-	3,798	3,798
Christopher Nghia Do	-	-	3,497	3,476
PT IEV Gas				
(Ordinary shares)				
Tan Sri Dato' Hari N. Govindasamy	-	-	121,950	121,950
Christopher Nghia Do	-	-	112,290	111,623
PT IEV Pabuaran KSO				
(Ordinary shares)				
Tan Sri Dato' Hari N. Govindasamy	-	-	2,204	2,204
Christopher Nghia Do	-	-	2,029	2,017
IEV Vietnam Joint Stock Company				
(Ordinary shares)				
Tan Sri Dato' Hari N. Govindasamy	-	-	261,300	825,017
Christopher Nghia Do	-	-	240,601	755,153

By virtue of section 7 of the Act, Tan Sri Dato' Hari N. Govindasamy and Christopher Nghia Do, are deemed to have an interest in all the related corporations of the Company.

The Directors' interests in the shares of the Company at 21 January 2016 were the same as at 31 December 2015.

(4) SHARE OPTIONS

(a) *Options to take up unissued shares*

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

(b) *Option exercised*

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under option*

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under option.

(5) SHARE SCHEME

The IEV Holdings Performance Share Plan (the "**Share Plan**") was approved and adopted by the Shareholders of the Company at an Extraordinary General Meeting held on 6 October 2011.

The objectives of the Share Plan are as follows:

(a) to foster an ownership culture within the Group which aligns the interests of Participants with the interests of shareholders;

(b) to motivate Participants to achieve key financial and operational goals of the Company and/or their respective business divisions and encourage greater dedication and loyalty to the Group; and

(c) to make total employee remuneration sufficiently competitive to recruit new Participants and/or retain existing Participants whose contributions are important to the long term growth and profitability of the Group, and whose skills are commensurate with the Company's ambition to become a world class company.

The Share Plan is administered by the Remuneration Committee which has the absolute discretion to determine the persons (except Rule 8 of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited, as amended, modified or supplemented from time to time) who will be eligible to participate in the Share Plan. A participant who is a member of the Remuneration Committee shall not participate in any deliberation or decision in respect of awards granted or to be granted to that participant.

The Share Plan shall continue to be in force at the discretion of the Remuneration Committee, subject to a maximum period of 10 years commencing on the date on which the Share Plan is adopted, provided always that the Share Plan may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

(5) SHARE SCHEME (CONT'D)

The Share Plan may be terminated at any time by the Remuneration Committee or, at the discretion of the Remuneration Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Share Plan is so terminated, no further awards shall be granted by the Remuneration Committee hereunder. The expiry or termination of the Share Plan shall not affect awards which have been granted prior to such expiry or termination, whether such awards have been Released (whether fully or partially) or not.

The aggregate number of new Shares which may be issued pursuant to awards granted under the Share Plan on any date, when added to (i) the number of new Shares issued and issuable in respect of all awards granted under the Share Plan; and (ii) all Shares issued and issuable and/or transferred or transferable in respect of all options granted or awards granted under any other share incentive schemes or plans adopted by the Company for the time being in force, shall not exceed 15.0% of the issued and paid-up share capital (excluding treasury shares) of the Company on the day preceding that date.

Since the commencement of the Share Plan, the Company has not granted any awards under the Share Plan.

(6) AUDIT COMMITTEE

The Audit Committee ("AC") of the Company comprises three members who are Non-Executive Directors, and a majority of whom, including the AC Chairman is independent. The members of the AC at the date of this statement are as follows:

Ng Weng Sui, Harry	(Lead Independent Director)
Tan Sri Dato' Hari N. Govindasamy	(Non-Independent Non-Executive Chairman)
Kesavan Nair	(Independent Director)

The Audit Committee performs the functions specified in Section 201B of the Act and the Singapore Code of Corporate Governance.

The Audit Committee has met four times during the financial year and has reviewed the following, where relevant, with the executive directors, external and internal auditors of the Company:

(a) The audit plans of the external and internal auditors, and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;

(b) The Group's financial and operating results and accounting policies;

(c) The financial statements of the Company and the consolidated financial statements of the Group before their submission to the Directors of the Company and external auditors' report on those financial statements;

(d) The quarterly, half-yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;

(e) The co-operation and assistance given by the Company's management to the internal and external auditors; and

(f) The re-appointment of the external auditors of the Group and level of audit and non-audit fees.

(6) AUDIT COMMITTEE (CONT'D)

The Audit Committee has full access to and co-operation of management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Company at the forthcoming annual general meeting of the Company.

Further details regarding the Audit Committee are disclosed in the Report of Corporate Governance included in the Annual Report of the Company.

(7) AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept appointment.

ON BEHALF OF THE DIRECTORS

....
Christopher Nghia Do

....
Ng Weng Sui, Harry

25 March 2016

Independent Auditors' Report

To The Members Of IEV Holdings Limited

Report On The Financial Statements

We have audited the accompanying financial statements of IEV Holdings Limited (the "Company") and its subsidiaries (the "Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2015, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 41 to 116.

Management's Responsibility For The Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Other Matter

The consolidated financial statements of the Group and the statement of financial position of the Company for the year ended 31 December 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements in their report dated 25 March 2015.

Report On Other Legal And Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

25 March 2016

Statements of Financial Position

31 December 2015

	Note	Group 2015 RM	Group 2014 RM (restated)	Company 2015 RM	Company 2014 RM (restated)
ASSETS					
Current assets					
Cash and bank balances	6	**20,716,243**	21,229,560	**605,341**	131,149
Trade receivables	7	**57,695,363**	54,340,406	**-**	-
Other receivables and prepayments	8	**8,969,438**	24,774,424	**74,012,925**	37,087,032
Inventories	9	**4,513,686**	5,273,448	**-**	-
Work-in-progress		**56,460**	95,049	**-**	-
Total current assets		**91,951,190**	105,712,887	**74,618,266**	37,218,181
Non-current assets					
Property, plant and equipment	10	**37,076,823**	33,955,315	**-**	-
Intangible assets	11	**6,300,352**	5,393,303	**-**	-
Oil and gas properties	12	**56,898,400**	24,943,064	**-**	-
Subsidiaries	13	**-**	-	**32,357,388**	32,357,388
Associates	14	**2,770,302**	1,509,077	**-**	-
Other receivables and prepayments	8	**8,303,503**	2,003,136	**-**	-
Deferred tax assets	15	**1,516,700**	321,260	**-**	-
Total non-current assets		**112,866,080**	68,125,155	**32,357,388**	32,357,388
Total assets		**204,817,270**	173,838,042	**106,975,654**	69,575,569
LIABILITIES AND EQUITY					
Current liabilities					
Bank borrowings	16	**400,000**	4,099,441	**-**	-
Trade payables	17	**53,251,873**	56,523,486	**-**	-
Other payables	18	**9,349,187**	9,100,260	**11,834,451**	2,411,698
Finance leases	19	**343,349**	310,647	**-**	-
Income tax payable		**90,046**	358,610	**-**	-
Total current liabilities		**63,434,455**	70,392,444	**11,834,451**	2,411,698

See accompanying notes to financial statements.

Statements of Financial Position

31 December 2015

	Note	Group 2015 RM	Group 2014 RM (restated)	Company 2015 RM	Company 2014 RM (restated)
Non-current liabilities					
Bank borrowings	16	**6,853,480**	7,253,796	**-**	-
Finance leases	19	**243,633**	519,037	**-**	-
Deferred tax liabilities	15	**142,246**	58,531	**-**	-
Provision for post-employment benefit obligations	20	**2,197,959**	1,758,639	**-**	-
Advances from a third party	21	**5,000,000**	5,000,000	**-**	-
Provision for decommissioning	22	**2,460,506**	1,954,541	**-**	-
Total non-current liabilities		**16,897,824**	16,544,544	**-**	-
Capital and reserves					
Share capital	23	**97,691,412**	80,048,236	**97,691,412**	80,048,236
Currency translation reserve	24	**5,902,548**	(1,833,821)	**-**	-
Capital reserve	13	**(100,832)**	-	**-**	-
Retained earnings (Accumulated losses)		**20,456,702**	8,445,950	**(2,550,209)**	(12,884,365)
Equity attributable to owners of the Company		**123,949,830**	86,660,365	**95,141,203**	67,163,871
Non-controlling interests		**535,161**	240,689	**-**	-
Total equity		**124,484,991**	86,901,054	**95,141,203**	67,163,871
Total liabilities and equity		**204,817,270**	173,838,042	**106,975,654**	69,575,569

See accompanying notes to financial statements.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2015

	Note	Group 2015 RM	2014 RM (restated)
Revenue	25	**111,703,624**	173,628,935
Cost of sales		**(90,739,352)**	(155,035,745)
Gross profit		**20,964,272**	18,593,190
Other operating income	26	**17,647,944**	11,746,944
Selling and distribution costs		**(2,855,892)**	(1,566,898)
Administrative expenses		**(21,858,299)**	(22,477,136)
Other operating expenses		**(688,443)**	(1,027,811)
Share of results of associates	14	**(41,085)**	974,374
Finance costs	27	**(1,066,440)**	(1,243,283)
Profit before tax		**12,102,057**	4,999,380
Income tax benefit (expense)	28	**471,499**	(456,701)
Profit for the year	29	**12,573,556**	4,542,679
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**8,015,700**	1,719,861
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains in respect of defined benefit pension plan		**371,127**	26,989
Other comprehensive income for the year, net of tax		**8,386,827**	1,746,850
Total comprehensive income for the year		**20,960,383**	6,289,529
Profit (Loss) attributable to:			
Owners of the Company		**12,659,247**	4,794,360
Non-controlling interests		**(85,691)**	(251,681)
		12,573,556	4,542,679
Total comprehensive income (loss) attributable to:			
Owners of the Company		**20,766,743**	6,482,385
Non-controlling interests		**193,640**	(192,856)
		20,960,383	6,289,529
Earnings per share			
Basic (Malaysian sen)	31	**5.11**	2.49
Diluted (Malaysian sen)	31	**5.11**	2.49

See accompanying notes to financial statements.

	Share capital RM	Capital reserve RM	Currency translation reserve RM	Retained earnings RM	Equity attributable to owners of the Company RM	Non-controlling interests RM	Total RM
Group							
Balance at 1 January 2014 (previously reported)	80,048,236	-	(3,494,857)	3,355,112	79,908,491	1,585,381	81,493,872
Share of associate's results previously not recognised (Note A)	-	-	-	269,489	269,489	-	269,489
Reclassification of an amount previously reported as due from a Director (Note 34)	-	-	-	-	-	(1,151,836)	(1,151,836)
Balance at 1 January 2014 (restated)	80,048,236	-	(3,494,857)	3,624,601	80,177,980	433,545	80,611,525
Total comprehensive income for the year							
Profit for the year	-	-	-	4,794,360	4,794,360	(251,681)	4,542,679
Other comprehensive income for the year	-	-	1,661,036	26,989	1,688,025	58,825	1,746,850
Total	-	-	1,661,036	4,821,349	6,482,385	(192,856)	6,289,529
Balance at 31 December 2014 (restated)	80,048,236	-	(1,833,821)	8,445,950	86,660,365	240,689	86,901,054

Note A – This prior year adjustment relates to the share of associates' results previously not recognised. Management is of the view that the adjustment does not have a material impact on the consolidated financial statements.

See accompanying notes to financial statements.

Statements of Changes In Equity

Year ended 31 December 2015

	Note	Share capital RM	Capital reserve RM	Currency translation reserve RM	Retained earnings RM	Equity attributable to owners of the Company RM	Non-controlling interests RM	Total RM
Group								
Balance at 1 January 2015 (restated)		80,048,236	-	(1,833,821)	8,445,950	86,660,365	240,689	86,901,054
Total comprehensive income for the year								
Profit for the year		-	-	-	12,659,247	12,659,247	(85,691)	12,573,556
Other comprehensive income for the year		-	-	7,736,369	371,127	8,107,496	279,331	8,386,827
Total		-	-	7,736,369	13,030,374	20,766,743	193,640	20,960,383
Transactions with owners, recognised directly in equity								
Issuance of shares from Rights Issue	23	18,060,843	-	-	-	18,060,843	-	18,060,843
Capitalised Rights Issue expenses	23	(417,667)	-	-	-	(417,667)	-	(417,667)
Dividend paid	30	-	-	-	(1,019,622)	(1,019,622)	-	(1,019,622)
Effects of changes in ownership interests in subsidiary	13	-	(100,832)	-	-	(100,832)	100,832	-
Total		17,643,176	(100,832)	-	(1,019,622)	16,522,722	100,832	16,623,554
Balance at 31 December 2015		97,691,412	(100,832)	5,902,548	20,456,702	123,949,830	535,161	124,484,991

	Note	Share capital RM	Accumulated losses RM	Total RM
Company				
Balance at 1 January 2014		80,048,236	(18,548,197)	61,500,039
Profit for the year, representing total comprehensive income for the year		-	5,663,832	5,663,832
Balance at 31 December 2014		80,048,236	(12,884,365)	67,163,871
Profit for the year, representing total comprehensive income for the year		-	11,353,778	11,353,778
Transaction with owners, recognised directly in equity				
Issuance of shares from Rights Issue	23	18,060,843	-	18,060,843
Capitalised Rights Issue expenses	23	(417,667)	-	(417,667)
Dividend paid	30	-	(1,019,622)	(1,019,622)
Total		17,643,176	(1,019,622)	16,623,554
Balance at 31 December 2015		97,691,412	(2,550,209)	95,141,203

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2015

	Group	
	2015	2014
	RM	RM
		(restated)
Operating activities		
Profit before tax	**12,102,057**	4,999,380
Adjustments for:		
Share of results of associates	**41,085**	(974,374)
Amortisation of intangible assets	**568,130**	460,912
Depreciation of property, plant and equipment	**4,385,887**	4,074,070
Provision for post-employment benefits	**489,011**	430,379
Gain on disposal of property, plant and equipment	**(43,824)**	(43,630)
Gain on disposal of an associate	**-**	(8,902,886)
Property, plant and equipment written off	**119,177**	57,524
Intangible assets written off	**72,051**	-
Provision of slow moving stocks	**20,900**	175,074
Write back of slow moving stocks	**(37,989)**	-
Allowance for doubtful receivables	**143,162**	144,309
Write back of allowance	**(313,151)**	-
Interest income	**(45,559)**	(56,554)
Interest expense	**1,066,440**	1,243,283
Operating cash flows before movements in working capital	**18,567,377**	1,607,487
Long term other receivables and prepayments	**(3,331,852)**	(909,740)
Inventories	**1,672,953**	(634,959)
Trade and other receivables and prepayments	**1,376,709**	7,277,821
Trade and other payables	**(8,795,458)**	(6,508,765)
Amount due from an associate	**8,533,645**	4,431,936
Cash generated from operations	**18,023,374**	5,263,780
Interest received	**45,559**	56,554
Interest paid	**(1,066,440)**	(1,243,283)
Post-employment benefit paid	**(30,829)**	(107,679)
Income tax refund (paid)	**326,540**	(1,082,515)
Net cash from operating activities	**17,298,204**	2,886,857
Investing activities		
Proceeds from disposal of shares in an associate	**-**	27,536,277
Purchase of property, plant and equipment (Note A)	**(8,205,937)**	(5,046,678)
Purchase of intangible assets	**(485,652)**	(251,478)
Increase in oil and gas properties	**(23,484,895)**	(16,702,058)
Proceeds from disposal of property, plant and equipment	**522,359**	161,452
Investment in an associate	**(1,302,310)**	-
Net cash (used in) from investing activities	**(32,956,435)**	5,697,515

See accompanying notes to financial statements.

Consolidated Statement of Cash Flows

Year Ended 31 December 2015

	Group 2015 RM	2014 RM (restated)
Financing activities		
Repayment of finance leases	**(242,702)**	(314,306)
Repayment of bank borrowings	**(1,430,097)**	(2,598,724)
Repayment of bank overdrafts	**(2,669,660)**	-
Repayment to a director	**-**	(6,411,000)
Fixed deposits pledged	**(69,140)**	(170,981)
Proceeds on issue of shares	**18,060,843**	-
Transaction costs on issue of shares	**(417,667)**	-
Dividend paid	**(1,019,622)**	-
Net cash from (used in) financing activities	**12,211,955**	(9,495,011)
Net decrease in cash and cash equivalents	**(3,446,276)**	(910,639)
Cash and cash equivalents at beginning of the year	**17,540,886**	17,474,229
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	**2,863,819**	977,296
Cash and cash equivalents at end of the year (Note 6)	**16,958,429**	17,540,886

Significant non-cash transactions:

Note A

In 2014, the Group acquired property, plant and equipment with an aggregate cost of RM6,033,339 of which RM986,661 was acquired under a finance lease arrangement. Cash payment of RM5,046,678 was made to purchase property, plant and equipment.

See accompanying notes to financial statements.

1 GENERAL

The Company (Registration No. 201117734D) is incorporated in Singapore with its principal place of business at Level 22 PJX-HM Shah Tower, No. 16A Persiaran Barat, Petaling Jaya, 46050, Selangor Darul Ehsan, Malaysia and registered office at 80 Robinson Road #02-00, Singapore 068898.

The Company was admitted to the Catalist Board of Singapore Exchange Securities Trading Limited ("SGX-ST") on 25 October 2011. The financial statements are expressed in Malaysia Ringgit ("RM"), which is also the functional currency of the Company.

The principal activity of the Company is that of investment holding.

The principal activities of its subsidiaries and associates are disclosed in Notes 13 and 14 to the financial statements respectively.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2015 were authorised for issue by the Board of Directors on 25 March 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transaction that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories or value in use in* FRS 36 *Impairment of Assets*.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Adoption of new and revised standards

On 1 January 2015, the Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Group and the Company were issued but not effective:

- FRS 109 *Financial Instruments*[2]
- FRS 115 *Revenue from Contracts with Customers*[2]
- Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*[1]

[1] Applies to annual periods beginning on or after 1 January 2016, with early application permitted.
[2] Applies to annual periods beginning on or after 1 January 2018, with early application permitted.

Consequential amendments were also made to various standards as a result of these new/revised standards.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FRS 109 Financial Instruments

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting (iii) impairment requirements for financial assets.

The key requirements of FRS 109 are summarised below:

All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income (FVTOCI). All other debt investments and equity investments are measured at FVTPL at the end of subsequent accounting periods. In addition, under FRS 109, entities may make an irrevocable election, at initial recognition, to measure an equity investment (that is not held for trading) at FVTOCI, with only dividend income generally recognised in profit or loss.

With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as FVTPL, FRS 109 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under FRS 39, the entire amount of the change in the fair value of the financial liability designated as FVTPL is presented in profit or loss.

In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Management is currently evaluating the potential impact of the application of FRS 109 on the financial statements of the Group in the period of initial application.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FRS 115 Revenue from Contracts with Customers

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contracts with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under FRS 115, an entity recognises revenue when a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. In addition, extensive disclosures are required by FRS 115.

Management is currently evaluating the potential impact of the application of FRS 115 on the financial statements of the Group in the period of initial application.

Amendments to FRS 1 *Presentation of Financial Statements: Disclosure Initiative*

The amendments have been made to the following:

- Materiality and aggregation - An entity shall not obscure useful information by aggregating or disaggregating information and materiality considerations apply to the primary statements, notes and any specific disclosure requirements in FRSs.
- Statement of financial position and statement of profit or loss and other comprehensive income - The list of line items to be presented in these statements can be aggregated or disaggregated as relevant. Guidance on subtotals in these statements has also been included.
- Presentation of items of other comprehensive income ("OCI") arising from equity-accounted investments - An entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single items based on whether or not it will subsequently be reclassified to profit or loss.
- Notes - Entities have flexibility when designing the structure of the notes and guidance is introduced on how to determine a systematic order of the notes. In addition, unhelpful guidance and examples with regard to the identification of significant accounting policies are removed.

Management does not expect any impact from applying the new amendment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of consolidation (cont'd)

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

Business combination

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of that acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in fair value of the contingent consideration that do not qualify as measurement period adjustments depend on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are re-measured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Business combination (cont'd)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS are recognised at fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 12 *Income Taxes* and FRS 19 *Employee Benefits* respectively;

- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in FRS 102 *Share-based Payment* at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held for Sale* and *Discontinued Operations* are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs.

Financial assets are classified as "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables (including trade and other receivables, cash and bank balances) are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Impairment of financial assets

For certain categories of financial asset, such as receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets (cont'd)

Impairment of financial assets (cont'd)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Interest expense calculated using the effective interest method is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial liabilities and equity instruments (cont'd)

Other financial liabilities (Cont'd)

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL, subsequently at the higher of the amount of obligation under the contract recognised as a provision in accordance with FRS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation in accordance with FRS 18 *Revenue*.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

The Group as lessee

Assets held under finance lease are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Work-in-progress

Work-in-progress represents uncompleted projects which include materials, direct labour, sub-contractors' cost and an appropriate proportion of overheads, if any.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately, irrespective of whether or not work has commenced.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Leasehold buildings	20 to 50 years
Production equipment	5 years
Plant and machinery	5 to 16 years
Factory equipment, tools & light machinery	3 to 16 years
Computer & office equipment	3 to 5 years
Motor vehicles	4 to 8 years
Furniture, fittings & office renovation	4 to 10 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Oil and gas properties

The Group adopts the 'successful efforts' method of accounting for its oil and natural gas exploration and evaluation costs. Costs are accumulated on a field-by-field basis. Pre-license, geological and geophysical ("G&G") costs are expensed as incurred.

Costs to acquire rights to explore for and produce oil and gas are recorded as unproved property acquisition costs; in assets under construction - exploratory wells, for properties in which commercial reserves have not yet been discovered, or proved and proven property acquisition costs; in assets under construction - development wells or production wells, as applicable, if commercial reserves have been discovered. Proved property acquisition costs are amortised from the date of commercial production based on total estimated commercial (both developed and undeveloped) reserves.

The costs of drilling exploratory wells and exploratory-type stratigraphic test wells, if any, are capitalised as part of assets under construction - exploratory wells within oil and gas properties, pending determination of whether the well has found commercial reserves. If the wells have found commercial reserves, the capitalised costs of drilling the wells are tested for impairment and transferred to assets under construction - development wells (even though the well may not be completed as a producing well). If, however, the well has not found commercial reserves, the capitalised costs of drilling the well are written-off to the consolidated statement of profit or loss and other comprehensive income.

The costs of drilling development wells and development-type stratigraphic wells, if any, are capitalised as part of assets under construction - development wells until drilling is completed. When the development well is completed on a specific field, it is transferred to the production wells.

The costs of successful exploration wells and development wells (production wells) are depleted using a unit-of-production method on the basis of proved reserves, from the date of commercial production of the respective field. Unit-of-production is the ratio of oil and gas production in the period to the estimated quantities of commercial reserves at the beginning of the period.

The cost of maintenance and repairs is charged to operations as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of other property and equipment, are recognised as asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. When assets are retired or otherwise disposed of, their carrying values are removed from the accounts and any resulting gain or loss is reflected in the consolidated statement of profit or loss and other comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Such assets are tested for impairment in accordance with the policy below.

Licenses

Costs relating to licenses which are acquired are capitalised and amortised on a straight-line basis over their useful lives of 5 to 20 years.

Computer software

Costs relating to computer software acquired, which are not an integral part of related hardware, are capitalised and amortised on a straight-line basis over their useful lives of 4 years.

Prepaid leases

Prepaid leases represent land use rights that are stated at cost less accumulated amortisation. Land use rights are amortised on a straight-line basis over 30 years, being the entitled period to use the land.

Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with FRS 105. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of FRS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with FRS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with FRS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with FRS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Associates (cont'd)

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no re-measurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provision for decommissioning

Provision for decommissioning arises principally in connection with removal and dismantling of the oil and test drilling equipment for the exploration and evaluation activities. Provisions for decommissioning are measured at the present value of the expected future cash flows that will be required to perform the decommissioning. The cost of the provision is recognised as part of the cost of the assets when it is put in place and depreciated over the asset's useful life. The effects of changes resulting from revisions to the timing or the amount of the original estimate of the provision are reflected on a prospective basis, generally by adjustment to the carrying amount of the assets.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

<u>Sale of goods and natural gas</u>

Revenue from the sale of goods and natural gas is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue recognition (cont'd)

Sale of goods and natural gas (cont'd)

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from rendering of services for offshore engineering and petroleum projects undertaken is recognised using the percentage of completion method measured by reference to the extent of work performed in accordance to the milestone agreed and acceptance by customers.

The stage of completion of the contract is determined as follows:

- Revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

Processing fee which includes transportation fee is recognised when services are rendered.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Rental income

The Group's policy for recognition of revenue from operating leases is described above.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Retirement benefit obligations

The Group participates in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations. In particular, the Malaysia incorporated companies in the Group contribute to the State Pension Scheme, the Employees Provident Fund ("EPF"), a defined contribution plan regulated and managed by the Government of Malaysia, which applies to the majority of the employees. The contributions to EPF or other defined contribution plans are charged to the profit or loss in the period to which contributions relate.

Post employment pension and other long-term employee benefits

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plan.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences as they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each relevant period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly to equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Foreign currency transactions and translation

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Malaysia Ringgit, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of each reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Malaysia Ringgit using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component in equity under the header of currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Foreign currency transactions and translation (cont'd)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of currency translation reserve.

Cash and cash equivalents in the consolidated statement of cash flows

Cash and cash equivalents in the statements of cash flows comprise cash on hand, cash at banks and fixed deposits are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgement in applying the entity's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(i) Impairment review of oil and gas properties

Oil and gas properties include exploration and evaluation activities ("E&E activities") which are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is determined as the higher of an asset's fair value less cost to sell and value in use.

Under the oil and gas properties, the determination of fair value less cost to sell and value in use requires management to make judgement, estimates and assumptions on, amongst others, expected production volumes, future prices, hydrocarbon commercial reserves, operating costs, future capital expenditure, field decline rates and discount rates.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(a) Critical judgement in applying the entity's accounting policies (cont'd)

(i) Impairment review of oil and gas properties (cont'd)

These estimates and assumptions are subject to risk and uncertainty; hence there is a possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be impaired, with the impact recorded in the consolidated statement of profit or loss and other comprehensive income.

The carrying amount of the Group's oil and gas properties is disclosed in Note 12 to the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(i) Useful lives of property, plant and equipment and intangible assets

Management exercises their judgement in estimating the useful lives of the depreciable assets which takes into consideration the physical conditions of the assets and their useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of the assets, therefore future depreciation charges could be revised. Depreciation is provided to write off the cost of property, plant and equipment and intangible assets over their estimated useful lives, using the straight-line method.

The carrying amounts of property, plant and equipment and intangible assets are disclosed in Notes 10 and 11 to the financial statements respectively.

(ii) Impairment review of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the impairment loss.

The carrying amounts of property, plant and equipment and intangible assets are disclosed in Notes 10 and 11 to the financial statements respectively.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(b) Key sources of estimation uncertainty (cont'd)

(iii) Oil and gas properties - exploration & evaluation activities

The application of the Group's accounting policy for oil and gas properties requires management to determine whether future economic benefits are likely, either from future exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact when the Group defers oil and gas properties. The deferral policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, whether an economical viable extraction can be established. Any such estimates and assumptions may change as new information becomes available. If after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the period when the new information becomes available.

The carrying amount of the Group's oil and gas properties is disclosed in Note 12 to the financial statements.

(iv) Provision for decommissioning

The Group is obliged to carry out future decommissioning of oil and natural gas production facilities and pipelines at the end of their economic lives. The largest decommissioning obligations facing the Group relate to the plugging and abandonment of well and the removal and disposal of oil and natural gas platforms and pipelines in its contract area.

Most of these decommissioning events are many years in the future and the precise requirements that will have to be met when the removal event actually occurs are uncertain. Decommissioning technologies and costs are constantly changing, as well as political, environmental, safety and public expectations. Consequently, the timing and amounts of future cash flows are subject to significant uncertainty. Changes in the expected future costs are reflected in both the provision and the asset and could have a material impact on the Group's financial statements.

The carrying amount of the Group's provision for decommissioning is disclosed in Note 22 to the financial statements.

(v) Impairment of investment in associates and subsidiaries

Management exercises their judgement in estimating recoverable amounts of its investment in associates of the Group and subsidiaries of the Company.

The recoverable amounts of the investments are reviewed at the end of each reporting period to determine whether there is any indication that those investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, management needs to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(b) Key sources of estimation uncertainty (cont'd)

(v) Impairment of investment in associates and subsidiaries (cont'd)

The carrying amounts of the Company's investment in subsidiaries and the Group's investment in associates are disclosed in Notes 13 and 14 to the financial statements respectively.

(vi) Allowances for doubtful trade and other receivables

The Group makes allowances for bad and doubtful debts based on on-going evaluation of collectability and aging analysis of individual receivables by reference to their past default experience. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of trade and other receivables and doubtful receivables expenses in the period in which such estimate has been changed.

The carrying amounts of the Group's and the Company's trade and other receivables are disclosed in Notes 7 and 8 to the financial statements respectively.

(vii) Income tax

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
		(restated)		(restated)
Financial assets				
Loan and receivables (including cash and bank balances)	**81,301,345**	94,100,709	**74,552,650**	37,159,878
Financial liabilities				
Amortised cost	**75,052,421**	82,188,197	**11,834,451**	2,411,698

Financial assets consist of cash and bank balances, trade and other receivables excluding deposits, prepayments, prepaid leases, tax recoverable and value-added tax receivables.

Financial liabilities consist of bank borrowings, trade and other payables, finance leases and advances from a third party excluding value-added tax payables and withholding tax.

(b) Financial risk management policies and objectives

The Group's overall risk management strategy seeks to minimise potential adverse effects from the unpredictability of financial markets on the Group's financial performance through a system of internal controls set by the management.

The Group's activities expose it to a variety of financial risks, such as market risk (including foreign exchange risk and interest rate risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group does not hold or issue derivative financial instruments for speculative purposes.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below:

(i) Foreign exchange risk management

The Group transacts business in various foreign currencies, including United States Dollar ("USD"), Indonesia Rupiah ("IDR"), Vietnam Dong ("VND") and Singapore Dollar ("SGD") and therefore is exposed to foreign exchange risk.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	Assets		**Liabilities**	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
		(restated)		(restated)
Group				
USD	**73,887,694**	74,649,159	**53,376,293**	50,568,735
IDR	**6,392,839**	1,675,809	**6,368,651**	3,830,491
VND	**1,800,381**	2,573,213	**247,355**	1,401,452
SGD	**176,086**	95,385	**508,518**	741,202
Company				
USD	**67,406,879**	36,046,996	**10,984,068**	1,775,168
SGD	**6,974,158**	58,221	**279,508**	398,214

The Group has a number of investments in foreign subsidiaries, whose net assets are exposed to currency translation risk. The Group does not currently designate its foreign currency denominated debt as a hedging instrument for the purpose of hedging the translation of its foreign operations.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(i) Foreign exchange risk management (cont'd)

Foreign currency sensitivity

The following table details the sensitivity to a 5% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. 5% is the sensitivity rate used when relevant foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans as well as loan to foreign operations within the Group where they gave rise to an impact on the Group's profit or loss.

If the relevant foreign currency weakens by 5% against the functional currency of each Group entity, profit or loss after tax will decrease (increase) by:

	2015 RM	2014 RM (restated)
Group		
USD	**769,178**	903,016
IDR	**907**	(80,801)
VND	**58,238**	43,941
SGD	**(12,467)**	(24,218)
Company		
USD	**2,115,855**	1,285,194
SGD	**251,050**	(12,750)

If the relevant foreign currency strengthens by 5% against the functional currency of each Group entity, the effect on profit or loss will be vice-versa.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(ii) Interest rate risk management

The Group's exposure to interest rate risk arises primarily from borrowings, finance leases and cash placed with financial institutions. The details of the Group's interest rate exposure are disclosed in Notes 16 and 19 to the financial statements.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting year and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting year in the case of instruments that have floating rates. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 100 basis points higher or lower and all other variables were held constant, the Group's profit after tax for the year ended 31 December 2015 would decrease/increase by RM96,303 (2014 : RM128,872). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings, finance leases and advances from a third party.

The Company's profit or loss after tax was not affected by changes in interest rates as the Company does not have any borrowings or inter-company loans that are at variable rates.

(iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by the counterparty limits that are reviewed and approved by the risk management committee annually.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable to monitor the credit worthiness and to take further steps which may include impairment on accounts receivable and restricting credit terms.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities or if they operate within the same industry. Cash and bank balances are placed with financial institutions.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, and the exposure to defaults from financial guarantees above, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(iii) Credit risk management (cont'd)

At the end of the reporting period, approximately RM11,162,790 (2014 : RM12,377,809) of the Group's receivables are due from an associate in the offshore engineering sector which is trade in nature. The Group's single customer reported 28.86% (2014 : 59.47%) of the Group's revenue.

The Company's receivables comprised of amounts due from certain subsidiaries and the credit quality of these subsidiaries have not changed.

Further details of credit risks on trade and other receivables are disclosed in Notes 7 and 8 to the financial statements respectively.

(iv) Liquidity risk management

The Group and the Company maintain sufficient cash and cash equivalents, and internally generated cash flows to finance their activities. The Group minimises liquidity risk by keeping committed credit lines available.

Liquidity and interest risk analysis

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liability on the statements of financial position.

	Weighted average effective interest rate % p.a.	Less than 1 year RM	Between 1 and 5 years RM	Above 5 years RM	Adjustment RM	Total RM
Group						
2015						
Trade and other payables	-	62,211,959	-	-	-	62,211,959
Advances from a third party	10.00	-	7,549,432	-	(2,549,432)	5,000,000
Bank borrowings	4.95	629,712	2,518,848	7,609,020	(3,504,100)	7,253,480
Finance leases	8.78	396,216	264,116	-	(73,350)	586,982
		63,237,887	10,332,396	7,609,020	(6,126,882)	75,052,421

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(b) Financial risk management policies and objectives (cont'd)

(iv) Liquidity risk management (cont'd)

Liquidity and interest risk analysis (cont'd)

Non-derivative financial liabilities (cont'd)

	Weighted average effective interest rate % p.a.	Less than 1 year RM	Between 1 and 5 years RM	Above 5 years RM	Adjustment RM	Total RM
Group						
2014						
(restated)						
Trade and other payables	-	65,005,276	-	-	-	65,005,276
Advances from a third party	10.00	-	7,549,432	-	(2,549,432)	5,000,000
Bank borrowings	4.98	4,479,144	2,518,926	8,228,162	(3,872,995)	11,353,237
Finance leases	8.43	391,373	591,996	-	(153,685)	829,684
		69,875,793	10,660,354	8,228,162	(6,576,112)	82,188,197

The Company's financial liabilities in 2014 and 2015 are repayable on demand or due within 1 year from the end of the reporting period.

Non-derivative financial assets

All the Group's and the Company's non-derivative financial assets are repayable on demand or due within one year from the end of the reporting period.

Fair value of financial assets and financial liabilities

The carrying amounts of cash and bank balances, trade and other receivables and payables and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of the other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONT'D)

(c) *Capital management policies and objectives*

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders' returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

The Group is not subject to externally imposed capital requirements.

The Group manages its capital structure considering its gearing exposure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 31 December 2015.

Gearing has a significant influence on the Group's capital structure and the Group monitors capital using a gearing ratio. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 0.3 and 0.5. Net debt is calculated as bank borrowings plus trade and other payables (including provision for post-employment benefits obligations, provision for decommissioning, advances from a third party) plus finance leases less cash and cash equivalents.

Total capital is calculated as equity plus net debt.

The Group monitors capital using debt ratio as follows:

	Group	
	2015	2014
	RM	RM
		(restated)
Net debt	**63,141,558**	68,978,961
Equity attributable to owners of the Company	**123,949,830**	86,660,365
Equity and net debt	**187,091,388**	155,639,326
Gearing ratio	**0.34**	0.44

The Group's overall strategy with regards to capital management remains unchanged from 2014.

In 2014, the Group has observed its covenant obligations, including maintaining capital ratios since the inception of the borrowings (Note 16).

5 RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Significant related party transactions are as follows:

	Group 2015 RM	Group 2014 RM (restated)
(a) Transactions with IEV (Malaysia) Sdn. Bhd.		
Charged to an associate		
Project income	**32,756,035**	108,975,014
Other operating income	**598,093**	17,138
Charged by an associate		
Purchases	**(7,715,092)**	(2,381,836)
Selling and distribution expenses	**(201,746)**	-
Rental expenses	**(48,048)**	-
Consultancy expenses	**-**	(60,000)

(b) Compensation of Directors and key management personnel

The remuneration of Directors and other members of key management during the year was as follows:

	Group 2015 RM	Group 2014 RM (restated)
Directors' remuneration		
- salaries and related costs	**2,248,130**	2,140,627
- defined contributions	**13,030**	7,226
- Directors' fees	**614,005**	557,234
	2,875,165	2,705,087
Key management personnel		
- salaries and related costs	**1,360,940**	1,527,472
- defined contributions	**143,393**	86,824
	1,504,333	1,614,296
	4,379,498	4,319,383

The remuneration of Directors and key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

6 CASH AND BANK BALANCES

	Group		Company	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
		(restated)		(restated)
Cash at banks	**16,816,013**	17,476,948	**605,341**	131,149
Cash on hand	**142,416**	63,938	**-**	-
Fixed deposits	**3,757,814**	3,688,674	**-**	-
	20,716,243	21,229,560	**605,341**	131,149

The cash at bank balances include a sum of RM48,572 (2014 : RM3,375,855) designated for project account. As required by PT Pertamina EP, the project account is maintained with a financial institution for an exploration and evaluation project undertaken by a subsidiary. The operation of the project account is restricted to a specific project.

Fixed deposits bear interest ranging from 0.01% to 0.5% per annum (2014 : 0.01% to 0.5% per annum) and a tenure of 30 days (2014 : 30 days).

The fixed deposits have been pledged to certain financial institutions for providing:
– a corporate credit card facility to a subsidiary; and
– banker's guarantee facilities.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, the consolidated cash and cash equivalents comprise the following:

	Group	
	2015	2014
	RM	RM
		(restated)
Cash and cash equivalents per consolidated statement of cash flows		
Cash and bank balances	**20,716,243**	21,229,560
Less: Restricted cash	**(3,757,814)**	(3,688,674)
	16,958,429	17,540,886

7 TRADE RECEIVABLES

	Group	
	2015	2014
	RM	RM
		(restated)
Outside parties	**18,377,103**	18,733,423
Amount due from an associate	**11,162,790**	12,377,809
Allowance for doubtful receivables	**(537,547)**	(923,450)
	29,002,346	30,187,782
Accrued revenue	**28,693,017**	24,152,624
Total trade receivables, net	**57,695,363**	54,340,406

The average credit period given to customers is 30 to 45 days (2014 : 30 to 45 days). No interest is charged on the outstanding trade receivables.

Included in accrued revenue is an amount of RM23,423,987 (2014 : RM21,077,546) due from an associate.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. The Group closely monitors the credit quality of its trade receivables and considers trade receivables that are neither past due nor impaired to be of a good credit quality.

Included in the Group's trade receivables balances are debtors with a carrying amount of RM22,457,036 (2014 : RM15,107,242) which are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful receivables as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believes that there are no further credit allowances required in excess of the allowance for doubtful receivables.

Included in the allowance for doubtful receivables are specific trade receivables with a balance of RM537,547 (2014 : RM923,450) which has been assessed to be irrecoverable as the receivables are long overdue and these trade debtors have not indicated any intention to settle the outstanding amounts.

7 TRADE RECEIVABLES (CONT'D)

The table below is an analysis of trade receivables as at the end of the relevant period:

	Group 2015 RM	2014 RM (restated)
Not past due and not impaired	**6,545,310**	15,170,540
Past due but not impaired [i]	**22,457,036**	15,017,242
	29,002,346	30,187,782
Impaired receivables – individually assessed [ii]	**537,547**	923,450
Less: Allowance for doubtful receivables	**(537,547)**	(923,450)
	-	-
Total trade receivables, net	**29,002,346**	30,187,782

[i] Aging of trade receivables that are past due but not impaired is as follows:

	Group 2015 RM	2014 RM (restated)
< 1 month	**6,223,243**	(276,615)
1 month to 2 months	**(243,190)**	2,829,738
> 2 months	**16,476,983**	12,464,119
	22,457,036	15,017,242

[ii] These amounts are stated before any deduction for impairment losses.

Movement in the allowance for doubtful receivables:

	Group 2015 RM	2014 RM (restated)
Balance at beginning of the year	**(923,450)**	(737,366)
Allowance recognised during the year	**(143,162)**	(144,309)
Receivables written off	**329,217**	-
Write back of allowance	**313,151**	-
Currency translation difference	**(113,303)**	(41,775)
Balance at end of the year	**(537,547)**	(923,450)

8 OTHER RECEIVABLES AND PREPAYMENTS

	Group		Company	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
		(restated)		(restated)
Deposits	**1,037,688**	846,242	**-**	-
Prepayments	**3,342,264**	1,415,801	**65,616**	58,303
Prepaid leases	**2,433,426**	293,733	**-**	-
Amount owing by an associate	**265,500**	6,559,588	**62,438**	-
Amount owing by subsidiaries	**-**	-	**80,040,850**	43,184,708
Amount owing by a Director of certain subsidiaries and a Director of the Company (Note 5)	**522,539**	591,343	**-**	-
Advances to third parties	**496,879**	9,714,504	**-**	-
Tax recoverable	**1,737,843**	3,560,566	**-**	-
Value-added tax receivables	**5,831,981**	2,130,475	**-**	-
Others	**1,604,821**	1,665,308	**-**	-
	17,272,941	26,777,560	**80,168,904**	43,243,011
Less: Allowance for doubtful receivables	**-**	-	**(6,155,979)**	(6,155,979)
	17,272,941	26,777,560	**74,012,925**	37,087,032
Less: Amount receivable within 12 months (shown under current assets)	**(8,969,438)**	(24,774,424)	**(74,012,925)**	(37,087,032)
Amount receivable after 12 months	**8,303,503**	2,003,136	**-**	-

The amount owing by an associate is repayable on demand, unsecured and interest-free. Included in the 2014 balance is a loan amount of RM6,220,000 which has been fully repaid during the year.

The amount owing by a Director of certain subsidiaries represents disbursements for business purpose. The amount owing by a Director of the Company represents dividend received on behalf of a subsidiary and to be remitted to the Group.

Advances to third parties relate to payments made on behalf and advance payment to a subcontractor for a specific project.

The Company's amount owing by subsidiaries includes loans of RM79,672,205 (2014 : RM43,079,192) provided to subsidiaries for working capital purposes. These loans are interest-free and repayable on demand. The Company has recognised an allowance of RM6,155,979 (2014 : RM6,155,979) on these loans as management has determined that this amount is irrecoverable from one of the subsidiaries.

In determining the recoverability of other receivables, the Group and the Company consider any change in the credit quality of the other receivables from the date credit was initially granted up to the end of the reporting period.

Management has assessed the credit worthiness of the other receivables. Other receivables are not past due nor impaired. There is no allowance for other receivables at the end of the reporting period.

9 INVENTORIES

	Group 2015 RM	2014 RM
Raw materials	**2,255,395**	4,663,988
Compressed Natural Gas ("CNG")	**123,672**	755,908
Spare parts	**1,779,889**	92,333
Finished Goods	**92,351**	-
Consumables	**488,009**	-
	4,739,316	5,512,229
Less: Allowance for inventories	**(225,630)**	(238,781)
	4,513,686	5,273,448
Comprising:		
At net realisable value	**2,029,765**	4,425,207
At cost	**2,483,921**	848,241
Balance at end of the year	**4,513,686**	5,273,448

The cost of inventories recognised as an expense in "Cost of Sales" includes RM1,244,818 (2014 : RM1,649,422) in respect of write-downs of inventory to net realisable value.

10 PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold buildings RM	Production equipment RM	Plant and machinery RM	Factory equipment, tools & light machinery RM	Computer & office equipment RM	Motor vehicles RM	Furniture, fittings & office renovation RM	Construction -in-progress RM	Total RM
Cost:									
At 1 January 2014	12,460,981	770,848	12,769,212	11,614,000	2,376,052	897,190	2,966,397	1,189,977	45,044,657
Additions	-	19,525	1,487,133	1,102,469	391,446	359,863	749,416	1,923,487	6,033,339
Disposals	(107,344)	-	(262,377)	-	(13,238)	(202,972)	(8,615)	-	(594,546)
Write off	-	-	-	-	(175,100)	-	(10,290)	(47,234)	(232,624)
Reclassification/Transfers	73,074	-	2,921,625	(2,877,953)	(38,898)	-	-	(77,848)	-
Reclassification to intangible assets (Note 11)	-	-	-	-	(66,924)	-	-	-	(66,924)
Currency translation difference	85,807	-	617,190	460,465	70,255	33,789	55,321	57,278	1,380,105
At 31 December 2014 (restated)	**12,512,518**	**790,373**	**17,532,783**	**10,298,981**	**2,543,593**	**1,087,870**	**3,752,229**	**3,045,660**	**51,564,007**
Additions	**29,852**	**174,207**	**852,319**	**448,555**	**281,989**	**88,504**	**119,367**	**6,211,144**	**8,205,937**
Disposals	**-**	**-**	**(541,661)**	**-**	**(29,632)**	**(274,470)**	**-**	**-**	**(845,763)**
Write off	**-**	**-**	**-**	**(100,287)**	**(46,610)**	**(5,678)**	**-**	**-**	**(152,575)**
Reclassification to prepaid leases	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,194,985)**	**(2,194,985)**
Reclassification to intangible assets (Note 11)	**-**	**-**	**-**	**-**	**(49,844)**	**-**	**-**	**-**	**(49,844)**
Currency translation difference	**512,545**	**-**	**2,486,312**	**1,181,177**	**348,722**	**113,991**	**(5,647)**	**(35,542)**	**4,601,558**
At 31 December 2015	**13,054,915**	**964,580**	**20,329,753**	**11,828,426**	**3,048,218**	**1,010,217**	**3,865,949**	**7,026,277**	**61,128,335**

10 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Leasehold buildings RM	Production equipment RM	Plant and machinery RM	Factory equipment, tools & light machinery RM	Computer & office equipment RM	Motor vehicles RM	Furniture, fittings & office renovation RM	Construction -in-progress RM	Total RM
Accumulated depreciation:									
At 1 January 2014	865,336	454,806	4,597,979	4,485,751	1,617,743	637,062	973,323	-	13,632,000
Depreciation for the year	326,221	91,927	1,756,771	796,433	415,283	140,330	547,105	-	4,074,070
Disposals	(71,685)	-	(190,086)	-	(6,845)	(202,972)	(5,136)	-	(476,724)
Write off	-	-	-	-	(175,100)	-	-	-	(175,100)
Reclassification/Transfer	23,900	-	1,014,156	(979,629)	(58,427)	-	-	-	-
Reclassification to intangible assets (Note 11)	-	-	-	-	(12,739)	-	-	-	(12,739)
Currency translation difference	24,535	-	272,059	168,125	55,344	22,275	24,847	-	567,185
At 31 December 2014 (restated)	**1,168,307**	**546,733**	**7,450,879**	**4,470,680**	**1,835,259**	**596,695**	**1,540,139**	**-**	**17,608,692**
Depreciation for the year	**422,398**	**103,171**	**1,886,704**	**947,633**	**392,956**	**141,766**	**491,259**	**-**	**4,385,887**
Disposals	**-**	**-**	**(160,735)**	**-**	**(20,833)**	**(185,660)**	**-**	**-**	**(367,228)**
Write off	**-**	**-**	**-**	**(15,443)**	**(17,955)**	**-**	**-**	**-**	**(33,398)**
Reclassification to intangible assets (Note 11)	**-**	**-**	**-**	**-**	**(16,366)**	**-**	**-**	**-**	**(16,366)**
Currency translation difference	**103,862**	**-**	**1,316,084**	**588,723**	**258,147**	**53,812**	**153,297**	**-**	**2,473,925**
At 31 December 2015	**1,694,567**	**649,904**	**10,492,932**	**5,991,593**	**2,431,208**	**606,613**	**2,184,695**	**-**	**24,051,512**
Carrying amount:									
At 31 December 2015	**11,360,348**	**314,676**	**9,836,821**	**5,836,833**	**617,010**	**403,604**	**1,681,254**	**7,026,277**	**37,076,823**
At 31 December 2014 (restated)	11,344,211	243,640	10,081,904	5,828,301	708,334	491,175	2,212,090	3,045,660	33,955,315

10 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(i) Depreciation expense is charged to:

Group	2015 RM	2014 RM (Restated)
Cost of sales	**1,988,465**	2,173,876
Administrative expenses	**2,397,422**	1,900,194
	4,385,887	4,074,070

(ii) Assets acquired under finance leases of the Group are as follows:

Group	2015 RM	2014 RM (Restated)
At carrying amount:		
Plant and machinery	**104,880**	138,000
Factory equipment, tools & light machinery	**710,795**	742,163
Computer & office equipment	**13,379**	66,895
Motor vehicles	**238,677**	289,653
	1,067,731	1,236,711

The Group has pledged leasehold building amounting to RM9,535,531 (2014 : RM9,738,415) to secure banking facilities granted to the Group (Note 16).

The details of the leasehold buildings are as follows:

Location	Land area (sqm)	Tenure
Office building at: Level 22 PJX-HM Shah Tower No. 16A Persiaran Barat Petaling Jaya 46050 Selangor Darul Ehsan Malaysia	1,241	99 years commencing 28 July 2006
Factory building at: i) Kampung Tegal Gede Desa Pasir Sari Kecamatan Cikarang Selatan Kabupaten Bekasi 17550 Indonesia	6,000	10 years lease commencing October 2007
ii) Kampung Bangkongreang Desa Wangunharja Kecamatan Cikarang Utara Bekasi, Jawa Barat 17550 Indonesia	10,000	4 years lease commencing August 2015

11 INTANGIBLE ASSETS

Group	Licenses RM	Computer software RM	Total RM
Cost:			
At 1 January 2014	6,100,797	14,195	6,114,992
Reclassifications from property, plant and equipment (Note 10)	-	66,924	66,924
Additions	195,478	56,000	251,478
Currency translation difference	325,993	198	326,191
At 31 December 2014	**6,622,268**	**137,317**	**6,759,585**
Reclassifications from property, plant and equipment (Note 10)	**-**	**49,844**	**49,844**
Additions	**485,092**	**560**	**485,652**
Write-off	**(46,792)**	**(117,913)**	**(164,705)**
Currency translation difference	**1,275,557**	**4,794**	**1,280,351**
At 31 December 2015	**8,336,125**	**74,602**	**8,410,727**
Amortisation:			
At 1 January 2014	823,407	14,195	837,602
Reclassifications from property, plant and equipment (Note 10)	-	12,739	12,739
Amortisation for the year	429,508	31,404	460,912
Currency translation difference	55,208	(179)	55,029
At 31 December 2014	**1,308,123**	**58,159**	**1,366,282**
Reclassifications from property, plant and equipment (Note 10)	**-**	**16,366**	**16,366**
Amortisation for the year	**550,854**	**17,276**	**568,130**
Write-off	**(46,792)**	**(45,862)**	**(92,654)**
Currency translation difference	**247,735**	**4,516**	**252,251**
At 31 December 2015	**2,059,920**	**50,455**	**2,110,375**
Carrying amount:			
At 31 December 2015	**6,276,205**	**24,147**	**6,300,352**
At 31 December 2014	5,314,145	79,158	5,393,303

The intangible assets included above have finite useful lives over which the assets are amortised. The licenses, with useful lives ranging from 5 to 20 years, pertain to exclusive distribution rights relevant to Oxifree Metal Protection product range, oil and gas certification for CNG installation and signature bonus for Production Sharing Contract in certain subsidiaries. Computer software is amortised over their useful lives of 4 years.

Group	2015 RM	2014 RM
Amortisation expense is charged to:		
Cost of sales	**8,821**	53,862
Administrative expenses	**559,309**	407,050
	568,130	460,912

12 OIL AND GAS PROPERTIES

Oil and gas properties represent costs for assets under construction related to exploration and evaluation activities at the area of interest.

Group	Total RM
Cost:	
At 1 January 2014	6,595,908
Additions	16,702,058
Currency translation difference	1,645,098
At 31 December 2014	**24,943,064**
Additions	**23,484,895**
Currency translation difference	**8,470,441**
At 31 December 2015	**56,898,400**

The Group, through a subsidiary, PT IEV Pabuaran KSO ("IEV KSO") is engaged in reactivation and optimisation of crude oil production at Pabuaran, West Java, Indonesia, under an Operations Cooperation Agreement ("KSO") with PT Pertamina EP ("Pertamina EP"), to assist Pertamina EP in carrying out its obligations as the operator under Kontrak Minyak dan Gas Bumi Pertamina ("Pertamina EP KKS"), a contract entered with SKK Migas, the oil and gas regulatory agency of Indonesia, on 17 September 2005.

IEV KSO, in accordance with the terms and conditions under the KSO, shall provide financing, technical competence and professional skills necessary to carry out what is required of Pertamina EP under the Pertamina EP KKS. The KSO which was entered into and signed on 3 September 2012, will expire 15 years thereafter.

On 12 December 2015, the Group obtained approval of an extension of work program totalling USD18.6 million (RM80,028,360) to be completed by 11 December 2017.

13 SUBSIDIARIES

	Company	
	2015	2014
	RM	RM (restated)
Unquoted equity shares, at cost	**32,357,388**	32,357,388

13 SUBSIDIARIES (CONT'D)

Details of the Company's subsidiaries at 31 December 2015 are as follows:

Name of subsidiary/Place of incorporation and operation	Principal activity	Proportion of ownership interest and voting power held 2015 %	2014 %
IEV Group Sdn. Bhd. [2] [6] Malaysia	Investment holding, provision of technical and management services to its subsidiaries, conducting product development for the Group's product and services	**100**	100
IEV Energy Investment Pte. Limited [1] [6] Singapore	Investment in oil and gas projects	**100**	100
IEV Biomass Corporation Limited [4] Hong Kong	Trading, procurement, marketing and distribution of biomass products	**100**	100
Held by IEV Group Sdn. Bhd.			
IEV International Limited [3] Hong Kong	Provision of marine growth control, corrosion control, subsea engineering and oilfield equipment and services to the onshore, offshore and marine industries in global market	**100**	100
PT IEV Indonesia [2] [6] Indonesia	Provision of marine growth control, corrosion control, subsea engineering and oilfield equipment to oil and gas and marine industries in Indonesia	**95**	95
IEV Manufacturing Sdn. Bhd. [2] [6] Malaysia	Manufacturing, exporting, importing supplying and wholesaling of marine growth products, corrosion control, products and other subsea engineering and oilfield equipment to the oil, gas and marine industries	**100**	100

13 SUBSIDIARIES (CONT'D)

Name of subsidiary/Place of incorporation and operation	Principal activity	Proportion of ownership interest and voting power held 2015 %	2014 %
Held by IEV Group Sdn. Bhd. (cont'd)			
IEV Oil & Gas Technologies Co., Ltd. [5] [6] Socialist Republic of Vietnam	Providing services of maintenance and repair of subsea engineering (anti-corrosion, marine growth control), providing services on conversion of petrol into natural gas, providing services on natural gas use for technology, household and transportation, importing and retailing equipment relating to the survey, repair, installation and maintenance of industrial works (including subsea works),exploration boring and exploitation of petrol, decommissioning (oil and gas)	**100**	100
IEV Energy Sdn. Bhd. [2] [6] Malaysia	Provision of engineering solutions relating to mobile gas infrastructure development throughout Asia, from design, construction and operation of small to medium scale Liquefied Natural Gas ("LNG") plants and Compressed Natural Gas ("CNG") fixed/mobile stations, to their distribution to end users by mobile means	**100**	100
IEV Engineering Sdn. Bhd. [2] [6] Malaysia	Provision of marine growth control, corrosion control, subsea engineering and oilfield equipment and services to the oil and gas and marine industries in Malaysia	**100**	100

13 SUBSIDIARIES (CONT'D)

Name of subsidiary/Place of incorporation and operation	Principal activity	Proportion of ownership interest and voting power held 2015 %	2014 %
Held by IEV Energy Sdn. Bhd.			
PT IEV Gas [2] [6] Indonesia	Undertakes commercial business of CNG and LNG, and provision of bottling services, charging and transportation of CNG and LNG	**95**	95
IEV Vietnam Joint Stock Company [2] [6] Socialist Republic of Vietnam	Undertakes business activities in relation to the production of renewable energy	**90.3**	75
Held by IEV Energy Investment Pte. Limited			
PT IEV Pabuaran KSO [2] Indonesia	Undertakes business activities in relation to onshore oil and natural gas services and operating and maintenance of oil and natural gas facility services	**95**	95

[1] Audited by Deloitte & Touche LLP, Singapore.
[2] Audited by overseas practices of Deloitte Touche Tohmatsu Limited.
[3] Audited by another firm of auditors, Cheng & Cheng Limited, Hong Kong.
[4] The subsidiary is dormant during the financial year and has been dissolved on 8 January 2016.
[5] The subsidiary is dormant during the financial year and the management has plans to liquidate the company.
[6] In 2014, this entity was audited by another firm of auditors.

Changes in ownership interests in IEV Vietnam Joint Stock Company ("IEVVN")

During the year, the Company's wholly-owned subsidiary IEV Energy Sdn. Bhd. ("IEV Energy") further increased its shareholdings in its subsidiary, IEVVN by way of cash injection. The capital injection is solely from IEV Energy and the non-controlling interests did not take part in the capital injection exercise. Subsequent to the capital injection, the Group's shareholdings in IEVVN is increased to 90.3% and the effect of changes in ownership interests in IEVVN is recognised in a separate component in equity under the header of capital reserve.

14 ASSOCIATES

	Group 2015 RM	Group 2014 RM (restated)
Unquoted equity shares, at cost	**1,669,062**	366,752
Share of post-acquisition reserves	**1,101,240**	1,142,325
	2,770,302	1,509,077

Details of the Group's associates at 31 December 2015 are as follows:

Name of associate/Place of incorporation and operation	Principal activity	Proportion of ownership interest and voting power held 2015 %	2014 %
IEV (Malaysia) Sdn. Bhd. [1] [3] Malaysia	Provision of marine growth control, subsea engineering and oilfield equipment to the onshore, offshore and marine industries in Malaysia	**49**	49
Gas Malaysia IEV Sdn. Bhd. [2] Malaysia	Provision of the sale, supply and transportation of CNG, and design, construction, installation, commissioning of CNG station	**25**	-

[1] Audited by a member firm of Deloitte Touche Tohmatsu Limited, Kuala Lumpur, Malaysia.

[2] The Group's share of losses for the year, representing share of total comprehensive loss for the year, amounted to RM108,399 and the carrying amount of associate as at 31 December 2015 amounted to RM1,193,911.

[3] In 2014, this entity was audited by another firm of auditors.

Summarised financial information in respect of IEV (Malaysia) Sdn. Bhd. ("IEV Malaysia") is set out below.

	Group 2015 RM	Group 2014 RM
Current assets	**36,905,557**	50,434,962
Non-current assets	**547,872**	266,357
Current liabilities	**(34,047,984)**	(47,524,040)
Non-current liabilities	**(188,321)**	(97,530)
Revenue	**37,241,235**	105,511,021
Profit for the year, representing total comprehensive income for the year	**137,375**	570,413

14 ASSOCIATES (CONT'D)

Reconciliation of the above summarised financial information to the carrying amount of the interest in IEV Malaysia recognised in these consolidated financial statements:

	Group	
	2015	2014
	RM	RM (restated)
Net assets of the associate	**3,217,124**	3,079,749
Proportion of the Group's ownership interest in IEV Malaysia	**49%**	49%
Carrying amount of the Group's interest in IEV Malaysia	**1,576,391**	1,509,077

Restatement of IEV Malaysia from a subsidiary in 2014 to an associate in 2015

In 2014, IEV Malaysia was reclassified as a subsidiary from 1 October 2014 and prior to that, was equity accounted for from 1 January 2014 to 30 September 2014. The Group has reassessed during the quarter ended 30 September 2015 and has determined that IEV Malaysia should have been an associate since prior periods. The financial impact of the restatement is stated in Note 34 to the financial statements.

15 DEFERRED TAX ASSETS (LIABILITIES)

The following are the major deferred tax assets and deferred tax liabilities recognised by the Group and movements thereon during the current and prior reporting periods:

	Provision for post-employment obligations RM	**Accelerated accounting depreciation RM**	**Unutilised tax losses RM**	**Others RM**	**Total RM**
Group					
At 1 January 2014	153,883	(8,989)	-	412	145,306
Credit to profit or loss for the year (Note 28)	63,472	44,227	-	5,884	113,583
Currency translation difference	3,973	(148)	-	15	3,840
At 31 December 2014	**221,328**	**35,090**	**-**	**6,311**	**262,729**
Credit to profit or loss for the year (Note 28)	**125,176**	**83,997**	**917,182**	**16,248**	**1,142,603**
Charge to other comprehensive income	**(126,066)**	**-**	**-**	**-**	**(126,066)**
Currency translation difference	**17,329**	**10,924**	**63,645**	**3,290**	**95,188**
At 31 December 2015	**237,767**	**130,011**	**980,827**	**25,849**	**1,374,454**

15 DEFERRED TAX ASSETS (LIABILITIES) (CONT'D)

The following is the analysis of deferred tax balances for statements of financial position purposes:

	Group	
	2015	2014
	RM	RM
Deferred tax liabilities	**(142,246)**	(58,531)
Deferred tax assets	**1,516,700**	321,260

Subject to the agreement by the tax authorities, at the end of the reporting period, the Group has unutilised tax losses of RM23,836,191 (2014 : RM29,365,400), unabsorbed capital allowance of RM91,236 (2014 : RM535,809) and costs pool of RM53,915,468 (2014 : RM23,535,868) arising from oil and gas properties available to offset against future profits. No deferred tax asset of RM25,255,810 (2014 : RM15,992,980) has been recognised due to the unpredictability of future profit streams.

Temporary differences arising in connection with interests in subsidiaries and associates are insignificant.

16 BANK BORROWINGS

	Group	
	2015	2014
	RM	RM
Secured – at amortised cost		
Bank overdrafts	**-**	2,669,660
Bank loans	**7,253,480**	8,683,577
	7,253,480	11,353,237
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(400,000)**	(4,099,441)
Amount due for settlement after 12 months	**6,853,480**	7,253,796

In 2014, bank overdrafts were repayable on demand and bore interest rates ranging from 8.10% to 8.35% per annum. The bank overdrafts were secured by a debenture by way of a fixed and floating charge over all present and future assets of a subsidiary, a corporate guarantee provided by a subsidiary and a personal guarantee provided by a Director, Christopher Nghia Do.

The Group's bank loans comprised:

a. A loan of RM7,253,480 (2014 : RM7,518,577). Monthly repayments of the same amount commenced on 31 January 2013 with a final repayment amount due on 31 January 2033. The loan is secured by a mortgage of the leasehold office building of a subsidiary and a corporate guarantee provided by the Company. The loan bears interest rates at 4.95% (2014 : 4.70% to 4.95%) per annum.

b. As at 31 December 2014, there was a bank loan outstanding amounting to RM1,165,000 which was fully repaid in 2015. The loan was secured by a debenture comprising fixed and floating charge over all present and future assets of a subsidiary, a first charge over the Escrow Account opened with a financial institution acceptable to the bank and which were to be operated solely by the bank, a charge over the assets of a subsidiary, corporate guarantees provided by the Company and a subsidiary and a personal guarantee provided by a Director, Christopher Nghia Do. The loan bore interest rates of 4.36% (2014 : 4.34% to 4.35%) per annum.

The carrying amounts of the Group's borrowings approximate their fair values.

17 TRADE PAYABLES

	Group		Company	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
		(restated)		(restated)
Trade payables – third parties	**9,664,470**	14,342,641	**-**	-
Amount due to an associate	**7,199,877**	5,951,042	**-**	-
Accruals for projects costs	**36,163,005**	36,229,803	**-**	-
Accruals for operating expenses	**224,521**	-	**-**	-
	53,251,873	56,523,486	**-**	-

The credit period granted by suppliers is 30 days (2014 : 30 days). No interest is charged on the outstanding balance.

Trade creditors, amount due to an associate and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

18 OTHER PAYABLES

	Group		Company	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
		(restated)		(restated)
Accruals for exploration and evaluation expenses	**2,608,159**	2,349,441	**-**	-
Amount owing to an associate	**291,919**	1,181,964	**371**	-
Amount owing to Directors (Note 5)	**763**	4,479	**-**	605
Amount owing to subsidiaries	**-**	-	**11,553,299**	1,932,719
Amount owing to subcontractor	**3,284,130**	-	**-**	-
Withholding tax	**311,474**	520,764	**-**	-
Value-added tax payables	**77,627**	97,706	**-**	-
Progress billings	**-**	27,183	**-**	-
Accruals for payroll	**-**	132,292	**-**	-
Accruals	**1,616,553**	1,333,193	**138,215**	454,068
Others	**1,158,562**	3,453,238	**142,566**	24,306
	9,349,187	9,100,260	**11,834,451**	2,411,698

In 2014, amount owing to an associate included a loan amounting to RM650,000, which was repayable on demand, unsecured and interest-free. The loan has been fully repaid during the year.

The amount owing to an associate represents advances which are unsecured, interest-free and repayable on demand.

The amount owing to Directors of the Company relates to reimbursable disbursements incurred for business use and are repayable on demand.

The amount owing to subcontractor relates to exploration and evaluation services provided for contractual obligations.

19 FINANCE LEASES

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	2015	2014	**2015**	2014
	RM	RM (restated)	**RM**	RM (restated)
Amounts payable under finance leases:				
Within one year	**396,216**	391,373	**343,349**	310,647
In the second to fifth years inclusive	**264,116**	591,996	**243,633**	519,037
	660,332	983,369	**586,982**	829,684
Less: future finance charges	**(73,350)**	(153,685)	**N/A**	N/A
Present value of lease obligations	**586,982**	829,684	**586,982**	829,684
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(343,349)**	(310,647)
Amount due for settlement after 12 months			**243,633**	519,037

The average lease term is 5 years. The average effective borrowing rate is 8.78% (2014 : 8.43%) per annum. Interest rates are fixed at the contract date, and thus expose the Group to fair value interest rate risk. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group leases motor vehicles, computers equipment and machinery from non-related parties under finance leases. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term.

The Group's obligations under finance lease are secured by the lessor' title to the leased asset (Note 10).

The fair value of the Group's lease obligations approximate their carrying amounts.

20 PROVISION FOR POST-EMPLOYMENT BENEFIT OBLIGATIONS

The Group provides post-employment benefits for its eligible employees in accordance with Indonesia Labour Act No. 13/2003.

The Group has no non-current assets held by a long-term employee benefit fund (entity) nor has any qualifying insurance policies nor hold any reimbursable right associate to any plan asset.

The post-employment benefit is funded by the Group's subsidiaries. The Group expects no payment will be made in financial year 2016. At 31 December 2015, the weighted-average duration of the post-employment benefits is 18.9 years (2014 : 21.5 years).

20 PROVISION FOR POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONT'D)

The amounts recognised in the Group's statement of financial position is determined as follows:

	Group	
	2015	2014
	RM	RM
Present value of unfunded obligation	**2,404,450**	1,542,779
Unrecognised actuarial losses (gains)	**(136,397)**	238,088
Currency translation difference	**(70,094)**	(22,228)
Net liability recognised in the statement of financial position	**2,197,959**	1,758,639

Movements in the defined benefit obligation are as follows:

	Group	
	2015	2014
	RM	RM
Balance at beginning of the year	**1,758,639**	1,202,780
Expenses for the year	**489,011**	430,379
Amount capitalised to oil and gas properties	**252,321**	216,662
Credit to other comprehensive income	**(497,193)**	(26,989)
Benefits paid	**(30,829)**	(107,679)
Currency translation difference	**226,010**	43,486
Balance at end of the year	**2,197,959**	1,758,639

The amounts recognised in comprehensive income are as follows:

	Group	
	2015	2014
	RM	RM
Current service cost	**693,887**	499,469
Interest cost	**117,825**	78,094
Net actuarial (gain)/losses recognised in the financial year	**(70,380)**	69,478
	741,332	647,041

The valuation of the post-employment benefit obligations is performed annually by independent actuaries, PT. Jasa Aktuaria Praptasentosa Gunajasa and PT. Padma Radya Aktuaria.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	Valuation at	
	2015	2014
Reference to mortality rate [1]	**TMI 2011/TMI 111**	TMI 2011/TMI 111
Discount rate	**9%**	8.00% - 8.25%
Future salary increases	**9% - 10%**	9% - 10%
Normal pension years	**55 years**	55 years

[1] TMI 2011/TMI 111 refers to a mortality table consisting of separate rates of mortality for male and female lives.

21 ADVANCES FROM A THIRD PARTY

The advances from a third party is unsecured and bears an interest rate of 10% per annum. The advances are repayable in April 2018.

22 PROVISION FOR DECOMMISSIONING

Provision for decommissioning relates mainly to the Group's obligation to remove and dismantle the oil and gas test drilling equipment for the exploration and evaluation activities. The Group expects to incur the liability at the time the facilities are permanently shut down and dismantled.

23 SHARE CAPITAL

	Group and Company			
	2015	2014	**2015**	2014
	Number of ordinary shares		**RM**	RM
Issued and paid up:				
At beginning of the year	**189,200,000**	189,200,000	**80,048,236**	80,048,236
Issued for cash	**94,600,000**	-	**18,060,843**	-
Less: capitalised expense	**-**	-	**(417,667)**	-
At end of the year	**283,800,000**	189,200,000	**97,691,412**	80,048,236

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

During the financial year, the Company increased its issued and fully paid-up ordinary capital from RM80,048,236 to RM98,109,079 by the issuance of 94,600,000 new ordinary shares of SGD0.07 each arising from the Rights Issue on the basis of 1 Rights share for every 2 existing ordinary shares held.

24 CURRENCY TRANSLATION RESERVE

Exchange differences relating to the translation from the functional currencies of the Group's foreign operations into Malaysia Ringgit are brought to account by recognising those exchange differences in other comprehensive income and accumulating them in a separate component of equity under the header of currency translation reserve.

25 REVENUE

	Group	
	2015	2014
	RM	RM
		(restated)
Offshore Engineering sector – rendering of services	**69,757,815**	133,013,483
Mobile Natural Gas sector – sale of natural gas	**41,945,809**	40,615,452
	111,703,624	173,628,935

26 OTHER OPERATING INCOME

	Group 2015 RM	2014 RM (restated)
Exchange gains	**11,446,142**	1,739,163
Interest income	**45,559**	56,554
Gain on disposal of property, plant and equipment	**43,824**	43,630
Rental income from sub-lease of factory and office space	**152,154**	154,489
Gain on disposal of an associate [1]	**-**	8,902,886
Write back of allowance	**313,151**	-
Write back of slow moving stocks	**37,989**	-
Claims settlement by a subcontractor	**4,631,822**	-
Sundry income	**977,303**	850,222
	17,647,944	11,746,944

[1] In 2014, the Group disposed its entire shares of 5,178,759 in CNG Vietnam Joint Stock Company for a cash consideration of RM27,536,277 and recorded a gain of RM8,902,886.

27 FINANCE COSTS

	Group 2015 RM	2014 RM (restated)
Interest on bank borrowings	**373,001**	455,567
Interest on finance leases	**85,318**	54,679
Interest on bank overdrafts	**106,413**	233,037
Interest on advances from a third party	**501,708**	500,000
	1,066,440	1,243,283

28 INCOME TAX

	Group 2015 RM	2014 RM (restated)
Current tax expenses		
- Current year tax expenses	**615,637**	354,875
- Adjustments recognised in the current year in relation to the current tax of prior years	**55,467**	215,409
Deferred tax benefits (Note 15)		
- Credit during the year	**(1,142,603)**	(113,583)
	(471,499)	456,701

28 INCOME TAX (CONT'D)

The income tax on the results of the financial year varies from the amount of income tax determined by applying the Malaysia statutory rate of income tax on the results of the respective companies in the Group.

The total income tax (benefit) expense for the year can be reconciled to the accounting profit as follows:

	Group	
	2015	2014
	RM	RM
		(restated)
Profit before tax	**12,102,057**	4,999,380
Tax at the domestic income tax rate of 25% in Malaysia (2014 : 25%)	**3,025,514**	1,249,845
Effect of expenses that are not deductible in determining taxable profit	**3,459,276**	169,442
Effect of income that is exempt from taxation	**(2,348,169)**	(746,315)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	**(2,462,954)**	-
Effect on offshore exemption for Hong Kong entity (Note A)	**(1,789,178)**	(554,576)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(335,690)**	122,896
Effect of tax concessions	**(75,765)**	-
Adjustments recognised in the current year in relation to the current tax of prior years	**55,467**	215,409
	(471,499)	456,701

Note A

A subsidiary, IEV International Limited, a company incorporated in Hong Kong, enjoyed a full tax exemption since year 2005 under Section 14 of the Hong Kong Inland Revenue Ordinance ("the Ordinance") and the Departmental Interpretation Practice Note 21 on the basis that the mode of business operations are wholly and exclusively outside Hong Kong. This tax exemption status is applicable to onward years unless the mode of business operations changes to be in Hong Kong and that the provisions of the current Hong Kong Tax Practice and provisions of the Ordinance are complied with.

29 PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting) the following items, not disclosed elsewhere in the financial statements:

	Group	
	2015	2014
	RM	RM
		(restated)
Directors' remuneration		
- of the Company	**1,976,690**	1,977,974
- of the subsidiaries	**284,470**	169,879
Directors' fees		
- of the Company	**614,005**	557,234
Employee benefits expense (including Directors' remuneration and Directors' fees)	**11,096,321**	10,670,537
Costs of defined contribution plans included in employee benefits expense	**745,614**	659,731
Employee benefit expense recognised as cost of sales	**2,086,492**	4,617,080
Amortisation of intangible assets	**568,130**	460,912
Depreciation of property, plant and equipment	**4,385,887**	4,074,070
Rental expenses	**1,702,655**	1,241,524
Provision of slow moving stocks	**20,900**	175,074
Intangible assets written off	**72,051**	-
Property, plant and equipment written off	**119,177**	57,524
Allowance for doubtful receivables	**143,162**	144,309
Audit fees:		
Auditors of the Company	**209,343**	577,641
Other auditors	**516,478**	142,681
Non-audit fees:		
Auditors of the Company	**18,284**	76,734
Other auditors	**40,705**	37,600

30 DIVIDENDS

On 30 September 2015, an interim dividend of 0.36 Malaysian sen per share (total dividends RM1,019,622) was declared and paid to shareholders.

The Directors do not recommend any final dividend in respect of the financial year ended 31 December 2015 and 31 December 2014.

31 EARNINGS PER SHARE

Earnings per share is calculated by dividing the Group's net profit attributable to the ordinary owners of the Company for the year by the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2015	2014 (restated)
Profit attributable to owners of the Company (RM)	**12,659,247**	4,794,360
Weighted average number of ordinary shares, after adjusting for notional bonus element in Rights Issue [1]	**247,847,958**	192,671,560
Basic earnings per share (Malaysian sen)	**5.11**	2.49

[1] The weighted average number of ordinary shares has been adjusted for the financial year ended 2014 and 2015 to take into effect the notional bonus element in the 94,600,000 Rights issued on 3 June 2015 (Note 23).

As there are no outstanding dilutive potential ordinary shares, the diluted earnings per ordinary share is accordingly the same as the basic earnings per ordinary share for the respective financial years.

32 OPERATING LEASE ARRANGEMENTS

The Group as lessee

	Group	
	2015 RM	2014 RM (restated)
Minimum lease payments under operating leases recognised as expense during the year	**939,028**	403,091

At the end of the reporting period, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Group	
	2015 RM	2014 RM (restated)
Within one year	**960,975**	986,858
In the second to fifth years inclusive	**372,319**	991,485

Operating lease payments represent rentals payable by the Group for certain of its office premises, apartment premises and motor vehicles. Leases are negotiated for a term ranging from more than one year and rental is fixed over the duration of the lease.

33 SEGMENT INFORMATION

The Group determines and presents operating segments based on information that is provided internally to the Chief Executive Officer ("CEO"), who is the Group's chief operating decision maker. All operating segments' operating results are reviewed regularly by the Group's CEO to make decision about resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments – Offshore Engineering, Mobile Natural Gas, Exploration and Production and Renewable Energy. There are no other operating segments that have been aggregated to form the four reportable operating segments.

Segment revenue represents revenue generated from external customers and inter-segment sales. The accounting policies of these reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment after allocation of central finance costs and share of results of associates. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

For the purpose of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible, intangible and financial assets attributable to each segment.

All assets are allocated to reportable segments other than tax assets.

Information regarding each of the Group's reportable segments is presented below.

33 SEGMENT INFORMATION (CONT'D)

Group	Offshore Engineering 2015 RM	Offshore Engineering 2014 RM (restated)	Mobile Natural Gas 2015 RM	Mobile Natural Gas 2014 RM (restated)	Exploration and Production 2015 RM	Exploration and Production 2014 RM (restated)	Renewable Energy 2015 RM	Renewable Energy 2014 RM (restated)	Consolidated 2015 RM	Consolidated 2014 RM (restated)
Revenue										
Inter-segment sales	**85,866,278**	148,297,951	**41,945,809**	40,615,452	**-**	-	**-**	-	**127,812,087**	188,913,403
External sales	**(16,108,463)**	(15,284,468)	**-**	-	**-**	-	**-**	-	**(16,108,463)**	(15,284,468)
	69,757,815	133,013,483	**41,945,809**	40,615,452	**-**	-	**-**	-	**111,703,624**	173,628,935
Results										
Segment results	**23,709,888**	5,734,932	**(7,021,814)**	3,681,114	**(2,993,686)**	(3,632,556)	**(484,806)**	(515,201)	**13,209,582**	5,268,289
Finance costs	**(980,019)**	(1,107,898)	**(86,421)**	(135,385)	**-**	-	**-**	-	**(1,066,440)**	(1,243,283)
Share of results of associates	**67,314**	279,502	**(108,399)**	694,872	**-**	-	**-**	-	**(41,085)**	974,374
Profit (Loss) before tax	**22,797,183**	4,906,536	**(7,216,634)**	4,240,601	**(2,993,686)**	(3,632,556)	**(484,806)**	(515,201)	**12,102,057**	4,999,380
Income tax benefit (expense)									**471,499**	(456,701)
Profit for the year									**12,573,556**	4,542,679
Profit attributable to:										
Owners of the Company									**12,659,247**	4,794,360
Non-controlling interests									**(85,691)**	(251,681)
Profit for the year									**12,573,556**	4,542,679

33 SEGMENT INFORMATION (CONT'D)

Group	Offshore Engineering 2015 RM	Offshore Engineering 2014 RM (restated)	Mobile Natural Gas 2015 RM	Mobile Natural Gas 2014 RM (restated)	Exploration and Production 2015 RM	Exploration and Production 2014 RM (restated)	Renewable Energy 2015 RM	Renewable Energy 2014 RM (restated)	Consolidated 2015 RM	Consolidated 2014 RM (restated)
Assets										
Segment assets	**93,457,805**	99,077,044	**25,530,035**	27,794,720	**65,747,875**	39,225,631	**8,224,729**	219,269	**192,960,444**	166,316,664
Associates	**1,576,391**	1,509,077	**1,193,911**	-	**-**	-	**-**	-	**2,770,302**	1,509,077
Unallocated assets (a)									**9,086,524**	6,012,301
Consolidated total assets									**204,817,270**	173,838,042
Liabilities										
Segment liabilities	**62,540,904**	72,381,114	**7,589,177**	5,815,057	**9,487,400**	7,661,621	**93,405**	16,402	**79,710,886**	85,874,194
Unallocated liabilities (b)									**621,393**	1,062,794
Consolidated total liabilities									**80,332,279**	86,936,988
Other information										
Capital expenditure	**896,091**	1,849,357	**2,874,959**	2,058,824	**18,163**	550,802	**4,416,724**	1,574,356	**8,205,937**	6,033,339
Amortisation of intangible assets	**152,524**	95,255	**25,336**	39,863	**390,270**	325,794	**-**	-	**568,130**	460,912
Depreciation of property, plant and equipment	**1,866,916**	1,780,220	**2,239,070**	1,957,490	**142,148**	334,277	**137,753**	2,083	**4,385,887**	4,074,070

33 SEGMENT INFORMATION (CONT'D)

(a) Unallocated assets comprise tax recoverable, value-added tax receivables and deferred tax assets.

(b) Unallocated liabilities comprise withholding tax, value-added tax payable, deferred tax liabilities, progress billings and income tax payable.

Geographical information:

Segment revenue: Segment revenue is analysed based on the location of customers regardless of where the goods are produced.

Segment non-current assets: Segment non-current assets are analysed based on the location of those assets.

	Revenue		**Non-current assets**	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
Group		(restated)		(restated)
Malaysia	**41,745,229**	83,925,520	**15,438,507**	14,956,649
Indonesia	**43,557,917**	67,327,088	**88,613,614**	48,683,654
Vietnam	**1,255,992**	2,803,998	**6,975,127**	2,592,601
Hong Kong	**-**	-	**1,838,832**	1,892,251
India	**9,160,022**	2,649,906	**-**	-
Argentina	**8,554,763**	-	**-**	-
Singapore	**-**	1,128,039	**-**	-
China	**2,542,695**	4,344,132	**-**	-
Oman	**1,874,781**	-	**-**	-
Thailand	**1,117,457**	6,158,966	**-**	-
Others	**1,894,768**	5,291,286	**-**	-
	111,703,624	173,628,935	**112,866,080**	68,125,155

Information about major customers:

Included in revenue arising from offshore engineering and mobile natural gas sectors are revenue of approximately RM32,233,804 and RM14,112,174 (2014 : RM103,255,301 and RM24,260,263) which arose from sales to the Group's largest customer in the respective sector.

34 RESTATEMENTS

Group

As at 31 December 2014 and 1 January 2014, an amount of RM1,152,836 relating to non-controlling interests was erroneously classified as "amount owing by a Director". Accordingly, management has restated and presented the comparatives as at 31 December 2014. As the restatements only affect "Other receivables and prepayments" and "Non-controlling interests", no third statement of financial position has been presented.

Other than the above, retrospective restatements have been made to prior period due to the change in accounting of the Group's interest in IEV Malaysia. In 2014, the Group classified the 49%-owned IEV Malaysia as a subsidiary from 1 October 2014. In 2015, management reassessed the shareholders' arrangement for the financial and operation matters of IEV Malaysia, and determined that the Group should only has significant influence over IEV Malaysia since prior periods. Accordingly, IEV Malaysia should not have been classified as a subsidiary from 1 October 2014.

Management has restated the 2014 comparatives to reflect the accounting for this matter and as the restatement does not impact the opening balances as at 1 January 2014, no third statement of financial position has been presented. The following line items in the consolidated statement of profit and loss and other comprehensive income were affected:

Consolidated statement of financial position 31 December 2014	**Group**	
	Previously reported RM	**After restatements RM**
Cash and bank balances	28,666,716	21,229,560
Trade, other receivables and prepayments - Current	95,624,348	79,114,830
Work-in-progress	99,889	95,049
Property, plant and equipment	34,221,672	33,955,315
Associates	-	1,509,077
Trade and other payables	85,449,526	65,623,746
Finance leases - current	373,684	310,647
Finance leases - non-current	616,567	519,037

34 RESTATEMENTS (CONT'D)

Consolidated statement of profit or loss and other comprehensive income Year ended 31 December 2014	**Group Previously reported RM**	**After restatements RM**
Revenue	172,850,218	173,628,935
Cost of sales	(152,601,059)	(155,035,745)
Gross profit	20,249,159	18,593,190
Other operating income	12,635,220	11,746,944
Selling and disribution costs	(1,566,898)	(1,566,898)
Administrative expenses	(22,991,721)	(22,477,136)
Other operating expenses	(2,034,831)	(1,027,811)
Share of results of associates	516,893	974,374
Finance costs	(1,246,431)	(1,243,283)
Profit before tax	5,561,391	4,999,380
Income tax expense	(542,558)	(456,701)
Profit for the year	5,018,833	4,542,679
Total comprehensive income for the year	6,765,683	6,289,529
Profit for the year attributable to:		
Owners of the Company	4,794,360	4,794,360
Non-controlling interests	224,473	(251,681)
Total comprehensive income for the year attributable to:		
Owners of the Company	6,482,385	6,482,385
Non-controlling interests	283,298	(192,856)

Company

In prior years, amounts owing by subsidiaries were erroneously disclosed and classified as an extension of the Company's net investment in the subsidiaries where in actual fact, these are repayable on demand. The effects of this as at 1 January 2014 and 31 December 2014 are as follows:

Statement of financial position	**Company Previously reported RM**	**After restatements RM**
As at 1 January 2014		
Subsidiaries	59,972,205	32,357,388
Other receivables and prepayments	73,852	30,007,122
Other payables	466,661	2,785,114
As at 31 December 2014		
Subsidiaries	67,453,398	32,357,388
Other receivables and prepayments	58,303	37,087,032
Other payables	478,979	2,411,698

However, as there is no impact to the Company's retained earnings at 1 January 2014, no third statement of financial position has been presented.

35 CONTINGENCIES AND LITIGATION

On 4 August 2015, a subsidiary of the Group, PT IEV Gas ("IEV Gas"), filed a writ and statement of claim ("Suit") in the Bekasi Court of Indonesia against PT Indonesia Pelita Pratama ("PT IPP"). The Suit is in relation to losses and damages suffered by IEV Gas arising from PT IPP unilaterally erecting a barrier/portal closing the only accessible common road between the industrial area where IEV Gas' mother station is located and the main exit road. PT IPP's actions have prevented and continue to prevent IEV Gas from operating from its existing mother station and has to resort to alternative CNG supply sources to ensure the continuous and timely delivery of CNG to its customers. IEV Gas' claim is for at least IDR25.2 billion (approximately RM7.8 million) for (i) loss and damage; (ii) material and associated costs; and (iii) other related losses.

In January 2016, PT IPP has filed a counterclaim against IEV Gas totalling IDR96.5 billion (approximately RM30.0 million) for (i) material loss and (ii) immaterial loss. Management assessed and believes that it will be remote for PT IPP to succeed in their counterclaims.

Issued and paid-up capital	:	SGD40,237,530.00
Number of issued shares	:	283,800,000
Number of Treasury Shares	:	Nil
Voting rights	:	ON SHOW OF HANDS : 1 VOTE FOR EACH MEMBER ON A POLL : 1 VOTE FOR EACH ORDINARY SHARE

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	5	0.51	223	0.00
100 - 1,000	29	2.97	13,527	0.00
1,001 - 10,000	269	27.53	2,190,750	0.77
10,001 - 1,000,000	647	66.23	57,350,950	20.21
1,000,001 AND ABOVE	27	2.76	224,244,550	79.02
TOTAL	977	100.00	283,800,000	100.00

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	HSBC (SINGAPORE) NOMINEES PTE. LTD.	54,856,500	19.33
2	CHRISTOPHER NGHIA DO	39,537,758	13.93
3	KGI FRASER SECURITIES PTE. LTD.	19,795,500	6.98
4	UOB KAY HIAN PRIVATE LIMITED	13,529,392	4.77
5	OCBC SECURITIES PRIVATE LIMITED	11,064,900	3.90
6	CIMB SECURITIES (SINGAPORE) PTE. LTD.	10,103,950	3.56
7	PERMBROOK PTY LIMITED	7,524,000	2.65
8	NG KOK HIN	7,477,100	2.63
9	CROGAR PTY LIMITED	7,230,000	2.55
10	MUVUSI PTY LIMITED	7,230,000	2.55
11	MUWORI PTY LIMITED	7,230,000	2.55
12	PHILLIP SECURITIES PTE. LTD.	5,411,700	1.91
13	KHIEM TRONG DO	4,691,000	1.65
14	HL BANK NOMINEES (SINGAPORE) PTE. LTD.	4,110,000	1.45
15	BANK OF SINGAPORE NOMINEES PTE. LTD.	3,500,000	1.23
16	ROZIA HANIS BINTI TUN HUSSEIN	3,133,000	1.10
17	LEE KIM TECK	2,200,000	0.78
18	RAFFLES NOMINEES (PTE) LIMITED	1,812,850	0.64
19	CHUA GEOK SWAN	1,737,600	0.61
20	TRAN THI MAI THAO	1,736,000	0.61
	TOTAL	213,911,250	75.38

Substantial Shareholders

as recorded in the Register of Substantial Shareholders as at 14 March 2016

		Direct Interest		Deemed Interest	
No	**Name**	**No. of shares**	**%**	**No. of Shares**	**%**
1.	TAN SRI DATO' HARI N. GOVINDASAMY	-	-	54,856,500 [1]	19.33
2.	VIMALA J. GOVINDASAMY	-	-	54,856,500 [1]	19.33
3.	CHRISTOPHER NGHIA DO	39,537,758	13.93	10,673,392 [2]	3.76
4.	JANICE CRAWFORD	-	-	21,984,000 [3]	7.75
5.	CHRISTINE MUNRO	-	-	21,984,000 [4]	7.75

Notes:

(1) The 54,856,500 shares are held jointly by Tan Sri Dato' Hari N. Govindasamy and Vimala J. Govindasamy through HSBC (Singapore) Nominees Pte. Ltd.

(2) The deemed interest in 10,673,392 shares includes:
- i) 8,937,392 shares held by Majestic Megamax Sdn Bhd (99% owned by Christopher Nghia Do); and
- ii) 1,736,000 shares held by his spouse, Tran Thi Mai Thao.

(3) Janice Crawford is one of the beneficial owners of each of the following companies and is therefore deemed to be interested in:
- i) 7,524,000 shares held by Permbrook Pty Limited;
- ii) 7,230,000 shares held by Crogar Pty Limited; and
- iii) 7,230,000 shares held by Muvusi Pty Limited.

(4) Christine Munro is one of the beneficial owners of each of the following companies and is therefore deemed to be interested in:
- i) 7,524,000 shares held by Permbrook Pty Limited;
- ii) 7,230,000 shares held by Crogar Pty Limited; and
- iii) 7,230,000 shares held by Muwori Pty Limited.

SHARES HELD BY PUBLIC

Based on the information provided to the Company as at 14 March 2016, approximately 48.11% of the issued shares of the Company were held in the hands of the public as defined in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "Catalist Rules"). Accordingly, Rule 723 of the Catalist Rules has been complied with.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of IEV Holdings Limited (the "**Company**") will be held at Veranda 3, Level 2, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663 on Wednesday, 27 April 2016 at 10.30 a.m. for the following business thereon:

As Ordinary Business

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2015 and the Directors' Statement together with the Auditors' Report. **(Resolution 1)**

2. To re-elect Mr Christopher Nghia Do who is retiring by rotation pursuant to Article 98 of the Constitution of the Company[1]. **(Resolution 2)**

3. To re-elect Mr Ng Weng Sui, Harry who is retiring by rotation pursuant to Article 98 of the Constitution of the Company[1].
   [See explanatory Note 1] **(Resolution 3)**

4. To approve the payment of Directors' fees amounting to S$204,000 for the financial year ending 31 December 2016, to be paid quarterly in arrears (2015 : S$213,000). **(Resolution 4)**

5. To re-appoint Messrs Deloitte & Touche LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

6. To transact any other ordinary business which may be properly transacted at an Annual General Meeting.

As Special Business

To consider and, if thought fit, to pass the following as Ordinary Resolutions, with or without modifications:

7. **Proposed renewal of Share Purchase Mandate**

   THAT

   (a) for the purposes of the Companies Act (Cap. 50) (the"**Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the issued and fully-paid ordinary shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Limit (as defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:-

      (i) on-market purchase(s) (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") through the ready market, through one (1) or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

      (ii) off-market purchase(s) (each an "**Off-Market Purchase**") effected pursuant to an equal access scheme or schemes as defined in Section 76C of the Act as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act and the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**");

   be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

[1] Detailed information on the Directors who are proposed to be re-appointed can be found under the sections entitled "Board of Directors", "Further Information on Board of Directors", "Corporate Governance Report" and "Directors' Statement" of the Company's Annual Report 2015.

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:-

(i) the date on which the next Annual General Meeting ("**AGM**") of the Company is held or required by law to be held;

(ii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied; or

(iii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:-

"**Maximum Limit**" means the number of Shares representing not more than ten per cent. (10%) of the total number of Shares as at the date of the passing of this Resolution, unless the Company has, at any time during the Relevant Period (as hereafter defined), effected a reduction of its share capital in accordance with the applicable provisions of the Act, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the capital reduction. Any Shares which are held as Treasury Shares (if any) will be disregarded for purposes of computing the ten per cent. (10%) limit;

"**Relevant Period**" means the period commencing from the date on which the last AGM of the Company was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Resolution is passed;

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for the Share purchased or acquired pursuant to the Share Purchase Mandate, as determined by the Directors, which shall not exceed:-

(i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Highest Last Dealt Price of the Shares,

where:-

"**Average Closing Price**" means the average of the closing market prices of a Share over the five (5) consecutive market days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company and deemed to be adjusted in accordance with the Catalist Rules for any corporate action which occurs after the relevant five (5) day period;

"**Highest Last Dealt Price**" means the highest price transacted for a Share as recorded on the SGX-ST on the market day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase;

"**date of the making of the offer**" means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.
[See explanatory Note 2] **(Resolution 6)**

8. **Authority to Allot and Issue Shares**

THAT pursuant to Section 161 of the Act and Rule 806(2) of the Catalist Rules, the Directors of the Company be authorised and empowered to:

I (i) allot and issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that may or would require shares to be issued, including but not limited to, the creation and issue of (as well as adjustments to) options, warrants, debentures, convertible securities or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

II (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided always that:

(a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments, made or granted pursuant to this Resolution), shall not exceed 100% of the total number of issued shares in the capital of the Company (excluding treasury shares) (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued other than on a pro rata basis to the shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50% of the total number of issued shares in the capital of the Company (excluding treasury shares) (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the percentage of the total issued shares shall be based on the total number of issued shares in the capital of the Company (excluding treasury shares) at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities outstanding at the time this authority is given;

(ii) (where applicable) new shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and the Constitution for the time being of the Company;

(d) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue to be in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note 3] **(Resolution 7)**

9. **Authority to allot and issue shares pursuant to the IEV Holdings Performance Share Plan (the "Plan")**

THAT pursuant to Section 161 of the Act, authority be and is hereby given to the Directors to offer and grant awards ("**Awards**") in accordance with the provisions of the Plan and to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the vesting of the Awards granted under the Plan, provided always that the aggregate number of Shares to be allotted and issued pursuant to the Plan, shall not exceed 15% of the total issued Shares of the Company (excluding treasury shares) on the date preceding the date of the relevant grant. Such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note 4] **(Resolution 8)**

By Order of the Board

Teo Meng Keong
Company Secretary
Singapore
12 April 2016

Explanatory Notes:

(1) **Resolution 3**

Mr Ng Weng Sui, Harry will, upon re-election as a Director of the Company, remain as the Chairman of Audit Committee, a member of the Nominating and the Remuneration Committees. The Board of Directors considers him to be independent for the purpose of Rule 704(7) of the Catalist Rules.

(2) **Resolution 6**

This is to empower the Directors of the Company to exercise all powers of the Company in purchasing or acquiring Shares pursuant to the terms of the Share Purchase Mandate. This authority will continue in force until the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting or the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated, whichever is the earlier. Information relating to this proposed Resolution is set out in the Addendum dated 12 April 2016 (in relation to the proposed renewal of the Share Purchase Mandate) attached to the Company's Annual Report 2015.

(3) **Resolution 7**

This is to empower the Directors of the Company, effective until conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, without seeking any further approval from shareholders in a general meeting but within the limitation imposed by this Resolution, for such purposes as the Directors may consider would be in the best interests of the Company. The aggregate number of shares (including shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) to be allotted and issued would not exceed 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of passing of this Resolution. For issue of shares (including shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) other than on a pro-rata basis to all shareholders, the aggregate number of shares (including shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) to be allotted and issued shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution.

(4) **Resolution 8**

This is to authorise the Directors of the Company, effective until conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to offer and grant awards in accordance with the provisions of the Plan and to allot and issue shares under the Plan up to an amount not exceeding 15% of the Company's total number of issued shares (excluding treasury shares) in the capital of the Company on the date preceding the date of the relevant grant.

Notes:

1. (a) A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Act.

2. A proxy need not be a member of the Company.

3. If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of its attorney duly authorised or in such a manner as appropriate under applicable laws.

4. The instrument appointing a proxy(ies) must be deposited at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the AGM.

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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

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

The contact person for the Sponsor is Mr. Sebastian Jones, Associate Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.

IEV HOLDINGS LIMITED

(Incorporated in the Republic of Singapore
- Company Registration No. 201117734D)

Important :
1. A relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50) may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. For CPF/SRS investors who have used their CPF monies to buy IEV Holdings Limited shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks if they have queries regarding their appointment as proxies.

PROXY FORM

I/We, ____ (name) of ________________________
____ (address) being a member/members of IEV Holdings Limited (the "Company"), hereby appoint :

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

or failing him/them, the Chairman of the Annual General Meeting of the Company ("AGM"), as my/our proxy/proxies to attend, speak and to vote for me/us on my/our behalf at the AGM to be held at Veranda 3, Level 2, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663 on Wednesday, 27 April 2016 at 10.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for/against the resolutions proposed at the AGM as indicated hereunder. In the absence of specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they may on any other matter arising at the AGM.

ORDINARY	**ORDINARY BUSINESS**	No. of Votes For*	No. of Votes Against*
Resolution 1	To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2015 and the Directors' Statement together with the Auditors' Report		
Resolution 2	To re-elect Mr Christopher Nghia Do as a Director of the Company		
Resolution 3	To re-elect Mr Ng Weng Sui, Harry as a Director of the Company		
Resolution 4	To approve the payment of Directors' fees for the financial year ending 31 December 2016, to be paid quarterly in arrears		
Resolution 5	To re-appoint Messrs Deloitte & Touche LLP as auditors of the Company and authorise the Directors to fix their remuneration		
ORDINARY	**SPECIAL BUSINESS**	No. of Votes For*	No. of Votes Against*
Resolution 6	To approve the proposed renewal of Share Purchase Mandate		
Resolution 7	To approve the authority to allot and issue shares		
Resolution 8	To approve the authority to allot and issue shares pursuant to the IEV Holdings Performance Share Plan		

* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick "X" in the relevant box provided. Alternatively, if you wish to exercise your votes both "For" or "Against" the relevant resolution, please indicate the number of shares in in the boxes provided.

Date this __________ day of ____________________ 2016

Total Number of Shares held (Note 1)

____
Signature(s) / Common Seal of members(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES TO PROXY FORM:
IMPORTANT

1. Please insert the total number of Shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100 per cent of the shareholdings of his/its appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

3. A proxy need not be a member of the Company.

4. An investor who buy shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the meeting in person. CPF and SRS Investors who are unable to attend the meeting but would like to vote, may inform their CPF and SRS Approved Nominees to appoint the Chairman of the meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the meeting.

5. The instrument appointing a proxy or proxies must be deposited at the Share Registration office of the Company at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the meeting.

6. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of its attorney duly authorised or in such a manner as appropriate under applicable laws.

8. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

9. A corporation which is a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Chapter 50.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 April 2016.