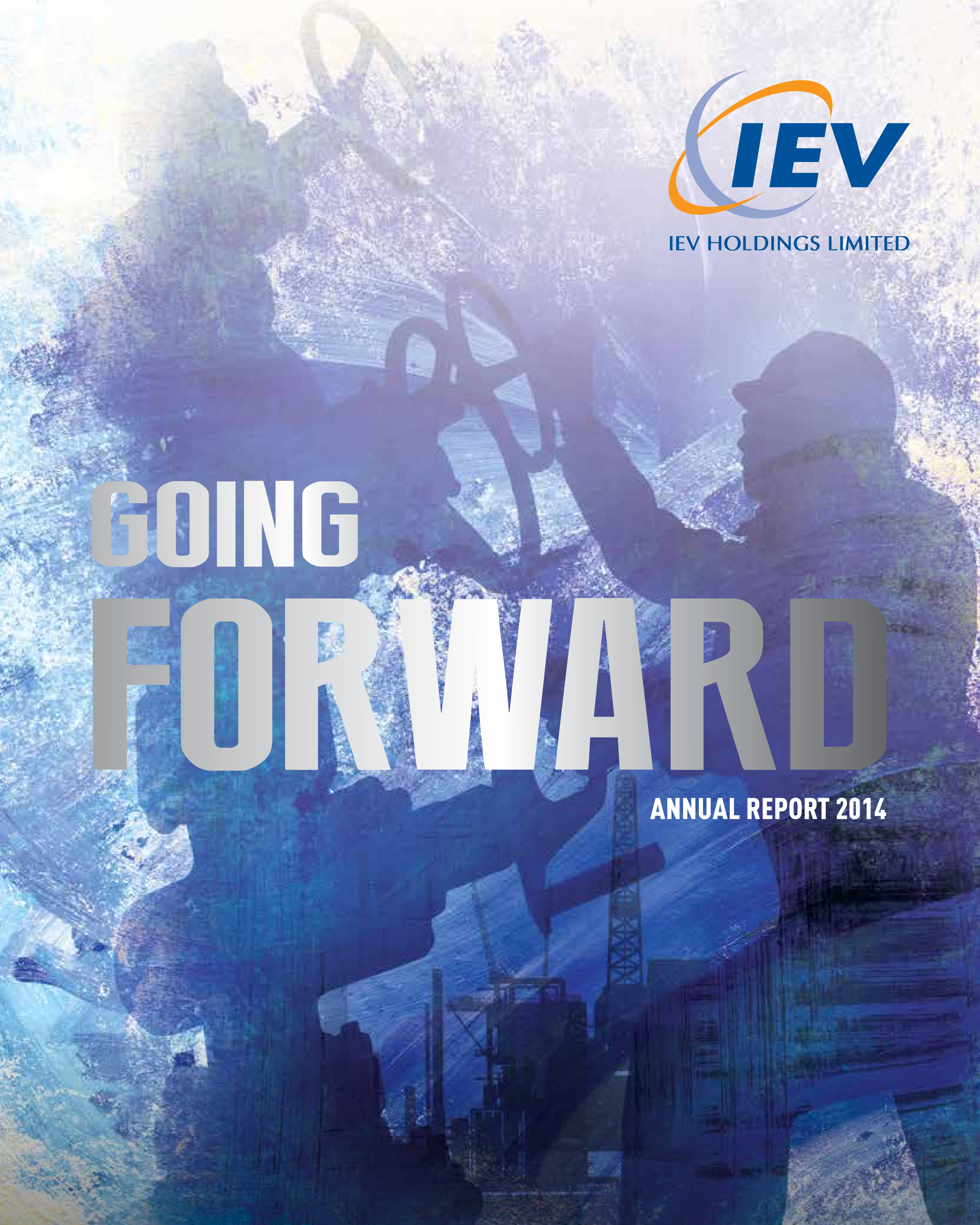


IEV HOLDINGS LIMITED

GOING FORWARD

ANNUAL REPORT 2014

Our Vision

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

View Our Report Online

Offshore Engineering Sector

CONTENTS

IEV HOLDINGS LIMITED

Cover Rationale

Behind every success lies a story of toil and sweat.
Every stumble is an opportunity to do things better.

We Go Forward.

"We cannot become what we want to be,
by remaining what we are"
By Max DePree

Corporate Profile

GOING FORWARD

Onshore Installation of the
"Ocean Powered" Marine Growth Control

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 spans across the Asian region while projects are undertaken worldwide. In the Offshore Engineering Sector, IEV offers both specialist technologies and turnkey services to construct, repair, maintain, rejuvenate and remove offshore oil and gas production facilities. 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 mobile natural gas supply chains to deliver natural gas to customers without gas pipeline access. The Renewable Energy Sector is IEV's latest endeavor in promoting the utilisation of renewable energy through the production of rice husk biomass.

27 YEARS IN THE INDUSTRY

IEV's history started with the invention of the "ocean-powered" marine growth control ("MGC") technology by its founder and current President & CEO, Christopher Do in 1987. Now in its 27th year in operation, IEV has grown into a multi-national 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 the Renewable Energy Sector in 2013, to champion alternative and clean energy solutions.

The four sectors form a solid foundation in achieving our vision in making energy affordable and accessible to all

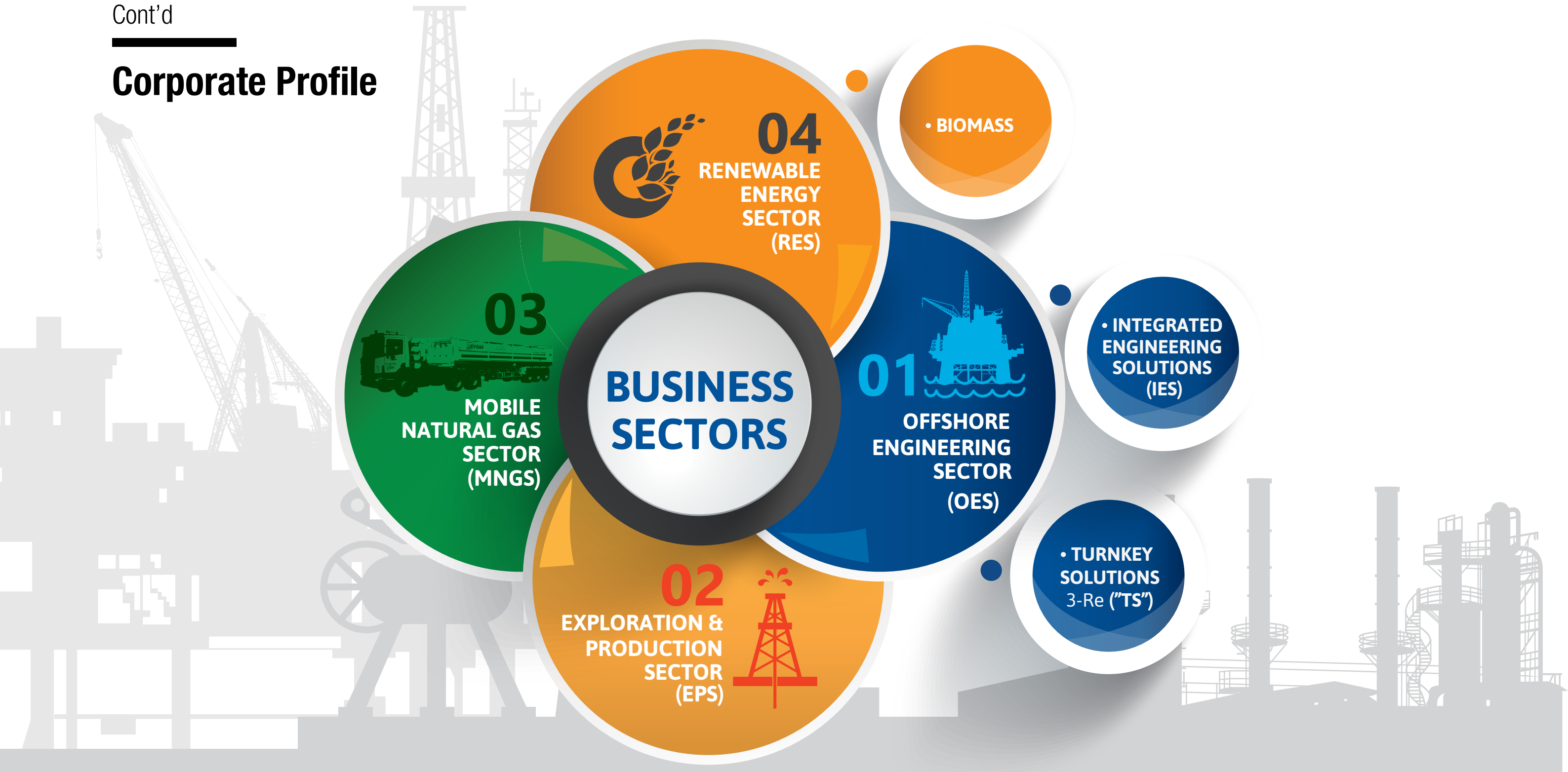
OFFSHORE ENGINEERING SECTOR ("OES")

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 sleepers, installation aids, and decommissioning studies. In 2014, the Group acquired another two exclusive licenses to distribute Oxifree Thermoplastic in three South East Asian countries, Malaysia, Brunei and Indonesia, after several successful projects in Vietnam under a distributor license. Oxifree is a unique re-usable corrosion inhibitor that can be applied to not only the oil and gas industry, but also power plants, fertilizer plants and mining industry.


Exploration & Production Sector (EPS)


Offshore Engineering Sector (OES)


Mobile Natural Gas Sector (MNGS)



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 development 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 the business of OES 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.

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 kilometers radius without pipeline access, who are using CNG to replace more expensive fuels such as Liquefied Petroleum Gas, Marine Fuel Oil or diesel. IEV is currently developing two new supply chains for the East and West Coasts of Peninsular Malaysia in conjunction with its joint venture partner, Gas Malaysia Berhad.

The Group will continue to source for stranded gas fields where our capabilities and experience can be utilised for the commercialisation of stranded gas via CNG or small scale Liquefied Natural Gas ("LNG") infrastructures. IEV's strategy in this area focuses on the utilisation of natural gas to replace oil as the primary source of fuel for both industrial and power generation use, and the supply of mobile natural gas will help to accelerate the domestic distribution of natural gas.

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. The Group has successfully drilled its first well to a total depth of 2,117 meters and intersected multiple zones of oil and gas bearing intervals in the Parigi and Upper Cibulakan Formations in this field. The Group is currently completing production flow tests and preparing the production plan from the Pabuaran block. The Group has also engaged an Independent Consultant, a recognised body by the Singapore Exchange, to prepare the Independent Qualified Person's Report ("IQPR") and provide an estimate of hydrocarbon reserves and valuation of the Pabuaran block. In accordance with requirements of the Catalist Rules, IEV will make the necessary announcement of information on the IQPR in due course.

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, the "Rice Bowl of Southern Vietnam". Rice husk, a waste product from rice production will be used as feedstock to manufacture pellets or briquettes to fuel boilers in factories and power plants. In 2014, IEV was awarded an extension to the project duration from 20 to 30 years, enabling the Group to commence construction of the plant. In the initial phase, the Group will focus on the manufacturing and supply of rice-husk briquettes to satisfy domestic demands for steam production. Barring any unforeseen circumstances, the Group targets to complete the construction of the plant in 4Q2015.

FINANCIAL YEAR 2014 BUSINESS ACTIVITY MAP

MALAYSIA

INDONESIA

INDIA

SINGAPORE

CHINA

MYANMAR

VIETNAM

NIGERIA

THAILAND

LEGEND

OFFSHORE ENGINEERING SECTOR

MOBILE NATURAL GAS SECTOR

EXPLORATION & PRODUCTION SECTOR

RENEWABLE ENERGY SECTOR

Corporate Information

BOARD OF DIRECTORS

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

CHRISTOPHER NGHIA DO
President & Chief Executive Officer

JOANNE BRUCE
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

RENUMERATION 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

TAN SIEW HUA, 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

Foo Kon Tan LLP
Certified Public Accountants
47 Hill Street, #05-01
Singapore Chinese Chamber
of Commerce & Industry Building
Singapore 179365
Partner-In-Charge: Yeo Boon Chye
(Appointed on 6 October 2011)

INTERNAL AUDITORS

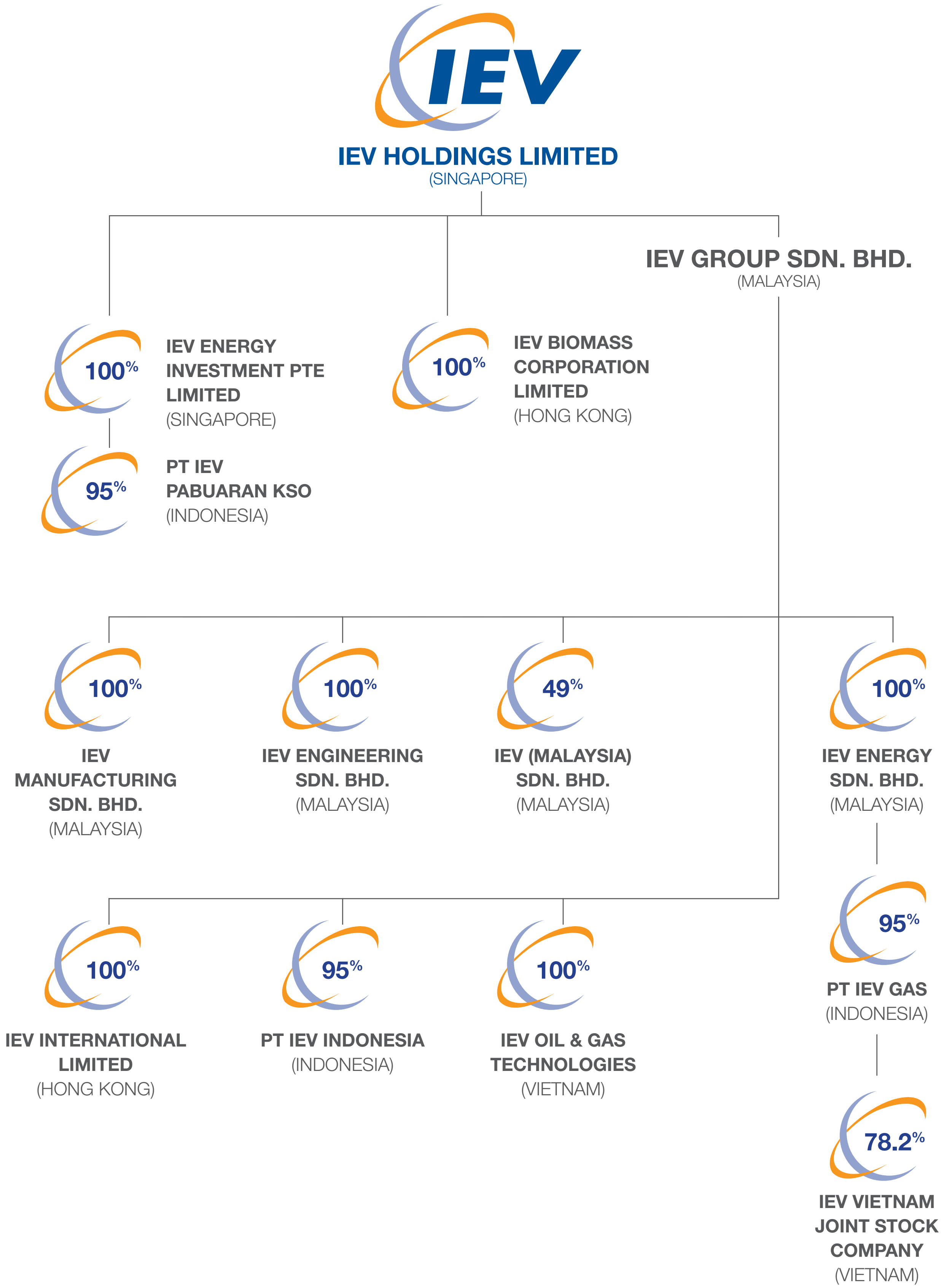
Crowe Horwath Governance Sdn. Bhd.
Level 16 Tower C, Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur, Malaysia
Director-In-Charge: Amos Law
(Appointed on 21 Sept 2012)

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



Directors' Profile

TAN SRI DATO' HARI N. GOVINDASAMY

Chairman and Non-Executive Director

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. He 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 independant 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. He 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. 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. In 2014, Sunshine Foundation provided scholarships to more than 850 students in the province of Lam Dong, Vietnam.

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

Executive Director
Corporate Affairs and Compliance

Joanne Bruce was appointed to the Board on 29 September 2011 and has been with the Group as a senior executive member since 1988. As the Executive Director of Corporate Affairs and Compliance, she is currently responsible for corporate finance, compliance and legal matters, including corporate negotiations and overseeing the Group's company secretarial matters. She also assists in the establishment of branch offices and subsidiaries and provides 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.

HARRY NG

Lead Independent Director

Harry Ng is the Lead Independent Director and was appointed to the Board on 26 July 2011. He is the Chairman of the Audit Committee and a member of the Nominating Committee and 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 Chartered Accountant of Singapore with 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. He is the Chairman of the Nominating Committee and Remuneration Committee and a member of the Audit 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. He was previously a partner at David Lim & Partners from 2003 to 2008, and Harry Elias Partnership from 2000 to 2003. He was also a partner at M.P.D. Nair & Co. from 1992 to 2000.

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

Chairman and Non-Executive Director

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 2014)
3 years 3 months

Board Committee(s) served on
- Audit 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 principal directorships/ chairmanship held over the preceding three years in other listed companies (from 1 January 2011 to 31 December 2014)
- Tenaga Nasional Berhad
  Resigned 19 December 2013
  (Independent Non-Executive Director)
- SP Setia Berhad
  Resigned w.e.f. 12 March 2015
  (Independent Non-Executive Director)

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 2014)
3 years 5 months

Board Committee(s) served on
Nil

Present directorship/chairmanship in other listed companies
Nil

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

Past principal directorships/ chairmanship held over the preceding three years in other listed companies (from 1 January 2011 to 31 December 2014)
- CNG Vietnam Joint Stock Company
  Resigned 15 September 2014
  (Board of Management)

JOANNE BRUCE

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 2014)
3 years 3 months

Board Committee(s) served on
Nil

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 principal directorships/ chairmanship held over the preceding three years in other listed companies (from 1 January 2011 to 31 December 2014)
Nil

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 2014)
3 years 5 months

Board Committee(s) served on
- Audit 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 principal directorships/ chairmanship held over the preceding three years in other listed companies (from 1 January 2011 to 31 December 2014)
Nil

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 2014)
3 years 3 months

Board Committee(s) served on
- Remuneration Committee (Chairman)
- Nominating Committee (Chairman)
- Audit 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 principal directorships/ chairmanship held over the preceding three years in other listed companies (from 1 January 2011 to 31 December 2014)
- Kitchen Culture Holdings Ltd. (Chairman of Remuneration Committee)

Key Management

EDWARD CHEN
Chief Financial Officer

Edward Chen joined the Group as Chief Financial Officer on 1st 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 of the development and overall performance of the Group's Offshore Engineering Sector ("OES"). He also oversees the day-to-day operations of the Group's Malaysian operations.

Before joining the Group in 1992, he was an employee at 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

Justin Yong is the Vice President of the Group's Mobile Natural Gas Sector. He has been with the Group since 2002 and has successfully spearheaded the development of the mobile natural gas sector in Indonesia 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 ("MNGS") business, its growth plans and strategies.

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.

Financial Highlights

INCOME STATEMENT	FY2014 RM'000	FY2013 RM'000
Revenue	172,850	144,406
Gross profit	20,249	17,313
Earnings before interest, tax, depreciation and amortisation	11,397	3,079
Profit/(Loss) attributable to owners of the parent	4,794	(3,724)
Earnings/(Loss) per share (Malaysian sen)[1]		
- basic	2.5	(2.0)
- diluted	2.5	(2.0)

BALANCE SHEET	As at 31 December 2014 RM'000	As at 31 December 2013 RM'000
Property, plant and equipment	34,222	31,413
Associated companies	-	18,867
Other non-current assets	32,661	13,158
Current assets excluding cash and bank balances	107,744	94,487
Cash and bank balances	21,920	18,955
Total assets	196,547	176,880
Non-current liabilities	(16,642)	(14,889)
Current liabilities	(90,281)	(80,497)
	89,624	81,494
Shareholders' equity	86,661	79,909
Non-controlling interest	2,963	1,585
	89,624	81,494
Gearing ratio (times)	0.47	0.48
Net asset value per share (Malaysian sen)[2]	45.8	42.2

CASH FLOW STATEMENT	2014 RM'000	2013 RM'000
Cash and cash equivalents as at 31 December	19,970	17,474

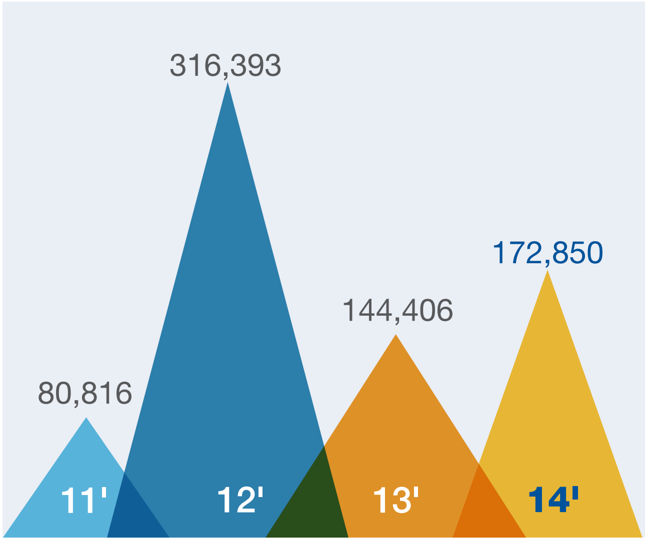
Notes:

(1) For FY2014, 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 parent and the weighted average number of ordinary shares in issue of 189,200,000 shares of the Company. For comparative purposes, the basic loss per share and fully diluted loss per share for FY2013 have been computed based on the Group's loss attributable to owners of the parent and the weighted average number of ordinary shares in issue of 181,613,151 shares, subsequent to the placement of 17,200,000 new ordinary shares in the capital of the Company on 10 June 2013.

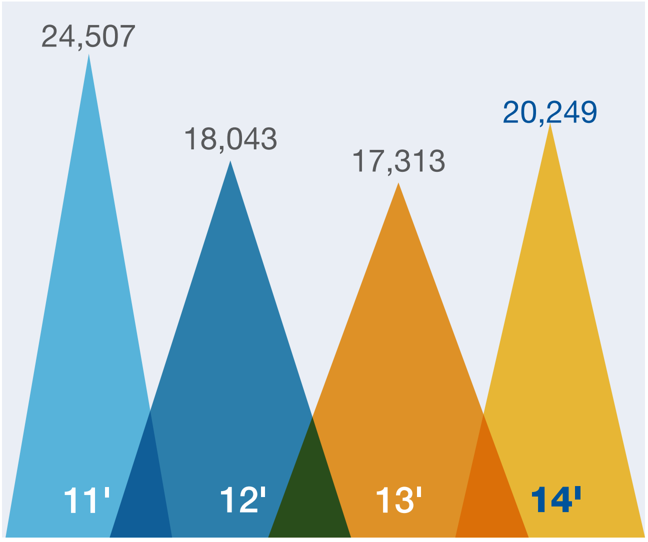
(2) Net asset values per share as at 31 December 2014 and 31 December 2013 have been calculated based on the aggregate number of ordinary shares of 189,200,000 shares as at the respective dates.

Financial Highlights

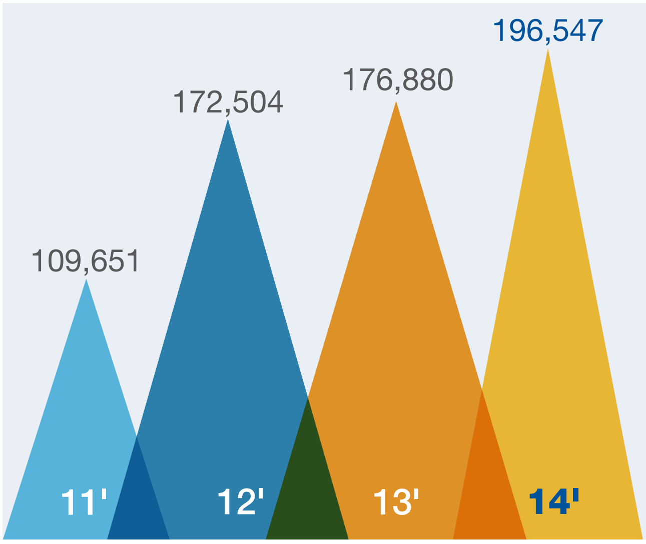
Revenue
(RM'000)



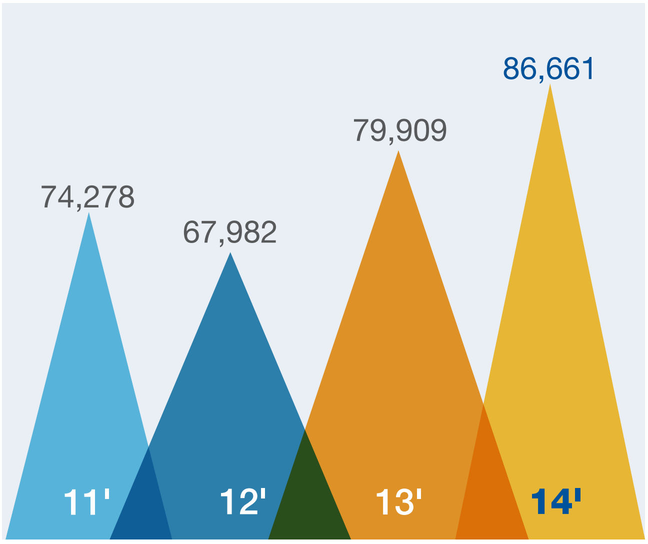
Gross Profit
(RM'000)



Total Assets
(RM'000)



Shareholders' Equity
(RM'000)



TAN SRI DATO'
HARI N. GOVINDASAMY

CHAIRMAN

DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors and Management of IEV Holdings Limited ("IEV"), I am pleased to present our Annual Report and Financial Statements for the financial year ended 31 December 2014.

PROFIT AFTER TAX
RM5.0 MILLION

The year 2014 saw the Group turning around to profitability with its continuing efforts to build sustainable businesses in the four growth sectors, namely Offshore Engineering Sector ("OES"), Mobile Natural Gas Sector ("MNGS"), Exploration and Production Sector ("EPS") and Renewable Energy Sector ("RES").

Chairman's Statement

With its diversified businesses, low gearing and stable income stream, the Group can withstand the volatility in prices of oil experienced in 2014. The completion of the D21 refurbished platform project has added to the Group's core engineering competencies and experience in the Engineering, Procurement, Construction, Installation and Commissioning ("EPCIC") segment which positions us to seize turnkey project opportunities in the future.

The Group can also place reliance on the encouraging results from the Pabuaran KSO operations. This sector, barring any unforeseen circumstances, is seen as a potential major contributor to the value creation in the future which extends the spectrum of investment in the natural gas and exploration and production business sectors.

The Group posted a profit before tax of RM5.6 million in the financial year ended 31 December 2014 ("FY2014"), due mainly to the completion of the D21 refurbished project, the ongoing Malikai project (for the installation of an integrated Tension Leg Platform ("TLP")) and the capital gain from the disposal of the Group's investment in its associate company, CNG Vietnam Joint Stock Company ("CNG Vietnam JSC").

In FY2014, the Group's total revenue increased by RM28.4 million or 19.7%, as compared to the financial year ended 31 December 2013 ("FY2013"). This resulted in total revenue of RM172.9 million in FY2014 as compared to RM144.4 million in FY2013. Revenue contribution from OES and MNGS was 76.5% and 23.5%, respectively. The majority of OES revenue for FY2014 came from two major turnkey contracts, specifically, the Malikai Project and the FPSO Perintis decommissioning contract. Revenue from MNGS increased by 35.8% to RM40.6 million in FY2014, from RM29.9 million in FY2013.

While the turnkey projects generated the majority of the total revenue in FY2014, 69% of the Group's gross profit contribution came from our technology-focused Integrated Engineering Solutions ("IES") and 23% from MNGS. Our proprietary marine growth control technology continues to contribute significant gross profit to the Group and we are accelerating our globalisation plan for this technology to realize its full commercial potential. We have also recently acquired the exclusive licence for the Oxifree anti-corrosion solution in four (4) South East Asian countries to grow the IES sector.

During FY2014, we recorded a one-time gain of RM8.9 million from the disposal of the Group's investment in an associate company, CNG Vietnam JSC. With this divestiture, share of profits from this former associate company has since ceased. In FY2014, we carried out feasibility studies for the development of Compressed Natural Gas ("CNG") supply chains for Peninsular Malaysia with Gas Malaysia Berhad as well as new Liquefied Natural Gas ("LNG") supply chains for North Sumatra and Aceh provinces. These studies will potentially lead to investments provided they meet the Group's investment criteria and risk profile.

On our EPS business, I am encouraged by the presence of hydrocarbon bearing intervals that have been identified based on results from the CLS-1TW well drilling. The investment in the Pabuaran KSO is critical to the future growth of IEV as we move up the value chain, and I look forward to the early return on investment through the commercialisation of the field. Barring any unforeseen circumstances, the EPS team is expected to grow significantly when we start production and accelerate the development plan for Pabuaran KSO.

In Vietnam, the landfill and foundation work is now completed and ready for the construction of our biomass plant. Due to the current uncertainty of the global energy market, we have taken the prudent decision to scale back our investment in RES and will focus on producing rice husk briquettes to meet domestic demands as opposed to rice husk pellets for the export market.

On behalf of the Board of Directors, I am optimistic that, with the concurrent development of our four pillars of growth, the Group has built the solid foundations to a better future. Barring any unforeseen circumstances, I look forward to growth in the revenue generation from all our four business sectors from the current financial year ending 31 December 2015 into the near future.

I would like to take this opportunity to extend my appreciation to the Board of Directors and 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 achieving the turnaround as well as other important milestones in FY2014.

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.

I believe that we have the right strategies and plans to build sustainable growth for the Group and I look forward to participating in our future developments with commitment and dedication to enhancing shareholders' value.

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

Pursuant to Rule 708 of the Catalist Rules, the Chairman's Statement represents the collective view of the Board of Directors of IEV.

FY2014 is a turnaround year for the Group with several important milestones achieved, paving the way for its return to profitability and sustainable growth. The Group completed its maiden Engineering, Procurement, Construction, Installation and Commissioning ("EPCIC") contract despite some operational and commercial challenges and successfully executed its first decommissioning project of a Floating Production Storage and Offloading ("FPSO") vessel in Malaysia.

In Vietnam, the Group recorded a one-time gain from the disposal of its investment in an associate company, CNG Vietnam Joint Stock Company ("CNG Vietnam JSC"), a company that it co-founded to develop and operate the first Compressed Natural Gas ("CNG") supply chain in Vietnam. In Indonesia, the Group commenced work-over and drilling activities at Pabuaran KSO and secured the necessary permit and agreement to produce oil from the block.

Review of FY2014

For the financial year ended 31 December 2014 ("FY2014"), both Mobile Natural Gas Sector ("MNGS") and Offshore Engineering Sector ("OES") contributed to an overall increase in the Group's revenue by RM28.4 million or 19.7%, as compared to the financial year ended 31 December 2013 ("FY2013").

The Group's revenue increased from RM144.4 million in FY2013 to RM172.9 million in FY2014 due to an increase in revenue contribution of RM17.7 million from OES and RM10.7 million from MNGS.

Revenue from OES increased by 15.5% due mainly to the increase in revenue contribution from the FPSO decommissioning turnkey contract, partially offset by a decrease in revenue contribution of RM15.0 million or 31.8% from the Integrated Engineering Solutions ("IES") business.

Revenue from MNGS increased by 35.8% due mainly to the full year impact of the conversion of the business model from the combination of throughput and direct sales of compressed natural gas to solely direct sales.

There was no revenue contribution from the Exploration & Production Sector ("EPS") and the Renewable Energy Sector ("RES") in FY2014, as both of these sectors are still in development stage.

Financial Highlights	Audited FY2014 (RM'000)	Audited FY2013 (RM'000)	% Change
Revenue	172.9	144.4	19.7%
Gross Profit	20.2	17.3	17.0%
Profit/(Loss) Before Tax	5.6	(2.0)	n.m.
Profit/(Loss) Attributable to Owners of the Parent ("PAT")	4.8	(3.7)	n.m.

n.m. – not meaningful

In FY2014, the Group achieved a gross profit of RM20.2 million as compared to a gross profit of RM17.3 million in FY2013. OES achieved an increase in its gross profit to RM15.5 million in FY2014 from RM7.9 million in FY2013.

In FY2014, the Group's gross profit margin had marginally declined to 11.7% from 12.0% in FY2013. This reduction was primarily attributable to MNGS which saw its gross profit margin decreasing to 11.6% in FY2014 from 31.5% in FY2013 due to increased competition in the CNG market in Java, Indonesia. In comparison, the gross profit margin of OES had improved to 11.8% in FY2014 from 6.9% in FY2013 due mainly to the higher margin from IES.

The Group had successfully completed the D21 refurbished platform project and received the final milestone and completion certificate from its customer. While this concludes the scope of work of the project, the Group has filed a Writ and Statement of Claim in the High Court of Kuala Lumpur, Malaysia, against its USA-based contractor, Allison Marine Contractors II LLC ("AMC"), for loss and damage amounting to an aggregate of approximately USD8.9 million, and it includes claims for the remedial cost of defective works, liquidated damages and/or other delay associated costs incurred by the Group as a result of the breach of contract by AMC.

In March 2014, the Group disposed of its entire shareholding of 5,178,759 shares or 19.18% in its associate company, CNG Vietnam JSC, for an effective consideration of SGD10.7 million. The net profit attributable to the disposal of the investment in the shares of CNG Vietnam JSC was approximately SGD3.8 million.

Order Book

IEV's order book was RM351.7 million as at 28 February 2015, which included RM312.3 million for OES and RM39.4 million for MNGS.

Barring any unforeseen circumstances, the Group is finalising negotiation and expecting a number of awards in its IES business units in the coming months. The Group is also bidding for several turnkey engineering projects in Malaysia and India, and will make further announcements if and when these bids materialize. At the same time, the Group is executing the RM360 million Malikai Tension Leg Platform turnkey contract for Sabah Shell Petroleum Company, which is scheduled to be completed in the financial year ending 31 December 2016. The Group's proprietary marine growth control business continues to perform well and is expected to make significant contribution to the overall gross profit in the financial year ending 31 December 2015 ("FY2015").

PT IEV Gas, our Indonesian subsidiary, is currently negotiating for an extension for several CNG supply contracts that are expiring in FY2015 as well as new gas sales agreements with several potential customers in West Java, Indonesia. Meanwhile, the Board of Directors of Gas Malaysia IEV Sdn. Bhd. has decided to proceed with the construction of the first CNG supply chain for the East Coast of Peninsular Malaysia. Pre-supply agreements have been signed with several potential customers, as part of the conditions precedent for the development of the first CNG supply chain for industrial customers in Malaysia.

Looking Forward – 2015 and Beyond

As oil price has declined by more than 50% since the start of FY2014, the global oil and gas industry is expected to face an uncertain future in FY2015. The new oil price will stabilise when the supply and demand for oil reaches its new equilibrium and the speed of oil price recovery will depend on the state of the global economy. Whilst the low oil price will help to fuel the recovery of net energy-importing countries, it may have an adverse effect on energy exporters such as Malaysia, and hence, affects the value of the local currency.

The Group is taking a prudent position on the future of the global oil and gas industry in the next twelve months and has taken the first steps to reduce operating expenditure in FY2015 and scale back or delay capital projects that are sensitive to both oil and LNG prices. Meanwhile, increasing productivity and innovation will be critical for the performance of the Group during this uncertain period.

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

The level of bidding activities and contract awards of OES has not subsided despite the decline in oil prices as most are related to EPCIC projects, which Final Investment Decisions ("FID") have been made. In the region, new field development activities that are spearheaded by national oil and gas companies in India, China and Indonesia are still going strong. However, the pace of marginal field development and Enhanced Oil Recovery activities is slowing down, as they are no longer economically viable when oil prices fall below USD60 per barrel.

The Group will continue to promote engineering products and services that are focused on cost saving solutions to customers, to lessen the impact of oil prices to the upstream oil and gas segment. The Group will also explore business opportunities in the midstream and downstream segments as well as those in non-oil and gas industries. The Group will also intensify its plan to sign and extend long-term contracts

President & CEO's Statement

in all sectors, where possible, to achieve stable earnings during this period.

Moving forward, the Group will be sourcing for and negotiating lower prices for its feed gas sources in West Java, Indonesia to improve the gross margin of the CNG supply chain in Cikarang, Indonesia. The Group continues to explore the implementation of the "gas to power" business model to satisfy market demands for stable and cost effective energy in West Java, North Sumatra and Aceh provinces of Indonesia.

Meanwhile, the development of the CNG supply chain to supply gas to off-pipeline customers in the East Coast of Peninsular Malaysia has received FID. The feasibility study of the CNG supply chain for the West Coast is ongoing and is expected to be completed in 1H2015 from the Board of Gas Malaysia IEV Sdn. Bhd.

In the EPS front, the CLS-1TW well of the KSO Pabuaran block has successfully drilled to Total Depth of 2,117 metres measured depth ("mMD"). Hydrocarbon bearing intervals have been identified at the Parigi and Cibulakan formations based on results from mud logs during drilling and a preliminary interpretation of a full suite of electric wireline logs. The log suite comprised spontaneous potential ("SP"), gamma ray, caliper, density, neutron, photo electric factor ("PEF") and resistivity. Only selected intervals will be selected for production testing due to the limitation in available perforating explosives.

The well encountered gas shows within the Parigi Formation over a gross interval of approximately 470 mMD. This is the first occasion that the Parigi Formation has confirmed good gas responses in the Cilamaya Structure. Many of these intervals showed high total gas unit counts and high methane readings during chromatography of mud returns. Further, the electric wireline logs demonstrated good density-neutron crossovers and high resistivity, interpreted as indications of gas being intervals.

The well recorded oil shows in the Upper Cibulakan Formation from cuttings returns over an approximate 213 mMD gross interval. Dull, pale brown, even fluorescence was found in limestone and minor fine-grained sandstone intervals. Fluorescence, as an indicator for the presence of hydrocarbons, increased with depth from approximately 10% at the top of the unit to 90% at the base of unit. Many of the above intervals showed high resistivity and good density-neutron character on electric wireline logs, which is a further indirect indicator of the presence of oil.

Barring any unforeseen circumstances, following the completion of the production testing, the Group plans to commence immediate production of the crude oil from CLS-1TW Z16 Upper Cibulakan Formation intervals, which will be delivered to the sale point at the Pertamina Refinery in Cirebon, as per the oil lifting procedure signed with Pertamina in 2014.

Additional wells and work-over activities are also being planned for FY2015 and beyond. The pace of development will be dependent on oil prices but to a lesser extent due to the relatively low costs of onshore drilling and production.

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

As to the developments in RES, the Group has received the Certificate of Land Use for the biomass plant under its subsidiary, IEV Vietnam Joint Stock Company, for thirty years from the provincial authority in the month of February 2015.

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

Looking ahead, barring any unforeseen circumstances, the Group is cautiously optimistic of its performance in FY2015 with contributions from all four business sectors. This will be the first year that the Group can expect revenue contribution from its two new business sectors, EPS and RES.

With the potential growth from all the four business sectors, we are well positioned to address the important energy needs in the Asian region. While we continue to consolidate our core engineering business, our desired growth potential will be met by implementing our long-term strategy to become a fully integrated energy provider that can produce and deliver energy to meet energy demands in the various business segments and countries within the South East Asia region.

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 FY2014. We are also grateful for the continued partnership and confidence in the Group and we look forward to sharing the promising results of all our four business sectors with all of you in FY2015 and beyond.

CHRISTOPHER DO
President and CEO

Operations and Financial Review

REVENUE AND SALES ANALYSIS

For FY2014, the Group's revenue increased by RM28.4 million or 19.7% due to the increase in revenue of RM17.7 million from the Offshore Engineering Sector ("OES") and RM10.7 million from the Mobile Natural Gas Sector ("MNGS"). The increase in revenue contribution from OES in FY2014 was mainly from turnkey contracts that saw its revenue contribution increased by RM32.8 million or 48.7%, which was partially offset by the decline in revenue contribution of RM15.0 million or 31.8% from the Integrated Engineering Solutions ("IES") business. The increase in revenue contribution from MNGS in FY2014 was due to the full year impact of the conversion of the business model from the combination of throughput and direct sales of compressed natural gas ("CNG") to solely direct sales. The "per unit" sales price of CNG for direct sales is higher as compared to the throughput model. Another revenue contributing factor for MNGS was the securing of two Gas Sales Agreements with PT Indofood to supply CNG to its manufacturing plants over a 12-month and 24-month period from March 2014.

REVENUE BY GEOGRAPHICAL LOCATIONS OF OUR CUSTOMERS

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

	FY2014 RM'000	FY2014 %	FY2013 RM'000	FY2013 %
Malaysia	83,147	48.1%	69,994	48.5%
Indonesia	67,327	39.0%	44,870	31.1%
Vietnam	2,804	1.6%	4,274	3.0%
Thailand	6,159	3.6%	957	0.7%
India	2,650	1.5%	9,853	6.8%
Singapore	1,128	0.7%	4,721	3.3%
China	4,344	2.5%	6,044	4.2%
United Kingdom	-	-	3,223	2.2%
Others	5,291	3.1%	470	0.3%
Total	172,850	100.0%	144,406	100.0%

OPERATING MARGINS ACROSS SEGMENTS

Gross Profit

In FY2014, the Group achieved gross profit of RM20.2 million as compared to RM17.3 million in FY2013. OES improved its gross profit contribution to RM15.5 million in FY2014 from RM7.9 million in FY2013. 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. MNGS saw its gross profit contribution decreasing to RM4.7 million in FY2014 from RM9.4 million in FY2013. This decline in gross profit contribution was mainly attributable to increased competition in the CNG market in Java, Indonesia.

Gross profit margin from MNGS had also declined to 11.6% in FY2014 from 31.5% in FY2013 due to the increased competition in the CNG market and the shift to a direct sales business model resulting in a higher "per unit" sales price of CNG but not gross profit margin. On the other hand, gross profit margin from OES had improved to 11.8% in FY2014 from 6.9% in FY2013 due mainly to the higher margin from its IES business which includes the Group's proprietary Marine Growth Prevention products and services. Overall gross profit margin for the Group marginally declined to 11.7% in FY2014 from 12.0% in FY2013.

Earnings per share of the Group (on basic and fully diluted bases) improved to 2.5 Malaysian sen in FY2014 as compared to a loss per share (on basic and fully diluted bases) of 2.0 Malaysian sen in FY2013.

Operations and Financial Review

Administrative Expenses

Administrative expenses increased by RM3.4 million or 17.2%, to RM23.0 million in FY2014 from RM19.6 million in FY2013. This was due mainly to (i) additional administrative expenses of RM2.4 million incurred by PT IEV Pabuaran KSO, associated with expanded operations including the on-going drilling program; (ii) an increase in administrative expenses of RM0.5 million, associated with the startup of the Group's biomass business in Vietnam; and (iii) the transfer of D21 project staff to OES general staff.

Balance Sheet

Net asset value per share of the Group increased by 8.5% to 45.8 Malaysian sen as at 31 December 2014 from 42.2 Malaysian sen as at 31 December 2013. Cash and bank balances as at 31 December 2014 stood at RM21.9 million as compared to RM19.0 million as at 31 December 2013. Gearing ratio had marginally decreased to 0.47 in FY2014 from 0.48 in FY2013. Oil and gas properties had increased to RM24.9 million as at 31 December 2014 from RM6.6 million as at 31 December 2013. This increase was mainly due to the purchase of fixed assets and works carried out in relation to the drilling of a twin well and work over of existing oil and gas discoveries in the Pabuaran Block, West Java, Indonesia. Net book value of associated companies was nil as at 31 December 2014, mainly attributable to the Group's full disposal of its equity investment in its associate company, CNG Vietnam JSC, in FY2014.

Cash Flow

The cash used in operating activities for FY2014 was RM23.1 million. This was mainly due to (i) an increase in oil and gas properties of RM18.3 million and (ii) a decrease in operating payables of RM52.1 million, which were partially offset by the decrease in operating receivables of RM46.4 million.

Net cash generated from investing activities amounting to RM47.1 million was mainly due to (i) sale of shareholding of an associate company, CNG Vietnam JSC, amounting to RM27.5 million; and (ii) the effects of adopting the amendments to FRS110 to include cash of a subsidiary of RM24.7 million, which were partially offset by the purchase of property, plant and equipment of RM5.0 million.

Net cash used in financing activities of RM16.1 million was mainly for (i) the repayment of bank loan facilities of RM2.6 million; (ii) pledging of fixed deposits amounting to RM6.7 million to support bank facilities; (iii) the repayment of hire purchase facilities of RM0.3 million; and (iv) the repayment of an advance from a director of RM6.4 million.

Developments subsequent to the release of the Company's full year unaudited financial statements for FY2014 on 25 February 2014, which would materially affect the Group's operating and financial performance

Offshore Engineering Sector

The Group has a filed a Writ and Statement of Claim in the High Court of Kuala Lumpur, Malaysia against its USA-based subcontractor for loss and damages arising from a breach of contract relating to works carried out for the D21 turnkey project. The Group's claim for loss and damage amounts to an aggregate of USD8.9 million and it includes claims for the remedial costs of defective works, liquidated damages and/or other delay associated costs incurred by the Group as a result of the breach of contract by its subcontractor. However, there is no assurance that the Group's claim will be successful. Further details will be provided to shareholders and further updates will be disclosed as and when there are material developments on the matter.

Exploration & Production Sector

The Group's subsidiary, PT IEV Pabuaran KSO, has successfully drilled the CLS-1TW well to a total depth of 2,117 metres. Hydrocarbon bearing intervals have been identified based on results from mud logs during drilling and a preliminary interpretation of a full suite of electric wireline logs. The well encountered gas shows in the Parigi formation and oil shows in the Upper Cibulakan Formation. Several depth intervals have been identified for production testing. Production testing will involve flow testing and pressure build-ups to determine reservoir flow capacity and well deliverability, leading to submission of the asset valuation report of reserves and resources in the Cilamaya and neighbouring Pabuaran structures.

Report on Corporate Governance

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 2014 ("FY2014"), 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. 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) the appointment 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 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;
- new businesses and markets venture;
- 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 will be reviewed on a regular basis. The effectiveness of each Board Committee will also be constantly 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 Executive Committee and its principal responsibilities 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 times a year and to coincide such meetings with the review and approval of the Group's results announcements. The Board meets on a regular basis and 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 Articles of Association ("Articles") 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 FY2014 are as follows:

Name	Board	Audit Committee	Nominating Committee	Remuneration Committee
Number of meetings held	5	4	2	2
Directors	**Number of meetings attended**			
Tan Sri Dato' Hari N. Govindasamy	5	4	2	2
Christopher Nghia Do	5	NA	NA	NA
Joanne Bruce	5	NA	NA	NA
Vinh Quang Le [Note 1]	4	NA	NA	NA
Ng Weng Sui, Harry	5	4	2	2
Kesavan Nair	5	4	2	2

NA: Not Applicable

Note:

1. Mr Vinh Quang Le has 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 the financial year reported on, the Company had arranged site visits to the Group's offices in Malaysia and the Directors had received updates on regulatory changes to the Catalist Rules, industry developments, business initiatives and changes to the accounting standards. 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 setting out the Director's duties and obligations and 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

During FY2014, the Board comprised the following members:

1. Tan Sri Dato' Hari N. Govindasamy *(Non-Executive Chairman)*
2. Christopher Nghia Do *(President and CEO)*
3. Joanne Rose Bruce *(Executive Director)*
4. Vinh Quang Le *(Executive Director)*
5. Ng Weng Sui, Harry *(Lead Independent Director)*
6. Kesavan Nair *(Independent Director)*

There were changes to the Board subsequently in 2015. Mr Vinh Quang Le resigned as an Executive Director of the Company with effect from 17 February 2015. As such, the Board's composition with effect from 17 February 2015 is as follows:

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

Currently, the Board comprises five Directors, two 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. The requirement of the 2012 CG Code that at least one-third of the Board consists of independent directors is satisfied. The Board noted 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 Group's financial year commencing 1 January 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 judgment and no relationships or circumstances which are likely to affect, or could appear to affect, the said Directors' judgment. 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 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 on 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-Executive Chairman of the Company and Mr Christopher Do assumes the role of the Chief Executive Officer ("CEO") of the Company.

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.

Principle 4 - Board Membership

The Board has established a NC which comprises three 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:

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

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 FY2014, the NC was satisfied that, where a Director had other listed company board representations and/or other principal commitments, the Director was able to carry out and had been adequately carrying out, 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 appointment and re-election of Directors. 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 Tan Sri Dato' Hari N. Govindasamy and Mr Kesavan Nair 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' Profile", "Further Information on Board of Directors" and "Directors' Report" 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, the Board evaluation exercise has been carried out by way of a board assessment checklist, which is circulated to the Board members for completion and thereafter for the NC to review and 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 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:

1. Kesavan Nair *(Chairman)*	Independent Director
2. Ng Weng Sui, Harry *(Member)*	Lead Independent Director
3. Tan Sri Dato' Hari N. Govindasamy *(Member)*	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 entered into separate service agreements with all Executive Directors, namely Mr Christopher Nghia Do, Ms Joanne Bruce and Mr Vinh Quang Le on 6 October 2011 for an initial period of three years. These service agreements had been renewed during the financial year and are renewable, in accordance with the specific terms as set out in the respective service agreements.

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 FY2014 are as follows:

Name [Note 1]	Salary (%)	Benefits (%)	Bonus (%)	Directors' Fee (%)	Total (%)
SGD500,000 to below SGD750,000					
Christopher Do	75	8	13	4	100
SGD250,000 to below SGD500,000					
-	-	-	-	-	-
Below SGD250,000					
Joanne Bruce	74	1	12	13	100
Vinh Quang Le [Note 2]	74	9	4	13	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 FY2014 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 FY2014 which reflect remuneration payable in FY2014.
2. Mr Vinh Quang Le has 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 FY2014 are as follows:

Name	Salary (%)	Benefits (%)	Bonus (%)	Total (%)
SGD250,000 to below SGD300,000				
Justin Yong	77	18	5	100
Below SGD250,000				
Juzer Nomanbhoy	82	11	7	100
Edward Chen Boon Pok[Note 1]	85	15	-	100
Hew Shook Mun[Note 2]	79	13	8	100
Muniandy Thannimalai[Note 3]	94	6	-	100

Notes:

1. Mr Edward Chen Boon Pok was appointed as the Chief Financial Officer of the Company with effect from 1 September 2014.
2. Ms Hew Shook Mun resigned as the Finance Controller of the Company with effect from 15 August 2014.
3. Mr Muniandy Thannimalai resigned as the Vice President of Operations of the Company with effect from 30 September 2014.

The annual aggregate remuneration paid to the Group's key management personnel (excluding the CEO) for FY2014 is SGD689,730.

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

For FY2014, 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' Report" 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, 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.

During the financial year reported on, the Board had established a Risk Committee comprising the following members:

1. Ng Weng Sui, Harry *(Chairman)*
2. Kesavan Nair
3. Tan Sri Dato' Hari Govindasamy
4. Christopher Do
5. Joanne Bruce
6. Edward Chen

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 2014 have been properly maintained and the financial statements for FY2014 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 2014.

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 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:

1.	Ng Weng Sui, Harry *(Chairman)*	Lead Independent Director
2.	Tan Sri Dato' Hari N. Govindasamy *(Member)*	Non-Executive Director
3.	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 providing 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) consider and recommend appointment of Chief Financial Officer or Financial Controller;
(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 FY2014 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 FY2014 and recommended to the Board for approval;
- the independence and re-appointment of the external auditors and recommended to the Board for approval;
- the proposed change of 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 Financial Controller and appointment and 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 FY2014 amounted to approximately SGD236,000. In addition, SGD30,400 in non-audit fees were paid to the external auditors for FY2014 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.

Foo Kon Tan LLP (formerly known as Foo Kon Tan Grant Thornton LLP) does not seek re-appointment to be the external auditors of the Company at the forthcoming AGM. In line with good corporate governance practice, the AC considers it good to have rotation of the external auditors. Following the AC's review and recommendation, the Directors, in accordance with the requirements of Rule 712(3) of the Catalist Rules are proposing to seek the shareholders' approval for the appointment of Deloitte & Touche LLP as external auditors of the Company for the financial year ending 31 December 2015 at the forthcoming AGM. Please refer to the Appendix to the AGM for further details on the proposed change of external auditors.

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 FY2014, 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 FY2014, 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 the 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 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 Articles 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
- 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:

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

The Board does not recommend any payment of dividends in the current financial year as the Group intends to conserve cash for its future working capital requirements and for the necessary capital expenditures.

Principle 16 - Conduct of Shareholder Meetings

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

The Company's Articles allows a shareholder of the Company to appoint up to two proxies to attend and vote on behalf of the shareholder. The Company has not amended its Articles 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.

At the AGMs, separate resolutions are set out on distinct issues for approval by shareholders. 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 to make these minutes, subsequently approved by the Board, available to shareholders during office hours.

The Board noted that the SGX-ST had, on 31 July 2013, introduced new listing rules to promote greater transparency in general meetings and support listed companies in enhancing their shareholders' engagement. The Company would be required to conduct its voting at general meetings by poll with effect from 1 August 2015 where shareholders are accorded rights proportionate to the shareholding and all votes are counted. The Board noted that the new rule will enhance transparency of the voting process and encourage greater shareholders' participation. Taking into account of the effective date of the new ruling and subject to the Company's consideration of cost efficiency and effectiveness, the Company will from time to time review the need to conduct poll voting for all resolutions to be passed at the general meetings of the Company. At the forthcoming AGM, the Company will conduct its voting on a show of hands instead of poll voting.

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 exceeds SGD100,000 in value. The Group does not have a general mandate from shareholders for recurring IPTs pursuant to Rule 920(1)(a)(ii) 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 and employees of the Company 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 staff of the Company and 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 and employees of the Company 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 FY2014 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 private placement completed in June 2013 ("Private Placement") of approximately SGD6.9 million (after deducting expenses of approximately SGD0.18 million) have been utilised as follows:

Use of Proceeds		Amount allocated (as announced on 10 June 2013) (SGD'000)	Amount utilised as at the date of this annual report (SGD'000)	Balance of net proceeds as at the date of this annual report (SGD'000)
(i)	To fund the Pabuaran KSO Project	2,040	2,040	-
(ii)	To fund the expansion of Mobile Natural Gas supply chains in West Java, Indonesia and the development and operation of new Mobile Natural Gas supply chains in collaboration with Gas Malaysia Berhad in Peninsular Malaysia	3,710	3,273	437
(iii)	To fund the proposed construction of the biomass rice-husk pellet plant in the Mekong Delta, Socialist Republic of Vietnam	1,170	944	226
Net proceeds from the Private Placement		6,920	6,257	663

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

NON-SPONSORSHIP FEES

With reference to Rule 1204(21) of the Catalist Rules, no non-sponsor fees were paid to the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd., in FY2014.

Financial Statements

Directors' report

for the financial year ended 31 December 2014

The directors submit this annual report to the members together with the audited consolidated financial statements of the Group and statement of financial position of the Company for the financial year ended 31 December 2014.

NAMES OF DIRECTORS

The directors of the Company in office at the date of this report are:

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

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other corporate body, other than as disclosed in this report.

DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Cap. 50, none of the directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in the name of director			Holdings in which director is deemed to have an interest		
Name of director	As at 1.1.2014	**As at 31.12.2014**	**As at 21.1.2015**	As at 1.1.2014	**As at 31.12.2014**	**As at 21.1.2015**
The Company -			**Number of ordinary shares**			
IEV Holdings Limited						
Tan Sri Dato' Hari N. Govindasamy	-	**-**	**-**	36,571,000	**36,571,000**	**36,571,000**
Christopher Nghia Do	22,906,000	**23,338,000**	**23,509,000**	10,336,000	**10,336,000**	**10,336,000**
Joanne Bruce	2,025,000	**2,025,000**	**2,025,000**	-	**-**	**-**
Vinh Quang Le (resigned on 17 February 2015)	69,000	**69,000**	**69,000**	-	**-**	**-**
Ng Weng Sui, Harry	100,000	**200,000**	**200,000**	-	**-**	**-**

DIRECTORS' INTEREST IN SHARES OR DEBENTURES (CONTINUED)

Name of director	Holdings registered in the name of director			Holdings in which director is deemed to have an interest		
	As at 1.1.2014	As at 31.12.2014	As at 21.1.2015	As at 1.1.2014	As at 31.12.2014	As at 21.1.2015
The Subsidiaries -			Number of ordinary shares			
PT IEV Indonesia						
Tan Sri Dato' Hari N. Govindasamy	-	-	-	3,798	**3,798**	**3,798**
Christopher Nghia Do	-	-	-	3,452	**3,497**	**3,515**
PT IEV Gas						
Tan Sri Dato' Hari N. Govindasamy	-	-	-	121,750	**121,950**	**121,950**
Christopher Nghia Do	-	-	-	110,849	**112,290**	**112,860**
PT. IEV Pabuaran KSO						
Tan Sri Dato' Hari N. Govindasamy	-	-	-	2,204	**2,204**	**2,204**
Christopher Nghia Do	-	-	-	2,003	**2,029**	**2,039**
IEV Vietnam Joint Stock Company (formerly known as IEV Biomass Vietnam Joint Stock Company)						
Tan Sri Dato' Hari N. Govindasamy	-	-	-	219,495	**261,300**	**261,300**
Christopher Nghia Do	-	-	-	199,514	**240,601**	**241,823**

Tan Sri Dato' Hari N. Govindasamy and Christopher Nghia Do, by virtue of the provisions of Section 7 of the Companies Act, Cap. 50, are deemed to have an interest in the whole of the issued share capital of all the wholly-owned subsidiaries of IEV Holdings Limited.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or has become entitled to receive a benefit under a contract which is required to be disclosed under Section 201(8) of the Companies Act, Cap. 50, except as disclosed in Notes 20(d), 21 and 30 to the financial statements.

SHARE OPTIONS

No options to take up unissued shares of the Company or any subsidiary have been granted during the financial year.

No shares were issued during the financial year to which this report relates by virtue of the exercise of options to take up unissued shares of the Company or any subsidiary.

There were no unissued shares of the Company or any subsidiary under option at 31 December 2014.

Directors' report
for the financial year ended 31 December 2014

AUDIT COMMITTEE

The Audit Committee at the end of the financial year comprises the following members:

Ng Weng Sui, Harry (Chairman)
Tan Sri Dato' Hari N. Govindasamy
Kesavan Nair

The audit committee performs the functions set out in Section 201B(5) of the Companies Act, Cap. 50, the SGX Listing Manual and the Code of Corporate Governance 2012. In performing those functions, the committee reviewed the following:

(i) overall scope of both the internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company's system of internal accounting controls;

(ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;

(iii) the quarterly financial information and the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2014 as well as the independent auditor's report thereon; and

(iv) interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange [SGX-ST]).

The audit committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The audit committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

Foo Kon Tan LLP had served as the external auditors of the Company for 4 consecutive years since 2011 and therefore they had indicated that they would not be seeking re-appointment at the forthcoming annual general meeting. In line with good corporate governance practice, it is good to have rotation of external auditors.

Other information required by the SGX-ST

Material information
Apart from the Service Agreements between the Executive Directors and the Company, there is no material contract to which the Company or any of its subsidiaries, is a party which involve directors' interests subsisted or have been entered into during the financial year.

Interested person transactions
There was no interested person transaction as defined in Chapter 9 of the SGX-ST Listing Manual conducted during the financial year except as disclosed under "Interested Person Transaction" on "Corporate Governance" and on Note 26 to the consolidated financial statements.

On behalf of the Directors

....
CHRISTOPHER NGHIA DO

....
JOANNE BRUCE
Dated: 25 March 2015

Statement by directors

for the financial year ended 31 December 2014

In the opinion of the directors, the accompanying statements of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014 and of the results of the business, changes in equity and cash flows of the Group for the financial year ended on that date, and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Directors

....

CHRISTOPHER NGHIA DO

....

JOANNE BRUCE

Dated: 25 March 2015

Independent auditor's 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 statements of financial position of the Group and the Company as at 31 December 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's 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 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 state of affairs of the Group and of the Company as at 31 December 2014, and of the results, changes in equity and cash flows of the Group for the year ended on that date.

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 that subsidiary incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Yeo Boon Chye
Partner-in-charge of the audit
Date of appointment: 6 October 2011

Singapore, 25 March 2015

Statements of financial position

as at 31 December 2014

	Note	The Company 31 December 2014 RM	31 December 2013 RM	The Group 31 December 2014 RM	31 December 2013 RM
ASSETS					
Non-Current Assets					
Intangible assets	4	**-**	-	**5,393,303**	5,277,390
Property, plant and equipment	5(a)	**-**	-	**34,221,672**	31,412,657
Subsidiaries	24	**67,453,398**	59,972,205	**-**	-
Associated companies	6	**-**	-	**-**	18,867,340
Oil and gas properties	5(b)	**-**	-	**24,943,064**	6,595,908
Prepayments	7	**-**	-	**2,003,136**	1,093,396
Deferred tax assets	8	**-**	-	**321,260**	191,586
		67,453,398	59,972,205	**66,882,435**	63,438,277
Current Assets					
Inventories	9(a)	**-**	-	**5,273,448**	4,813,563
Work-in-progress	9(b)	**-**	-	**99,889**	94,046
Trade and other receivables	10	**-**	-	**93,907,253**	87,871,791
Prepayments	7	**58,303**	73,852	**1,717,095**	1,211,211
Fixed deposits	11	**-**	-	**6,746,601**	496,984
Cash and bank balances	12	**131,149**	1,920,643	**21,920,115**	18,954,591
		189,452	1,994,495	**129,664,401**	113,442,186
Total assets		**67,642,850**	61,966,700	**196,546,836**	176,880,463
EQUITY					
Capital and Reserves					
Share capital	13	**80,048,236**	80,048,236	**80,048,236**	80,048,236
Currency translation reserve	14	**-**	-	**(1,833,821)**	(3,494,857)
(Accumulated losses)/retained earnings		**(12,884,365)**	(18,548,197)	**8,445,950**	3,355,112
		67,163,871	61,500,039	**86,660,365**	79,908,491
Non-controlling interests		**-**	-	**2,963,136**	1,585,381
Total equity		**67,163,871**	61,500,039	**89,623,501**	81,493,872
LIABILITIES					
Non-Current Liabilities					
Borrowings	15	**-**	-	**7,253,796**	8,606,543
Finance lease obligations	16	**-**	-	**616,567**	33,682
Deferred tax liabilities	17	**-**	-	**58,531**	46,280
Provision for post-employment benefit obligations	18	**-**	-	**1,758,639**	1,202,780
Advances from a third party	18	**-**	-	**5,000,000**	5,000,000
Provision for decommissioning	18	**-**	-	**1,954,541**	-
		-	-	**16,642,074**	14,889,285
Current Liabilities					
Trade and other payables	18	**478,979**	466,661	**85,422,343**	73,236,954
Advance billings	19	**-**	-	**27,183**	344,753
Borrowings	15	**-**	-	**4,099,441**	5,345,418
Finance lease obligations	16	**-**	-	**373,684**	113,583
Current tax payable	-	**-**	-	**358,610**	1,456,598
		478,979	466,661	**90,281,261**	80,497,306
Total equity and liabilities		**67,642,850**	61,966,700	**196,546,836**	176,880,463

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of comprehensive income

for the financial year ended 31 December 2014

	Note	Year ended 31 December 2014 RM	Year ended 31 December 2013 RM (Restated)
Revenue	3	**172,850,218**	144,406,348
Cost of sales		**(152,601,059)**	(127,093,405)
Gross profit		**20,249,159**	17,312,943
Other operating income	20(a)	**11,373,316**	2,561,153
Exchange gain		**1,261,904**	475,738
Selling and distribution costs		**(1,566,898)**	(2,958,013)
Administrative expenses	20(b)	**(22,991,721)**	(19,611,273)
Other operating expenses		**(2,034,831)**	(2,345,717)
Share of associated companies' results, net of tax	6	**516,893**	3,816,547
Finance costs	20(c)	**(1,246,431)**	(1,297,369)
Profit/(loss) before taxation	21	**5,561,391**	(2,045,991)
Taxation	22	**(542,558)**	(1,619,973)
Profit/(loss) for the year		**5,018,833**	(3,665,964)
Other comprehensive income/(expense) after tax			
Item that may be reclassified subsequently to profit or loss			
Currency translation differences arising from Consolidation - gains/(losses)		**1,719,861**	(1,455,618)
Item that will not be reclassified subsequently to profit or loss			
Actuarial gains in respect of defined benefit pension plan	18(d)	**26,989**	118,647
		1,746,850	(1,336,971)
Total comprehensive income/(expense) for the year, net of tax		**6,765,683**	(5,002,935)
Profit/(loss) for the year attributable to:			
Owners of the parent		**4,794,360**	(3,724,043)
Non-controlling interests		**224,473**	58,079
		5,018,833	(3,665,964)
Total comprehensive income/(expense) attributable to:			
Owners of the parent		**6,482,385**	(4,874,883)
Non-controlling interests		**283,298**	(128,052)
		6,765,683	(5,002,935)
Earnings per share (Malaysian sen)			
- basic and diluted	23	**2.5**	(2.0)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of changes in equity

for the financial year ended 31 December 2014

	Share capital RM	Currency translation reserve RM	Retained earnings RM	Total attributable to equity holders of the parent RM	Non-controlling interests RM	Total equity RM
Balance as at 1 January 2013	63,246,859	(2,225,370)	6,960,508	67,981,997	(46,174)	67,935,823
Effect on non-controlling interest on the newly incorporated subsidiary	-	-	-	-	736,000	736,000
Effect on non-controlling interest on the enlargement of shares of a subsidiary	-	-	-	-	1,023,607	1,023,607
	-	-	-	-	1,759,607	1,759,607
Issue of ordinary shares	17,173,166	-	-	17,173,166	-	17,173,166
Effect on FRS 32 on transactions costs against equity	(371,789)	-	-	(371,789)	-	(371,789)
	16,801,377	-	-	16,801,377	-	16,801,377
Loss for the year	-	-	(3,724,043)	(3,724,043)	58,079	(3,665,964)
Other comprehensive income for the year	-	(1,269,487)	118,647	(1,150,840)	(186,131)	(1,336,971)
Total comprehensive income for the year	-	(1,269,487)	(3,605,396)	(4,874,883)	(128,052)	(5,002,935)
Balance as at 31 December 2013	**80,048,236**	**(3,494,857)**	**3,355,112**	**79,908,491**	**1,585,381**	**81,493,872**
Profit for the year	**-**	**-**	**4,794,360**	**4,794,360**	**224,473**	**5,018,833**
Other comprehensive income for the year	**-**	**1,661,036**	**26,989**	**1,688,025**	**58,825**	**1,746,850**
Total comprehensive income for the year	**-**	**1,661,036**	**4,821,349**	**6,482,385**	**283,298**	**6,765,683**
Transaction with owners - effects of adopting FRS 110	**-**	**-**	**269,489**	**269,489**	**1,094,457**	**1,363,946**
Balance as at 31 December 2014	**80,048,236**	**(1,833,821)**	**8,445,950**	**86,660,365**	**2,963,136**	**89,623,501**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of cash flows

for the financial year ended 31 December 2014

	Year ended 31 December 2014 RM	Year ended 31 December 2013 RM
		(Restated)
Cash Flows from Operating Activities		
Profit/(Loss) before taxation	**5,561,391**	(2,045,991)
Adjustments for:		
Amortisation of intangible assets	**460,912**	416,539
Depreciation of property, plant and equipment	**4,127,807**	3,411,571
Provision for post-employment benefits	**430,379**	734,735
Gain on disposal of property, plant and equipment	**(43,630)**	(11,223)
(Gain)/loss on disposal of shares in an associated company	**(8,902,886)**	28,410
Property, plant and equipment written off	**57,524**	429,068
Intangible assets written off	**-**	43,309
Waiver of debt by a creditor of a subsidiary	**(380,456)**	(1,252,124)
Share of associated companies' results	**(516,893)**	(3,816,547)
Interest income	**(495,727)**	(181,799)
Interest expense	**1,246,431**	1,297,369
Operating profit/(loss) before working capital changes	**1,544,852**	(946,683)
Increase in inventories	**(459,885)**	(3,911,689)
(Increase)/decrease in work-in-progress	**(5,843)**	3,764
Decrease in operating receivables	**46,447,899**	3,463,497
Decrease in operating payables	**(51,921,819)**	(17,632,768)
Increase in oil and gas properties	**(18,347,156)**	(6,595,908)
(Decrease)/increase in progress billing	**(317,570)**	285,806
Cash used in operating activities	**(23,059,522)**	(25,333,981)
Interest received	**495,727**	181,799
Interest paid	**(1,246,431)**	(1,297,369)
Tax paid	**(5,579,924)**	(860,435)
Net cash used in operating activities	**(29,390,150)**	(27,309,986)
Cash Flows from Investing Activities		
Acquisition of intangible assets	**(251,478)**	(45,315)
Acquisition of property, plant and equipment (Note A)	**(5,034,053)**	(14,736,808)
Proceeds from disposal of shares in an associated company	**27,536,277**	163,171
Proceeds from disposal of property, plant and equipment	**161,452**	354,168
Payment for long term prepayment	**-**	(185,709)
Dividend income from an associated company	**-**	2,091,077
Effect of reclassification of associated company as a subsidiary, net of cash acquired (Note C)	**24,668,909**	-
Net cash generated from/(used in) investing activities	**47,081,107**	(12,359,416)
Cash Flows from Financing Activities		
Repayment of finance lease obligations	**(346,643)**	(166,240)
Bank borrowings obtained	**-**	8,191,894
Bank borrowings repaid	**(2,598,724)**	(11,053,825)
Advances from a third party	**-**	5,000,000
(Repayment to)/advances from a director	**(6,411,000)**	6,000,000
(Increase)/decrease in fixed deposits pledged	**(6,719,617)**	3,187,209
Proceeds from issuance of ordinary shares	**-**	17,173,166
Capitalisation of transaction costs	**-**	(371,789)
Proceeds from issuance of ordinary shares to non-controlling interests	**-**	1,743,809
Net cash (used in)/generated from financing activities	**(16,075,984)**	29,704,224

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated statement of cash flows

to the members of IEV Holdings Limited

	Year ended 31 December 2014 RM	Year ended 31 December 2013 RM
Net increase/(decrease) in cash and cash equivalents	**1,614,973**	(9,965,178)
Cash and cash equivalents at beginning of year	**17,474,229**	26,613,078
Currency translation difference of cash and cash equivalents at beginning of year	**880,551**	826,329
Cash and cash equivalents at end of year	**19,969,753**	17,474,229
The cash and cash equivalents comprise:		
Cash and bank balances (Note 12)	**19,754,323**	16,418,966
Fixed deposits (Note 12)	**2,165,792**	2,535,625
	21,920,115	18,954,591
Fixed deposits (Note 11)	**6,746,601**	496,984
	28,666,716	19,451,575
Less:		
Pledged fixed deposit (Note 11)	**(4,040,260)**	(496,984)
Pledged fixed deposits (Note 12)	**(1,950,362)**	(1,480,362)
Non-pledged fixed deposits with maturities of more than 3 months	**(2,706,341)**	-
	(8,696,963)	(1,977,346)
	19,969,753	17,474,229

A. Property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM6,033,339 (2013 - RM14,767,936) of which RM999,286 (2013 - RM31,128) was acquired by means of finance leases. Cash payments of RM5,034,053 (2013 - RM14,736,808) were made to purchase property, plant and equipment.

B. Incorporation of a new subsidiary

The cash consideration for a newly incorporated subsidiary, IEV Biomass Corporation Limited was 47 sen.

C. The recognised amounts of assets and liabilities assumed at the date of reclassification

The following table summarises the recognised amounts of assets and liabilities arising from the consolidation of IEV (Malaysia) Sdn. Bhd. as a subsidiary:

	RM
Property, plant and equipment	320,093
Trade and other receivables	50,120,018
Cash and cash equivalent	24,668,909
Finance lease	(180,786)
Trade and other payables	(72,782,180)
Total net identifiable assets	2,146,054
Non-controlling interest	(1,094,457)
Total net identifiable assets attributable to owners	1,051,597

The Group has elected to measure the non-controlling interest's proportionate share of IEV (Malaysia) Sdn. Bhd. identifiable net assets.

Effect on cash flows of the Group

	RM
Cash paid	-
Less: Cash and cash equivalent in subsidiary	(24,668,909)
Net cash inflow	24,668,909

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

1 GENERAL INFORMATION

The financial statements of the Company and of the Group for the financial year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

The Company was incorporated as a limited liability company and is domiciled in Singapore.

The registered office is located at 80 Robinson Road #02-00, Singapore 068898.

The principal place of business is located at Level 22 PJX-HM Shah Tower, No. 16A Persiaran Barat, Petaling Jaya 46050, Selangor Darul Ehsan, Malaysia.

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

The principal activities of the subsidiaries are as disclosed in Note 24 to the consolidated financial statements.

2(A) BASIS OF PREPARATION

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are prepared in Malaysia Ringgit ("RM") which is the Company's functional currency. All financial information is presented in Malaysia Ringgit, unless otherwise stated.

Significant accounting estimates and judgements

The preparation of the consolidated financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are described below:

Significant judgements in applying accounting policies

<u>Income tax (Notes 8, 17 and 22)</u>

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.

<u>Investment in subsidiary - IEV (Malaysia) Sdn. Bhd. ("IEV Malaysia") (Note 24)</u>

The Group has considered adopting FRS110 appropriately to reclassify IEV Malaysia as a subsidiary as opposed to accounting as an associated company. For full details, please refer to Note 24 to the financial statements.

2(A) BASIS OF PREPARATION (CONT'D)

Critical accounting estimates and assumptions used in applying accounting policies

Assumptions and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

<u>Depreciation of property, plant and equipment [Note 5(a)]</u>

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 50 years. The carrying amount of the Group's property, plant and equipment as at 31 December 2014 is RM34,221,672. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. If the depreciation of the property, plant and equipment increase/decrease by 10% from management estimate, the Group's profit will decrease/increase by RM310,000.

<u>Oil and gas properties - exploration and evaluation ("E&E activities") [Note 5(b)]</u>

The Group follows the principles of the 'successful efforts' method of accounting for its oil and natural gas exploration and evaluation activities.

For exploration and exploratory-type stratigraphic test wells, costs directly associated with the drilling of those wells, if any, are initially capitalised as assets under construction within oil and gas properties, pending determination of whether potentially economic oil and gas reserves have been discovered by the drilling effort. The determination is usually made within one year after well completion, but may take longer, depending on the complexity of the geological structure.

This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, whether an economically viable extraction operation can be established. Such estimates and assumptions may change as new information becomes available. If the well does not discover potentially economic oil and gas quantities, the well costs are expensed as a dry hole and are reported in exploration expense in the consolidated statement of comprehensive income.

The Group has commenced its E&E activities.

<u>Impairment of oil and gas properties [Note 5(b)]</u>

Oil and gas properties include E&E activities 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, except for other property and equipment, the determination of fair value less cost to sell and value in use requires management to make estimates and assumptions about expected production and sales volumes, commodity prices (with consideration of current and historical prices, price trends and related factors), commercial reserves, operating costs, provision for decommissioning and site restoration, future capital expenditure, field decline rates, discount rates, and other factors.

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 further impaired or the impairment charge reduced, with the impact recorded in the consolidated statement of comprehensive income.

2(A) BASIS OF PREPARATION (CONT'D)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

Post-employment pension and other long-term employee obligations [Note 18(d)]

The present value of the post-employment pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions.

The assumptions used in determining the net cost/income for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have a tenure approximating the tenure of the related pension liability. Other key assumptions for pension obligations are based in part on current market conditions.

If the discount rate used differs by 1% from management's estimates, the carrying amount of pension obligations will be lower or higher as follows:

	31 December 2014	31 December 2013
	RM	RM
Discount rate +/- 1%	**+/-17,586**	+/-12,028

Allowance for inventory obsolescence [Note 9(a)]

The Group reviews the ageing analysis of inventories at each reporting date, and makes provision for obsolete and slow moving inventory items identified that are no longer suitable for sale. The net realisable value for such inventories are estimated based primarily on the latest invoice prices and current market conditions. Possible changes in these estimates could result in revisions to the valuation of inventories.

If the net realisable value of the inventories increase/decrease by 10% from management estimate, the Group's profit will decrease/increase by RM396,000.

Allowance for bad and doubtful debts (Note 10)

The Group makes allowances for bad and doubtful debts based on an assessment of the recoverability of trade and other receivables. 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 expected outcome is different from the original estimate, such difference will impact carrying value of trade and other receivables and doubtful debt expenses in the period in which such estimate has been changed.

Impairment of investment in subsidiaries (Note 24)

Determining whether investment in subsidiaries is impaired requires an estimation of the value-in-use of that investment. The value-in-use calculation requires the Group 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. Management has evaluated the recoverability of the investment based on such estimates.

The accounting policies used by the Group have been applied consistently to all periods presented in these consolidated financial statements.

2(B) INTERPRETATIONS AND AMENDMENTS TO PUBLISHED STANDARDS EFFECTIVE IN 2014

On 1 January 2014, the Group adopted the new or amended FRS, where relevant, that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS. This includes the following FRSs which are relevant to the Group:

Reference	Description
Revised FRS 27	Separate Financial Statements
FRS 110	Consolidated Financial Statements
FRS 112	Disclosure of Interests in Other Entities
Amendments to FRS 110, FRS112 and FRS 27	Investment Entities
Amendments to FRS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 36	Recoverable Amount Disclosures to Non-Financial Assets

Revised FRS 27 Separate Financial Statements and FRS 110 Consolidated Financial Statements

FRS 110 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 110 will require management to exercise significant judgement to determine whether the directors of the Company has practical ability to direct the relevant activities and therefore are required to be consolidated by the Group, compared with the requirements that were in FRS 27. Therefore, FRS 110 may change which entities are consolidated within a group. The revised FRS 27 was amended to address accounting for subsidiaries, jointly controlled entities and associates in the separate financial statements.

The directors of the Company has assessed that the Group has practical ability to direct the relevant activities of the IEV (Malaysia) Sdn. Bhd. unilaterally. Please refer to note 2(A) - significant judgements in applying accounting policies of investment in subsidiary.

FRS 112 Disclosure of Interest in Other Entities

FRS 112 *Disclosure of Interests in Other Entities* is effective for financial periods beginning on or after 1 January 2014.

FRS 112 is a new standard on disclosure requirements for all forms of interest in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. FRS 112 requires an entity to disclose information that helps users of its financial statements to evaluate the nature and risks associated with its interests in other entities and the effects of those interests on its financial statements.

From 1 January 2014, as a result of FRS 112 *Disclosure of Interests in Other Entities*, the Group has expanded its disclosure about its interest in associate (see Note 6).

Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to FRS 32 *Offsetting Financial Assets and Financial Liabilities* clarify the meaning of "currently has a legally enforceable right to set-off"; and that some gross settlement systems may be considered equivalent to net settlement. The Group has reassessed the impact and expected no change.

These amendments remove the unintended consequences of FRS 113 *Fair Value Measurement* on the disclosures required under FRS 36 *Impairment of Assets*. In addition, these amendments required disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period. As this is a disclosure standard, it will have no financial impact to the financial position and performance of the Group when applied in.

2(C) FRS ISSUED BUT NOT YET EFFECTIVE

The following are the new or amended FRS that are applicable to the Group which are issued in 2014 that are not yet effective and which the Group have not yet adopted:

Reference	**Title**	**Effective date (Annual periods beginning on or after)**
Amendments to FRS19	Defined Benefit Plan: Employee Contribution	1 July 2014
Improvement to FRSs (January 2014)		
FRS 24	Related Party Transactions	1 July 2014
FRS 108	Operating Segments	1 July 2014

Improvements to FRSs (January 2014) *Related Party Disclosures*

Improvements to FRSs (January 2014) Related Party Disclosures clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The improvements to FRSs (January 2014) FRS 24 Related Party Disclosures are effective from annual periods beginning on or after 1 July 2014. As this is a disclosure standard, it will not have any impact on the financial statements when implemented.

Improvements to FRSs (January 2014) *Operating Segments*

The Improvements to FRSs (January 2014) Operating Segments clarifies that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. In addition, the entity is required to disclose the judgements made by management in applying the aggregation criteria to operating segments. As this is a disclosure standard, it will not have any impact on the financial statements when implemented.

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intragroup transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Consolidation (Cont'd)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if and only if the Group has all of the following:

- power over the investee;
- exposure, or rights or variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns

The Group 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 Group 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 Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group 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.

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 Group.

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 interest. All amounts previously recognised in other comprehensive income in relation to that 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 the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under FRS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Consolidation (Cont'd)

Transactions with Non-Controlling Interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Common control business combination outside the scope of FRS 103

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the consolidated financial statements.

In applying merger accounting, financial statement items of the combining entities or businesses for the reporting year in which the common control combination occurs, and for any comparative years disclosed, are included in the consolidated financial statements of the combined entity as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party or parties.

A single uniform set of accounting policies is adopted by the combined entity. Therefore, the combined entity recognised the assets, liabilities and equity of the combining entities or businesses at the carrying amounts in the consolidated financial statements of the controlling party or parties prior to the common control combination.

The carrying amounts are included as if such consolidated financial statements had been prepared by the controlling party, including adjustments required for conforming the combined entity's accounting policies and applying those policies to all years presented. There is no recognition of any goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination. The effects of all transactions between the combining entities or businesses, whether occurring before or after the combination, are eliminated in preparing the consolidated financial statements of the combined entity.

Non-controlling interests represent the portion of income statement and net assets in subsidiaries not held by the Group. They are presented in the consolidated statement of financial position within equity, separately from the parent shareholders' equity, and are separately disclosed in the consolidated statement of comprehensive income.

Acquisition of businesses

Subsequent to the business combination adopted under common control, the acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Consolidation (Cont'd)

Acquisition of businesses (cont'd)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

Intangible assets

Intangible assets are accounted for using the cost model, with the exception of goodwill. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing. Indefinite life intangibles are not amortised but are subject to annual impairment testing.

Intangible assets are written off where, in the opinion of the directors, no further future economic benefits are expected to arise.

Licenses

Costs relating to licenses which are acquired are capitalised and amortised on a straight-line basis over their useful life of five to twenty 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 life of four years.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed utilising the straight-line method to allocate the cost of the assets over their estimated useful lives as follows:

Leasehold building	20 to 50 years
Production equipment	5 years
Plant and machinery	5 to 16 years
Factory equipment	4 to 16 years
Computer equipment	3 to 5 years
Motor vehicles	4 to 8 years
Office renovation	5 to 10 years
Office equipment	3 to 5 years
Furniture and fittings	4 to 5 years
Tools and instruments	3 to 16 years
Light machinery	4 to 16 years

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Property, plant and equipment and depreciation (Cont'd)

No depreciation has been provided for construction-in-progress.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

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 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 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.

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Oil and gas properties (Cont'd)

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 comprehensive income.

Subsidiaries

In the Company's separate financial statements, shares in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. The Group accounts for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transaction between the Group and the associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss, on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would have been required if that associate had directly disposed of the related assets or liabilities.

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Associates (Cont'd)

If the Group's ownership interest in an associate is reduced, but the Group continues to apply 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 required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investment in associates at company level is stated at cost. Allowance is made for any impairment losses on an individual company basis.

Financial assets

Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date - the date on which the Company and the Group commit to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in consolidated statement of comprehensive income when received, regardless of how the related carrying amount of financial assets is measured.

Other than loan and receivables, the Group does not designate any financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale.

Loan and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of reporting period. These are classified as non-current assets.

Loans and receivables include trade and other receivables and deposits held in banks. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write-back is recognised in the profit or loss.

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis, and includes all costs in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on the normal level of activity.

Allowance is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

For the purpose of the consolidated statement of cash flows, pledged deposits and bank overdraft are excluded from cash and cash equivalents.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares are deducted against the share capital account.

Dividends

Final dividends proposed by the directors were not accounted for in shareholders' equity as an appropriation of retained profits, until they had been approved by the shareholders in a general meeting. When these dividends had been approved by the shareholders and declared, they were recognised as a liability. Interim dividends were simultaneously proposed and declared, because the articles of association of the Company granted the directors the authority to declare interim dividends. Consequently, interim dividends were recognised directly as a liability when they were proposed and declared.

Financial liabilities

The Group's financial liabilities include borrowings, finance lease obligations, advances from a third party and trade and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance costs" in the profit or loss. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial liabilities (Cont'd)

Borrowings are recognised initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

Borrowings which are due to be settled within twelve months after the end of reporting period are included in current liabilities in the statements of financial position even though the original terms was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of reporting period. Borrowings to be settled within the Group's normal operating cycle are classified as current. Other borrowings due to be settled more than twelve months after the end of reporting period, if any, are included in non-current borrowings in the statements of financial position.

Finance lease liabilities are measured at initial value less the capital element of lease repayments (see policy on "Finance leases").

Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Financial guarantees

The Company has issued corporate guarantees to banks for borowings of its subsidiaries. Financial guarantees are financial instruments issued by the Company and a subsidiary that require the issuer to make specified payment to reimburse the holder for the loss it incurs because a specified debtors fails to meet payment when due in accordance with the original or modified terms of debt instruments.

Financial guarantees are recognised initially at fair value and are classified as financial liabilities. Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the amount that would be recognised if they were accounted for as contingent liabilities. When financial guarantees are terminated before their original expiry date, the carrying amount of the financial guarantee is transferred to profit or loss.

Provisions

Provisions are recognised when the Company and the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Present obligations arising from onerous contracts are recognised as provisions.

Provision for decommissioning arises principally in connection with removal and dismantling of the oil and gas test drilling equipment for the exploration and exploitation 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.

The directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Provisions (Cont'd)

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

Leases

Finance leases

Where assets are financed by lease agreements that give rights approximating to ownership, the assets are capitalised as if they had been purchased outright at values equivalent to the lower of the fair values of the leased assets and the present value of the total minimum lease payments during the periods of the leases.

The corresponding lease commitments are included under liabilities. The excess of lease payments over the recorded lease obligations are treated as finance charges which are amortised over each lease to give a constant effective rate of charge on the remaining balance of the obligation.

The leased assets are depreciated on a straight-line basis over their estimated useful lives as detailed in the accounting policy on "Property, plant and equipment and depreciation".

Operating leases

Rentals on operating leases are charged to profit or loss on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the profit or loss when incurred.

Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amounts of its assets and liabilities.

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Income taxes (Cont'd)

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Employee benefits

Pension obligations

The Company and the Group participate 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

Subsidiaries which are located in Indonesia operate both defined benefit and defined contribution post-employment benefit plans for its eligible employees.

Defined benefit plans are post-employment pension benefit plans other than defined contribution plans. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset).

The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA from a rating agency that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the Projected Unit Credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all expenses related to defined benefit plans in employee benefits expenses in profit or loss.

When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised immediately in profit or loss when the plan amendment or curtailment occurs.

The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Employee benefits (Cont'd)

Employee leave entitlements

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

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain managerial personnel are considered key management personnel.

Impairment of non-financial assets

The carrying amounts of the Company's and the Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the asset belongs will be identified.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units that include intangible assets, with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised. A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Related parties

A related party is defined as follows:

a) A person or a close member of that person's family is related to the Group and Company if that person:
   (i) has control or joint control over the Company;
   (ii) has significant influence over the Company; or
   (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

b) An entity is related to the Group and the Company if any of the following conditions applies:
   (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
   (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
   (iii) both entities are joint ventures of the same third party;
   (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
   (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
   (vi) the entity is controlled or jointly controlled by a person identified in (a);
   (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership have been transferred or services rendered to the buyer. Revenue excludes value-added taxes and is arrived at after deduction of trade discounts, if any. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

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.

Revenue from sale of natural gas is recognised upon transfer of significant risks and rewards of ownership to customers.

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

Interest income is recognised on a time-apportioned basis using the effective interest method.

Dividend income from investments is recognised gross when the right to receive the dividend has been established.

Rental income from the rental of factory and office premises is recognised on a monthly basis upon acceptance of usage. Rental incentives, if any, are considered an integral part of total rental costs.

Functional currency

<u>Functional and presentation currency</u>

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Malaysia Ringgit, which is also the functional currency of the Company.

2(D) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in the consolidated statement of comprehensive income, unless they arise from borrowings in foreign currencies, other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the other comprehensive income of the Group and transferred to the consolidated statement of comprehensive income as part of the gain or loss on disposal of the foreign operation.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

Non-monetary items that are measured at historical cost in foreign currencies are translated using the exchange rates at the date of the transactions.

Group entities

The results and financial position of all entities within the Group that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the end of reporting period;

(ii) Income and expenses for each statement presenting profit or loss and other comprehensive income (i.e. including comparatives are translated at exchange rates at the dates of the transactions) and;

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

Operating segments

For management purposes, operating segments are organised based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers are directly accountable to the chief executive officer who regularly reviews the segment results in order to allocate resources to the segments and to assess segment performance.

3 REVENUE

Significant categories of revenue, excluding applicable value-added taxes, are as follows:

The Group	31 December 2014 RM	31 December 2013 RM
Offshore Engineering sector – rendering of services	**132,234,766**	114,503,050
Mobile Natural Gas sector – sale of natural gas	**40,615,452**	29,903,298
	172,850,218	144,406,348

Offshore Engineering sector offers a range of Integrated Engineering and Turnkey Contracting Solutions involving all aspects of field life cycle, from the installation of new facilities to repair and maintenance of existing assets and the eventual decommissioning, refurbishment and reuse solutions for ageing assets.

Mobile Natural Gas sector develops and operates mobile natural gas supply chains to process, transport and deliver compressed natural gas ("CNG") to end users that do not have access to pipeline gas supply. Consumers use CNG to generate steam and/or electricity, as a clean and low cost alternative energy to liquid fuels such as MFO and diesel.

Exploration and Production sector operates an onshore oil and gas concession and has been carrying out exploration and production activities both oil and gas through a 15-year cooperation agreement with Pertamina in West Java, Indonesia.

Renewable Energy sector converts agriculture waste into biomass as an alternative and low-cost energy for power and/or steam generation. The Group is in the process of constructing its first rice-husk biomass plant in the Mekong Delta of Vietnam.

4 INTANGIBLE ASSETS

The Group	Licenses RM	Computer software RM	Total RM
Cost			
At 1 January 2013	6,441,449	16,298	6,457,747
Additions	45,315	-	45,315
Write-off	(805,547)	-	(805,547)
Currency translation difference	419,580	(2,103)	417,477
At 31 December 2013	**6,100,797**	**14,195**	**6,114,992**
Reclassifications from property, plant and equipment	**-**	**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**
Accumulated amortisation			
At 1 January 2013	1,169,391	16,298	1,185,689
Amortisation for the year	416,539	-	416,539
Write-off	(762,238)	-	(762,238)
Currency translation difference	(285)	(2,103)	(2,388)
At 31 December 2013	**823,407**	**14,195**	**837,602**
Reclassifications from property, plant and equipment	**-**	**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**
Net book value			
At 31 December 2014	**5,314,145**	**79,158**	**5,393,303**
At 31 December 2013	5,277,390	-	5,277,390

The Group	Note	31 December 2014 RM	31 December 2013 RM
Amortisation expense is charged to:			
Cost of sales		**53,862**	44,820
Administrative expenses	20(b)	**407,050**	371,719
		460,912	416,539

4 INTANGIBLE ASSETS (CONT'D)

Intangible assets comprise licenses and software. The details of the licenses are as follows:

License registered in the name of	Description of licence	Validity period	Issuing authority/parties
IEV Group Sdn. Bhd.	Exclusive distributorship rights to market and distribute the Enviropeel corrosion protection product	Valid for 20 years from 17 December 2004	Alocit Australasia Pty Ltd and Enviropeel International Ltd
PT. IEV Pabuaran KSO	Signature bonus in accordance to the term of the Operation Cooperation Agreement to assist PT Pertamina EP in carrying out its obligations as the operator to engage in crude oil production at Pabuaran, West Java, Indonesia.	Valid for 15 years from 3 September 2012	PT Pertamina EP
PT. IEV Gas	Oil & Gas certification for CNG installation	Valid for 5 years from 1 November 2013	Dirjen Migas
IEV International Limited	Exclusive rights to distribute, apply and maintain goods, accessories and spare parts relevant to Oxifree Metal Protection product range	Valid for 5 years from 10 January 2014	Oxifree Global LLC

5(A) PROPERTY, PLANT AND EQUIPMENT

The Group	Leasehold building RM	Production equipment RM	Plant and machinery RM	Factory equipment RM	Computer equipment RM	Motor vehicles RM	Office renovation RM	Office equipment RM	Furniture and fittings RM	Construction-in-progress RM	Tools and instruments RM	Light machinery RM	Total RM
Cost													
At 1 January 2013	2,664,528	569,274	13,103,591	13,559,490	988,090	999,597	318,373	1,211,674	687,421	757,619	-	-	34,859,657
Additions	10,144,182	201,574	977,175	30,629	145,961	49,410	1,961,397	190,388	49,046	1,018,174	-	-	14,767,936
Disposals	(4,354)	-	(708,399)	(248,272)	(42,296)	(66,744)	(36,310)	(96,503)	(30,529)	(142,039)	-	-	(1,375,446)
Transfers	-	-	336,639	-	-	-	-	-	-	(336,639)	-	-	-
Currency translation difference	(343,375)	-	(939,794)	(1,727,847)	(28,947)	(85,073)	-	7,685	16,999	(107,138)	-	-	(3,207,490)
At 31 December 2013	**12,460,981**	**770,848**	**12,769,212**	**11,614,000**	**1,062,808**	**897,190**	**2,243,460**	**1,313,244**	**722,937**	**1,189,977**	**-**	**-**	**45,044,657**
Effect of adopting FRS110	**-**	**616,190**	**-**	**-**	**153,022**	**603,461**	**57,966**	**169,278**	**47,630**	**-**	**-**	**-**	**1,647,547**
Additions	**-**	**19,525**	**1,487,133**	**774,730**	**298,590**	**359,863**	**332,671**	**92,856**	**416,745**	**1,923,487**	**187,172**	**140,567**	**6,033,339**
Disposals	**(107,344)**	**-**	**(262,377)**	**-**	**(10,193)**	**(202,972)**	**-**	**(3,045)**	**(8,615)**	**-**	**-**	**-**	**(594,546)**
Written off	**-**	**-**	**-**	**-**	**(175,100)**	**-**	**-**	**-**	**(10,290)**	**(47,234)**	**-**	**-**	**(232,624)**
Reclassification/transfers	**73,074**	**-**	**2,921,625**	**(3,887,172)**	**46,259**	**-**	**-**	**(85,157)**	**-**	**(77,848)**	**807,604**	**201,615**	**-**
Reclassification to intangible assets	**-**	**-**	**-**	**-**	**(66,924)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(66,924)**
Currency translation difference	**85,807**	**-**	**617,190**	**460,465**	**19,967**	**35,608**	**-**	**50,288**	**55,321**	**57,278**	**-**	**-**	**1,381,924**
At 31 December 2014	**12,512,518**	**1,406,563**	**17,532,783**	**8,962,023**	**1,328,429**	**1,693,150**	**2,634,097**	**1,537,464**	**1,223,728**	**3,045,660**	**994,776**	**342,182**	**53,213,373**
Accumulated depreciation													
At 1 January 2013	632,091	385,290	3,674,079	4,225,697	522,717	661,217	286,839	942,991	458,722	-	-	-	11,789,643
Depreciation for the year	331,595	69,516	1,361,610	1,031,470	157,739	104,870	148,361	107,042	99,368	-	-	-	3,411,571
Disposals	(4,354)	-	(244,858)	(136,686)	(42,142)	(66,744)	(12,709)	(78,606)	(17,334)	-	-	-	(603,433)
Currency translation difference	(93,996)	-	(192,852)	(634,730)	(14,858)	(62,281)	-	22,860	10,076	-	-	-	(965,781)
At 31 December 2013	**865,336**	**454,806**	**4,597,979**	**4,485,751**	**623,456**	**637,062**	**422,491**	**994,287**	**550,832**	**-**	**-**	**-**	**13,632,000**
Depreciation for the year	**326,221**	**113,769**	**1,756,771**	**646,155**	**294,201**	**163,727**	**216,483**	**128,041**	**332,161**	**-**	**114,531**	**35,747**	**4,127,807**
Disposals	**(71,685)**	**-**	**(190,086)**	**-**	**(5,378)**	**(202,972)**	**-**	**(1,467)**	**(5,136)**	**-**	**-**	**-**	**(476,724)**
Written off	**-**	**-**	**-**	**-**	**(175,100)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(175,100)**
Effect of adopting FRS110	**-**	**558,454**	**-**	**-**	**105,338**	**402,405**	**49,760**	**166,718**	**44,779**	**-**	**-**	**-**	**1,327,454**
Reclassification/transfers	**23,900**	**-**	**1,014,156**	**(1,363,289)**	**11,377**	**-**	**-**	**(69,804)**	**-**	**-**	**243,290**	**140,370**	**-**
Reclassification to intangible assets	**-**	**-**	**-**	**-**	**(12,739)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(12,739)**
Currency translation difference	**24,535**	**-**	**273,877**	**168,125**	**11,305**	**22,275**	**-**	**44,039**	**24,847**	**-**	**-**	**-**	**569,003**
At 31 December 2014	**1,168,307**	**1,127,029**	**7,452,697**	**3,936,742**	**852,460**	**1,022,497**	**688,734**	**1,261,814**	**947,483**	**-**	**357,821**	**176,117**	**18,991,701**
Net book value													
At 31 December 2014	**11,344,211**	**279,534**	**10,080,086**	**5,025,281**	**475,969**	**670,653**	**1,945,363**	**275,650**	**276,245**	**3,045,660**	**636,955**	**166,065**	**34,221,672**
At 31 December 2013	11,595,645	316,042	8,171,233	7,128,249	439,352	260,128	1,820,969	318,957	172,105	1,189,977	-	-	31,412,657

5(A) PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(i) Depreciation expense is charged to:

The Group	Note	31 December 2014 RM	31 December 2013 RM
Cost of sales		**2,173,876**	2,033,703
Administrative expenses	20(b)	**1,953,931**	1,377,868
		4,127,807	3,411,571

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

The Group	31 December 2014 RM	31 December 2013 RM
At cost,		
Motor vehicles	**1,872,474**	268,056
Computer equipment	**267,577**	267,577
Machinery	**165,600**	-
	2,305,651	535,633
At net book value,		
Motor vehicles	**1,322,646**	120,410
Computer equipment	**66,895**	176,142
Machinery	**138,000**	-
	1,527,541	296,552

(iii) The details of the leasehold office and factory buildings are as follows:

Location	Land area (sqm)	Ownership	Tenure
Office building at: Level 22 PJX-HM Shah Tower No. 16A Persiaran Barat Petaling Jaya 46050 Selangor Darul Ehsan, Malaysia	1,241	IEV Group Sdn. Bhd.	99 years commencing 28 July 2006
Factory building at: Kampung Tegal Gede Desa Pasir Sari Kecamatan Cikarang Selatan, Kabupaten Bekasi 17550 Indonesia	6,000	PT. Prisma Agung Realty (Jakarta, Indonesia)	20 years lease commencing October 2007

As at the end of reporting period, the office building of the Group with a net book value of RM9,738,415 (2013 - RM9,941,298) has been pledged to a financial institution to secure bank borrowings [Note 15(b)].

(iv) The construction in progress relates to the costs incurred for construction work for gas pipeline located in Indonesia. It also included cost of land, architectural design fees, fee for consulting and preparing dossiers for construction permits, site consultancy and inspection relating to the new factory at Vietnam. The estimated additional cost to completion of filling and compacting, and to which the Group is contractually committed is RM151,800 (VND1,012,000,000).

5(B) OIL AND GAS PROPERTIES

The Group

Oil and gas properties represent costs for assets under construction related to exploration and evaluation activities at the area of interest. Management believes that such costs are expected to be recovered during the production stage.

6 ASSOCIATED COMPANIES

The Group	31 December 2014 RM	31 December 2013 RM
Equity investments, at cost	-	7,291,203
Share of post-acquisition profit and reserves	-	11,576,137
	-	18,867,340
Share of associated companies' results, net of tax	**516,893**	3,816,547
Fair value of quoted investment (Level 1 in the fair value hierarchy)	-	24,158,911

Details of the associated companies are as follows:

	Name	Country of incorporation/ principal place of business	Proportion of ownership interest and voting by the Group 2014 %	Proportion of ownership interest and voting by the Group 2013 %	Principal activities
^	CNG Vietnam Joint Stock Company ("CNG Vietnam") - Quoted equity investment	Socialist Republic of Vietnam	-	19.18	Strategic partnership with the Group. Producing, processing and charging CNG, LNG and LPG; providing services of converting, maintaining, repairing and installing conversion kits for facilities that use CNG, LNG and LPG; transportation services of CNG, LNG and LPG; provision of services of construction, installation, maintenance and repair of gas works
^^	IEV (Malaysia) Sdn. Bhd. - Unquoted equity investment	Malaysia	-	49	Provision of marine growth control, corrosion control, subsea engineering and oilfield equipment to the onshore, offshore and marine industries in Malaysia

^ Audited by Deloitte Vietnam Company Limited, Socialist Republic of Vietnam
^^ Audited by SJ Grant Thornton, Malaysia

During the financial year ended 31 December 2014, the Group disposed its entire shares of 5,178,759 in CNG Vietnam for a cash consideration of RM27.5 million. The Group recorded a gain of approximately RM8.9 million in its books.

Summarised financial information in respect of the Group's material associated company is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with FRS.

6 ASSOCIATED COMPANIES (CONT'D)

CNG Vietnam Joint Stock Company

Summarised balance sheet

	31 December 2014 RM	31 December 2013 RM
Current assets	-	67,643,543
Non-current assets	-	48,112,528
Current liabilities	-	22,118,878
Non-current liabilities	-	7,620,599

Summarised statement of comprehensive income

	31 December 2014* RM	31 December 2013 RM
Revenue	**62,681,600**	142,467,084
Profit for the year	**6,635,550**	20,485,920
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**6,635,550**	20,485,920
Dividends received from the associate during the year	-	2,091,077

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

	31 December 2014 RM	31 December 2013 RM
Net assets of the associate	-	86,016,594
Proportion of the Group's ownership interest in the associate	-	19.18%
Dividend received from the associated company	-	(2,091,077)
Other adjustments	-	3,500,354
Carrying amount of the Group's interest in the associate	-	17,907,260

In the opinion of the directors of the Group, there are no contingent liabilities and capital commitments to be disclosed in the financial statements of the Group.

Other adjustments include the change in the shareholding of associated company.

* Covered only five months period from 1 January 2014 to 31 May 2014.

IEV (Malaysia) Sdn. Bhd. adopted equity accounting from 1 January 2014 to 30 September 2014. From 1 October 2014, it is reclassified as a subsidiary. Please refer to Note 24 for more details. In financial year 2013, the carrying amount of the Group's interest in IEV (Malaysia) Sdn. Bhd. is RM960,080.

7 PREPAYMENTS

		The Company		The Group	
		31 December 2014	31 December 2013	**31 December 2014**	31 December 2013
Prepayments	- current	**58,303**	73,852	**1,717,095**	1,211,211
	- non-current	**-**	-	**2,003,136**	1,093,396

The current prepayments relate to prepaid operating expenses.

The non-current prepayments relate to premium sum incurred for guarantee bond for a gas project in Indonesia and reimbursable value-added taxes which are due to be recovered more than twelve months after the end of reporting period.

8 DEFERRED TAX ASSETS

The Group	Note	**31 December 2014 RM**	31 December 2013 RM
Balance at beginning of year		**191,586**	219,969
Credited/(debited) to consolidated income statement	22	**122,578**	(28,698)
Currency translation difference		**7,096**	315
Balance at end of year		**321,260**	191,586
The balance comprises tax on:			
Provision for post-employment benefit obligations		**321,260**	191,586

The deferred tax assets are to be recovered after one year.

9(A) INVENTORIES

The Group	**31 December 2014 RM**	31 December 2013 RM
Raw materials, at net realisable value	**4,663,988**	4,007,914
Consumables - fuel and lubricant, at cost	**-**	4,232
Compressed Natural Gas ("CNG"), at cost	**755,908**	83,736
Spare parts, at cost	**92,333**	781,388
	5,512,229	4,877,270
Less:		
Allowance for slow moving inventories, raw materials		
Balance at beginning of year	**63,707**	-
Allowance made during the year (Note 21)	**175,074**	63,707
Balance at end of year	**238,781**	63,707
	5,273,448	4,813,563
Cost of inventories included in cost of sales	**1,649,422**	564,968

9(B) WORK-IN-PROGRESS

The Group

Work-in-progress represents unbilled services rendered and the amount to be collected from the customers for the project work performed to-date. There is no attributable profit recognised for this work-in-progress.

10 TRADE AND OTHER RECEIVABLES

	The Company		The Group	
	31 December 2014 RM	31 December 2013 RM	**31 December 2014 RM**	31 December 2013 RM
Trade receivables				
- external parties	-	-	**30,820,783**	21,466,067
- accrued billings	-	-	**45,223,248**	34,650,408
	-	-	**76,044,031**	56,116,475
Less:				
Impairment loss on trade receivables				
Balance at beginning of year	-	-	**(737,366)**	(442,658)
Effect of adopting FRS 110	-	-	**(1,284,492)**	-
Allowance for the year (Note 21)	-	-	**(779,084)**	(545,133)
Allowance no longer required (Note 20(a))	-	-	**481,744**	72,577
Allowance utilised during the year	-	-	**253,214**	140,597
Currency translation difference	-	-	**(41,775)**	37,251
Balance at end of year	-	-	**(2,107,759)**	(737,366)
Net trade receivables	-	-	**73,936,272**	55,379,109
Deposits	-	-	**2,578,930**	2,764,263
Amount owing by associated companies - advances	-	-	**-**	16,236,327
Amount owing by a director of subsidiaries and a director of the Group				
- Didik Achwan Widiyanto	-	-	**1,402,858**	1,319,999
- Juzer bin Nomanbhoy	-	-	**154,737**	145,593
- Christopher Do	-	-	**436,606**	536,958
			1,994,201	2,002,550
Less:				
Impairment loss on other receivables				
Balance at beginning of year	-	-	**(251,022)**	-
Allowance for the year (Note 21)	-	-	**-**	(251,022)
Balance at end of year	-	-	**(251,022)**	(251,022)
	-	-	**1,743,179**	1,751,528
Advances to employees	-	-	**129,039**	207,566
Tax recoverables	-	-	**3,694,552**	4,172,896
Value-added tax receivables	-	-	**127,339**	80,135
Advances to third parties	-	-	**9,609,701**	5,243,692
Others	-	-	**2,088,241**	2,036,275
	-	-	**19,970,981**	32,492,682
	-	-	**93,907,253**	87,871,791

10 TRADE AND OTHER RECEIVABLES (CONT'D)

Trade and other receivables are denominated in the following currencies:

	The Company		The Group	
	31 December 2014	31 December 2013	**31 December 2014**	31 December 2013
	RM	RM	**RM**	RM
RM	**-**	-	**9,642,107**	21,259,182
USD	**-**	-	**80,394,405**	62,948,893
IDR	**-**	-	**1,685,349**	1,035,395
SGD	**-**	-	**17,169**	17,089
VND	**-**	-	**2,165,969**	2,523,079
AUD	**-**	-	**-**	86,031
HKD	**-**	-	**2,254**	2,122
	-	-	**93,907,253**	87,871,791

The Group

All trade and other receivables are subject to credit risk exposure where the credit terms are generally between 30 and 45 days. However, the Group does not identify specific concentrations of credit risk with regards to trade and other receivables, as the amounts recognised resemble a large number of receivables from various customers.

The credit risk for trade receivables based on the information provided to key management is as follows:

(i) Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are substantially customers with a good collection track record with the Group.

The Group	**31 December 2014 RM**	31 December 2013 RM
Current	**16,191,515**	6,576,401

Other receivables that are not impaired categorised as financial assets as disclosed in this report, are considered current and not past due.

(ii) Financial assets that are past due but not impaired

The ageing analysis of trade receivables past due but not impaired is as follows:

The Group	**31 December 2014 RM**	31 December 2013 RM
Past due less than 31 days	**2,402,019**	3,013,040
Past due 31 to 60 days	**2,295,367**	1,465,949
Past due more than 61 days	**7,824,123**	9,673,311
	12,521,509	14,152,300

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade receivables not past due or past due but not impaired. These receivables are mainly arising by customers that have a good credit record with the Group.

10 TRADE AND OTHER RECEIVABLES (CONT'D)

(iii) Financial assets that are past due and impaired

The ageing analysis of trade receivables past due and impaired is as follows:

The Group	**31 December 2014 RM**	31 December 2013 RM
Past due less than 31 days	**-**	-
Past due 31 to 60 days	**-**	-
Past due more than 61 days	**2,107,759**	737,366
	2,107,759	737,366

Impairment on trade and other receivables is made when certain debtors are identified to be irrecoverable.

Included in deposits of RM2.6 million (2013 - RM2.8 million) are as follows:

- Deposit for office spaces;
- Deposit for residential apartment; and
- Refundable deposit to third party for providing banker guarantee.

The advances owing by associated company were unsecured and interest-free. They had no repayment terms and were repayable only when the cashflows of the borrowers permitted. During the year, the advances owing by associated company are eliminated in full since the associated company became a subsidiary of the Group.

The amount owing by a director of the subsidiaries represents unsecured and interest-free advances and the balance represents disbursements for business purpose.

The amount owing by a director of the Group represents dividend received on behalf of the subsidiary and to be remitted to the Group.

The advances made to employees are for business purpose.

Tax recoverables relate to prepaid withholding tax for sales made to customers and corporate income tax in Indonesia.

Advances to third parties relate to payments made on behalf and advance payment to a subcontractor for purchase of equipment.

Impairment on other receivables is made when debts are identified to be irrecoverable.

11 FIXED DEPOSITS

The Group

(a) Included in the fixed deposits is a sum of RM101,220 and carried an interest rate of 0.25% per annum. It has been pledged to a financial institution for providing banker's guarantee for a project undertaken by a subsidiary.

(b) The fixed deposit amounted to RM6,645,381 which RM3,939,040 that has been pledged to a financial institution for providing banker's guarantee for a project undertaken by a subsidiary. The fixed deposit carried an interest rate 3.30% per annum.

(c) During the financial year, the fixed deposit of RM496,984 matured on 17 April 2014 and carried an interest rate of 0.50% per annum. It had been pledged to a financial institution for providing banker's guarantee for a bank loan facility of USD2,000,000 [Note 15(a)].

11 FIXED DEPOSITS (CONT'D)

The fixed deposits have a maturity of more than 3 months. Fixed deposits are denominated in the following currencies:

	The Company		The Group	
	31 December 2014	31 December 2013	**31 December 2014**	31 December 2013
	RM	RM	**RM**	RM
USD	**-**	-	**101,220**	-
RM	**-**	-	**6,645,381**	496,984
	-	-	**6,746,601**	496,984

12 CASH AND BANK BALANCES

	The Company		The Group	
	31 December 2014	31 December 2013	**31 December 2014**	31 December 2013
	RM	RM	**RM**	RM
Cash on hand	**-**	-	**70,099**	73,750
Bank balances	**131,149**	1,920,643	**19,684,224**	16,345,216
	131,149	1,920,643	**19,754,323**	16,418,966
Fixed deposits	**-**	-	**2,165,792**	2,535,625
	131,149	1,920,643	**21,920,115**	18,954,591

Cash and bank balances are denominated in the following currencies:

	The Company		The Group	
	31 December 2014	31 December 2013	**31 December 2014**	31 December 2013
	RM	RM	**RM**	RM
USD	**73,013**	256,917	**17,732,962**	13,161,454
VND	**-**	-	**407,247**	2,369,587
IDR	**-**	-	**743,953**	635,859
RM	**-**	-	**2,932,352**	1,009,209
GBP	**-**	-	**19,386**	18,577
SGD	**58,136**	1,663,726	**78,216**	1,745,945
HKD	**-**	-	**5,999**	13,960
	131,149	1,920,643	**21,920,115**	18,954,591

The Group	**31 December 2014**	31 December 2013
Interest rates (per annum)		
- fixed deposits	**0.01% - 0.5%**	0.01% - 9.0%
The fixed deposits mature on:		
Earliest date	**14 January 2015**	10 January 2014
Latest date	**26 January 2015**	21 March 2014

12 CASH AND BANK BALANCES (CONT'D)

The fixed deposits have a maturity of less than 3 months.

(a) Included in the fixed deposits is a sum of RM1,418,777 (2013 - RM1,335,873) which has been pledged to certain financial institutions for providing:
- a corporate credit card facility to a subsidiary; and
- banker's guarantee facilities to subsidiaries.

(b) A fixed deposit of RM531,585 matures on 16 January 2015 and carries interest rate of 0.50%. It had been pledged to a financial institution for providing banker's guarantee for a bank loan facility of USD2,000,000 [Note 15(a)].

(c) In financial year 2013, included in the fixed deposits was a sum of RM144,489 which was interest-free and denominated in Indonesia Rupiah. It had been pledged to a financial institution for providing banker's guarantee for a project undertaken by a subsidiary.

(d) The bank balances include a sum of RM3,375,855 (2013 - RM3,545,734) 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 the specific project.

13 SHARE CAPITAL

	No. of ordinary shares		Amount	
The Company	**31 December 2014**	31 December 2013	**31 December 2014**	31 December 2013
			RM	RM
Issued and fully paid ordinary shares, with no par value				
Balance at beginning of year	**189,200,000**	172,000,000	**80,048,236**	63,246,859
Issue of ordinary shares	**-**	17,200,000	**-**	16,801,377
Balance at end of year	**189,200,000**	189,200,000	**80,048,236**	80,048,236

On 10 June 2013, the Company entered into a Placement Agreement for the allotment and issuance of an aggregate of 17,200,000 new ordinary shares in the capital of the Company (the "Placement Shares" and each a "Placement Share") to investors by way of private placement in Singapore pursuant to section 272B of the Securities and Futures Act at an issue price of SGD0.413 per Placement Share. The Placement Shares were fully subscribed and upon full subscription was listed and quoted on Catalist of the SGX-ST. The placement generated additional capital of RM16,801,377 after deducting expenses in connection with the placement of RM371,789. The Placement Shares rank pari-passu with the ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

14 CURRENCY TRANSLATION RESERVE

The Group

Currency translation reserve arises from the translation of the financial statements of foreign subsidiaries and an associated company. Exchange translation reserve is non-distributable.

15 BANK BORROWINGS

The Group		31 December 2014 RM	31 December 2013 RM
Bank loan			
- #1 (secured)	(a)	**1,165,000**	3,281,501
- #2 (secured)	(b)	**7,518,577**	7,771,682
		8,683,577	11,053,183
Bank overdraft (secured)	(c)	**2,669,660**	2,898,778
		11,353,237	13,951,961
Amount repayable:			
Not later than one year		**4,099,441**	5,345,418
Later than one year and not later than five years		**1,198,510**	2,258,776
Later than five years		**6,055,286**	6,347,767
		7,253,796	8,606,543
		11,353,237	13,951,961

Bank borrowings are denominated in the following currencies:

The Group	31 December 2014 RM	31 December 2013 RM
USD	**1,165,000**	3,281,501
RM	**10,188,237**	10,670,460
	11,353,237	13,951,961

(a) The bank loan facility #1 of USD2,000,000 (RM6,996,120) granted to a subsidiary by a bank is repayable over 12 quarterly repayments of USD166,667 (RM583,011) commencing 19 July 2012 with the final balance repayable on 18 April 2015.

Interest is repriced once in every 3 months. Interest rate varies between 4.34% and 4.35% (2013 - between 4.14% and 4.49%) per annum. The bank loan is secured by:

(i) a debenture comprising fixed and floating charge over all present and future assets of a subsidiary;
(ii) a first charge over the Escrow Account to be opened with a financial institution acceptable to the bank and which are to be operated solely by the bank;
(iii) a charge over the assets of a subsidiary;
(iv) corporate guarantees provided by the Company and a subsidiary; and
(v) a personal guarantee provided by a director, Christopher Nghia Do.

15 BANK BORROWINGS (CONT'D)

(b) The bank loan facility #2 of RM8,000,000 granted to a subsidiary by a bank is repayable over 240 monthly repayments of RM51,482 commencing 31 January 2013 with the final balance of RM40,077 repayable on 31 January 2033.

Interest rate is charged at between 4.7% and 4.95% (2013 - 4.7%) per annum. The bank loan is secured by:

(i) a mortgage of the leasehold office building of a subsidiary [Note 5(a)(iii)]; and
(ii) a corporate guarantee provided by the Company.

(c) The bank overdraft is secured by:

(i) a debenture by way of a fixed and floating charge over all present and future assets of a subsidiary;
(ii) a corporate guarantee provided a subsidiary; and
(iii) a personal guarantee provided by a director, Christopher Nghia Do.

Interest is repriced on monthly basis. Interest rate varies between 8.10% and 8.35% (2013 - 7.44% and 8.40%) per annum.

The table below analyses the maturity profile of the Group's borrowings based on contractual undiscounted cash flows:

The Group	**31 December 2014 RM**	31 December 2013 RM
Carrying amount		
Less than one year	**4,099,441**	5,345,418
Between one to five years	**1,198,510**	2,258,776
More than five years	**6,055,286**	6,347,767
	11,353,237	13,951,961
Contractual cash flows		
Less than one year	**4,479,144**	5,796,821
Between one to five years	**2,518,926**	3,578,856
More than five years	**8,228,162**	8,680,509
	15,226,232	18,056,186

As at the reporting date, the Group has unutilised bank facilities of approximately RM18,342,000 (2013 - RM5,273,000). The carrying amounts of the Group's borrowings approximate their fair value.

16 FINANCE LEASE OBLIGATIONS

The Group	31 December 2014 RM	31 December 2013 RM
Minimum lease payments payable:		
Due not later than one year	**470,752**	128,264
Due later than one year and not later than five years	**696,812**	35,095
	1,167,564	163,359
Finance charges allocated to future periods	**(177,313)**	(16,094)
Present value of minimum lease payments	**990,251**	147,265
Present value of minimum lease payments:		
Due not later than one year	**373,684**	113,583
Due later than one year and not later than five years	**616,567**	33,682
	990,251	147,265

Finance lease obligations are denominated in the following currencies:

The Group	31 December 2014 RM	31 December 2013 RM
RM	**270,967**	50,113
IDR	**719,284**	97,152
	990,251	147,265

The Group leases motor vehicles, computers 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 finance lease obligations are secured by the underlying assets [Note 5(a)(ii)].

The weighted average effective interest rate of finance lease obligations is 7.16% (2013 – 5.63%).

The amount payable within one year is included under current liabilities whilst that payable after one year is included under non-current liabilities.

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

17 DEFERRED TAX LIABILITIES

The Group	Note	31 December 2014 RM	31 December 2013 RM
Balance at beginning of year		**(46,280)**	(5,000)
Charged to income statement	22	**(8,995)**	(39,549)
Currency translation difference		**(3,256)**	(1,731)
Balance at end of year		**(58,531)**	(46,280)

The balance on deferred tax liabilities comprises tax on excess of net book value over tax written down value of property, plant and equipment of a subsidiary.

17 DEFERRED TAX LIABILITIES (CONT'D)

The deferred tax liabilities are to be settled after one year.

Deferred income tax liabilities of RM40,294 (2013 – RM107,015) have not been recognised for withholding tax and other taxes what will be payable on the earnings of overseas subsidiaries and associates when remitted to the Company.

18 TRADE AND OTHER PAYABLES

	The Company		The Group	
	31 December 2014	31 December 2013	**31 December 2014**	31 December 2013
	RM	RM	**RM**	RM
Trade payables - third parties	**-**	-	**13,084,427**	28,640,648
Accruals for project costs	**-**	-	**57,648,167**	30,240,230
Accruals for payroll costs	**-**	-	**132,292**	722,235
Accruals for operating expenses	**454,068**	353,787	**1,804,342**	1,979,495
Accruals for exploration and exploitation expenses	**-**	-	**3,580,023**	184,974
	454,068	353,787	**76,249,251**	61,767,582
Non-trade				
Amount owing to an associated Company [Note 18(a)]	**-**	-	**-**	1,254
Amount owing to directors [Note 18(b)]	**605**	798	**4,479**	6,432,194
Amount owing to sub-contractor [Note 18(c)]	**-**	-	**4,629,780**	-
Withholding tax	**-**	-	**660,727**	777,362
Value-added tax payables	**-**	-	**97,706**	-
Others	**24,306**	112,076	**3,780,400**	4,258,562
Current portion	**478,979**	466,661	**85,422,343**	73,236,954
Provision for post-employment benefit obligations [Note 18(d)]	**-**	-	**1,758,639**	1,202,780
Advances from a third party [Note 18(e)]	**-**	-	**5,000,000**	5,000,000
Provision for decommissioning [Note 18(f)]	**-**	-	**1,954,541**	-
Non-current portion	**-**	-	**8,713,180**	6,202,780
	478,979	466,661	**94,135,523**	79,439,734

18 TRADE AND OTHER PAYABLES (CONT'D)

Trade and other payables are denominated in the following currencies:

	The Company		The Group	
	31 December 2014	31 December 2013	**31 December 2014**	31 December 2013
	RM	RM	**RM**	RM
RM	**80,765**	103,878	**13,138,859**	24,322,186
USD	**-**	-	**74,370,479**	51,235,305
IDR	**-**	-	**4,348,641**	2,215,283
GBP	**-**	-	**135,423**	95,561
Euro	**-**	-	**-**	3,051
HKD	**-**	-	**-**	2,234
SGD	**398,214**	362,783	**740,670**	1,449,528
AUD	**-**	-	**-**	20,880
VND	**-**	-	**1,401,451**	95,706
	478,979	466,661	**94,135,523**	79,439,734

The Group

The fair values of trade and other payables have not been separately disclosed as, due to their short duration, management considers the carrying amounts recognised in the statements of financial position to be reasonable approximation of their fair value.

(a) The non-trade amount owing to an associated company represented advances which were unsecured and interest-free.

(b) The amount owing to directors of the Group relate to reimbursable disbursements incurred for business use and are repayable on demand.

As at 31 December 2013, the advances given by a director amounted to RM6,000,000, with interest rate of 10% per annum and were repaid during the financial year 2014.

(c) The amount owing to subcontractor of the Group relate to money received for guarantee provided for contractual obligations.

(d) Provision for post-employment benefit obligations

The Group provides post-employment benefits for their eligible employees in accordance to Indonesia Labour Act No. 13 (2003).

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

18 TRADE AND OTHER PAYABLES (CONT'D)

(d) Provision for post-employment benefit obligations (cont'd)

The Group	Note	31 December 2014 RM	31 December 2013 RM
Obligations recognised in the statements of financial position for:			
- post-employment and other long-term benefits	(i)	**1,758,639**	1,202,780
Expenses charged to consolidated statement of comprehensive income and capitalised to oil and gas properties			
- post-employment and other long-term benefits	(ii)	**647,041**	734,735

(i) The amount recognised in the statements of financial position is determined as follows:

The Group	31 December 2014 RM	31 December 2013 RM
Present value of unfunded obligations	**1,542,779**	1,332,981
Unrecognised actuarial gain	**238,088**	(43,525)
Currency translation difference	**(22,228)**	(86,676)
Net liability recognised in the statements of financial position	**1,758,639**	1,202,780

(ii) The amounts recognised in consolidated statement of comprehensive income and capitalised to oil and gas properties are as follows:

The Group	31 December 2014 RM	31 December 2013 RM
Current service cost	**499,469**	668,225
Interest cost	**78,094**	64,494
Net actuarial losses recognised in the financial year	**69,478**	2,016
	647,041	734,735

Movements in the defined benefit obligations are as follows:

The Group	31 December 2014 RM	31 December 2013 RM
Balance at beginning of year	**1,202,780**	843,852
Expense for the year	**430,379**	734,735
Amount capitalised to oil and gas properties	**216,662**	-
Credited to other comprehensive income	**(26,989)**	(118,647)
Benefits paid	**(107,679)**	(82,122)
Currency translation difference	**43,486**	(175,038)
Balance at end of year	**1,758,639**	1,202,780

18 TRADE AND OTHER PAYABLES (CONT'D)

(d) Provision for post-employment benefit obligations (cont'd)

The principal actuarial assumptions used are as follows:

The Group	31 December 2014 RM	31 December 2013 RM
Reference to mortality rate *	**TMI 2011 / CSO1980**	TMI 2011 / CSO1980
Discount rate	**8.0% - 8.25%**	8.5% - 9.0%
Expected return on plan assets	**NA**	NA
Future salary increases	**9.0% - 10.0%**	9.0% - 10.0%
Normal pension years	**55 years**	55 years

* TMI 2011/ CSO1980 refers to a mortality table consisting of separate rates of mortality for male and female lives

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 2015. At 31 December 2014, the weighted-average duration of the post-employment benefits was 21.5 years (2013: 21.5 years)

(e) The advances from a third party which is unsecured and interest rate is charged at 10% per annum. The advances are repayable in April 2018.

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

19 ADVANCE BILLINGS

The Group

Advance billings relate mainly to billings made in advance for services rendered.

20(A) OTHER OPERATING INCOME

The Group	Note	Year ended 31 December 2014 RM	Year ended 31 December 2013 RM
Interest income		**495,727**	181,799
Gain on disposal of property, plant and equipment	21	**43,630**	11,223
Rental income from sub-lease of factory and office space		**161,389**	100,513
Deposit forfeited on cancellation of proposed acquisition in a subsidiary		**-**	305,850
Waiver of debt by a creditor of a subsidiary	21	**380,456**	1,252,124
Gain on disposal of associated company	21	**8,902,886**	-
Allowance for impairment loss on trade receivables no longer required	10	**481,744**	72,577
Sundry income		**907,484**	637,067
		11,373,316	2,561,153
Interest rates (per annum):			
- bank deposits		**0.001% - 0.145%**	0.1% - 0.5%
- fixed deposits		**0.38%- 7.00%**	0.1% - 7.0%

20(B) ADMINISTRATIVE EXPENSES

The Group	Note	Year ended 31 December 2014 RM	Year ended 31 December 2013 RM
Employee benefit costs	20(d)	**11,502,941**	10,459,544
Amortisation of intangible assets	4	**407,050**	371,719
Consultancy fees		**1,426,410**	438,241
Depreciation of property, plant and equipment	5(a)	**1,953,931**	1,377,868
Legal fees		**226,728**	39,760
Rental expenses	21	**1,241,429**	854,072
Travelling		**539,511**	441,800
Property, plant and equipment written off	21	**57,524**	429,068
Intangible assets written off	21	**-**	43,309
Others		**5,636,197**	5,155,892
		22,991,721	19,611,273

20(C) FINANCE COSTS

The Group	Year ended 31 December 2014 RM	Year ended 31 December 2013 RM
Interests on:		
- bank borrowings	**455,567**	688,233
- finance lease obligations	**57,827**	34,171
- bank overdraft	**233,037**	231,294
- advances from third party	**500,000**	343,671
	1,246,431	1,297,369
Interest rates (per annum):		
- bank borrowings	**4.7%**	4.35% - 8.1%
- finance lease obligations	**4.43%-9.5%**	4.8% - 6.5%
- bank overdraft	**8.4%**	8.1%
- advances from third party	**10%**	10%

20(D) EMPLOYEE BENEFIT COSTS

The Group	Year ended 31 December 2014 RM	Year ended 31 December 2013 RM
Directors' remuneration		
- salaries and related costs	**2,216,581**	2,055,312
- defined contributions	**17,306**	6,950
- director fees	**586,034**	533,564
Key management personnel (other than directors)		
- salaries and related costs	**1,191,472**	1,529,505
- defined contributions	**46,504**	47,073
	4,057,897	4,172,404
Other than directors and key management personnel		
- salaries and related costs	**11,066,568**	9,751,978
- defined contributions	**651,799**	622,740
- defined benefit plans	**430,379**	734,735
	16,206,643	15,281,857

Employee benefit costs are charged to:

The Group	Note	Year ended 31 December 2014 RM	Year ended 31 December 2013 RM
Cost of sales		**4,703,702**	4,822,313
Administrative expenses	20(b)	**11,502,941**	10,459,544
		16,206,643	15,281,857

21 PROFIT/(LOSS) BEFORE TAXATION

The Group	Note	Year ended 31 December 2014 RM	Year ended 31 December 2013 RM
Profit/(loss) before taxation has been arrived at after charging/(crediting):			
Amortisation of intangible assets	4	**460,912**	416,539
Depreciation of property, plant and equipment	5(a)	**4,127,807**	3,411,571
Exchange gain		**(1,261,904)**	(475,738)
Rental - operating leases	20(b)	**1,241,429**	854,072
Audit fees paid/payable to:			
- auditors of the Company		**592,788**	502,286
- other auditors		**142,681**	144,382
Non audit fees paid/payable to			
- auditors of the Company		**78,609**	64,041
- other auditors		**37,600**	36,900
Gain on disposal of property, plant and equipment	20(a)	**(43,630)**	(11,223)
Property, plant and equipment written off	20(b)	**57,524**	429,068
Intangible assets written off	20(b)	**-**	43,309
Impairment loss on trade receivables	10	**779,084**	545,133
Impairment loss on other receivables	10	**-**	251,022
Loss on dilution of shares in an associated company		**-**	28,410
Allowance for slow moving inventories	9(a)	**175,074**	63,707
Waiver of debt by a creditor of a subsidiary	20(a)	**(380,456)**	(1,252,124)
Gain on disposal of shares in associated company	20(a)	**(8,902,886)**	-
Cost of inventories included in cost of sales	9(a)	**1,649,442**	564,968

22 TAXATION

The Group	Note	Year ended 31 December 2014 RM	Year ended 31 December 2013 RM
Current taxation		**440,732**	1,590,292
Deferred tax assets (credited to)/debited to consolidated statement of comprehensive income	8	**(122,578)**	28,698
Deferred tax liabilities charged to consolidated statement of comprehensive income	17	**8,995**	-
		327,149	1,618,990
Underprovision of current taxation in respect of prior years		**215,409**	983
		542,558	1,619,973

22 TAXATION (CONT'D)

The tax expense 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 of the following:

The Group	31 December 2014 RM	31 December2013 RM
Profit/(loss) before taxation	**5,561,391**	(2,045,991)
Tax at the domestic rate in Malaysia	**1,713,190**	(1,244,284)
Differences in foreign tax rates	**(1,073,854)**	(669,426)
Tax effect on non-deductible expenses[(1)]	**11,515,693**	12,353,738
Tax effect on non-taxable income[(2)]	**(11,652,071)**	(10,190,669)
Tax effect of deferred tax not recognised	**356,092**	3,684,530
Underprovision of current taxation in respect of prior years	**215,409**	983
Tax effect on offshore exemption for Hong Kong entity	**(532,012)**	(1,805,111)
Utilisation of deferred tax assets on temporary differences not recognised in previous years	**-**	(507,363)
Others	**111**	(2,425)
	542,558	1,619,973

[(1)] This relates to disallowed expenditure incurred in the ordinary course of business.
[(2)] This relates to dividend income and capital gain that is not subject to tax.

The Company has no taxable income to be subject to income tax in Singapore.

The Group has unabsorbed capital allowances and tax losses as follows:

The Group	31 December 2014 RM	31 December 2013 RM
Unutilised tax losses	**28,135,345**	30,815,000
Unabsorbed capital allowances	**726,948**	494,000
	28,862,293	31,309,000
Unutilised tax benefits	**7,198,450**	7,827,000

These unutilised tax benefits are available for offset against future taxable profits provided that the provisions of relevant countries' tax legislations in Malaysia, Indonesia and Socialist Republic of Vietnam are complied with. Unutilised tax benefits have not been recognised in the consolidated financial statements since there is no reasonable certainty of their realisation in future periods.

22 TAXATION (CONT'D)

Operational Headquarters Status ("OHQ Status")

IEV Group Sdn. Bhd., a company incorporated in Malaysia, was accorded an approved OHQ status by the Malaysian Industrial Development Authority for the period from 1 January 2004 to 31 December 2013; where the entity enjoys income tax exemption on its statutory income from all income from the provision of qualifying services and a part of the income from the provision of services in Malaysia (not exceeding 20%).

Full tax exemption on profits derived outside Hong Kong

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.

23 EARNINGS PER SHARE

Basic and diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the net profit/(loss) attributable to equity holders of the Group by the weighted average number of ordinary shares in issue of 189,200,000 (2013 - 181,613,151) shares during the financial year. There was a placement of 17,200,000 new ordinary shares in the capital of the Company on 10 June 2013.

The Group	**31 December 2014 RM**	31 December 2013 RM
Net profit/(loss) attributable to equity holders of the Group	**4,794,360**	(3,724,043)
Weighted average number of ordinary shares for purpose of calculating basic earnings per share	**189,200,000**	181,613,151
Basic and diluted earnings per share (Malaysian sen)	**2.5**	(2.0)

As there are no dilutive potential ordinary shares that were outstanding during the financial year, the basic earnings per share is the same as the diluted earnings per share.

24 SUBSIDIARIES

The Company		31 December 2014 RM	31 December 2013 RM
Unquoted equity investments, at cost	(i)	**32,357,388**	32,357,388
Amounts owing by subsidiaries (non-trade)			
- long-term loans		**41,251,989**	39,472,074
Less:			
Impairment loss on receivables			
Balance at beginning of year		**(11,857,257)**	(14,492,820)
Allowance during the financial year		**-**	(10,364,437)
Allowance no longer required		**5,701,278**	13,000,000
Balance at end of year		**(6,155,979)**	(11,857,257)
	(ii)	**35,096,010**	27,614,817
Total	(i) + (ii)	**67,453,398**	59,972,205

The amounts owing by subsidiaries on long-term loans account are an extension of the Company's net investment in the subsidiaries. These are unsecured, interest-free and are neither planned nor likely to be settled in the foreseeable future. Because they represent net investment, with indeterminable repayments, it is not practicable to determine the fair value of these amounts owing.

24 SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:

	Name	Country of incorporation/ principal place of business	Cost of investments		Proportion of ownership interest and voting right held by the Group		Principal activities
			31 December 2014 RM	31 December 2013 RM	**31 December 2014 %**	31 December 2013 %	
	Held by the Company						
##	IEV Group Sdn. Bhd.	Malaysia	**25,880,102**	25,880,102	**100**	100	Investment holding, provision of technical and management services to its subsidiaries, conducting product development for the Group's product and services
	IEV Energy Investment Pte. Limited	Singapore	**6,477,286**	6,477,286	**100**	100	Investment in oil and gas projects
++	IEV Biomass Corporation Limited	Hong Kong	**	-	**100**	-	Trading, procurement, marketing and distribution of biomass products
	Subsidiaries held by IEV Group Sdn. Bhd.						
^	IEV International Limited	Hong Kong	**+**	+	**100**	100	Provision of marine growth control, corrosion control, subsea engineering and oilfield equipment and services to the onshore, offshore and marine industries in global market
^^	PT IEV Indonesia	Indonesia	+	+	95	95	Provision of marine growth control, corrosion control, subsea engineering and oilfield equipment to oil and gas and marine industries in Indonesia
	Balance carried forward		**32,357,388**	32,357,388			

** The cost of investment is less than RM1.

24 SUBSIDIARIES (CONT'D)

	Name	Country of incorporation/ principal place of business	Cost of investments		Proportion of ownership interest and voting right held by the Group		Principal activities
			31 December 2014 RM	31 December 2013 RM	**31 December 2014 %**	31 December 2013 %	
	Balance brought forward		**32,357,388**	32,357,388			
	Subsidiaries held by IEV Group Sdn. Bhd. (cont'd)						
##	IEV Manufacturing Sdn. Bhd.	Malaysia	**+**	+	**100**	100	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
#	IEV Oil & Gas Technologies Co., Ltd.	Socialist Republic of Vietnam	**+**	+	**100**	100	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)

24 SUBSIDIARIES (CONT'D)

	Name	Country of incorporation/ principal place of business	Cost of investments		Proportion of ownership interest and voting right held by the Group		Principal activities
			31 December 2014 RM	31 December 2013 RM	**31 December 2014 %**	31 December 2013 %	
	Balance brought forward		**32,357,388**	32,357,388			
	Subsidiaries held by IEV Group Sdn. Bhd. (cont'd)						
##	IEV Energy Sdn. Bhd.	Malaysia	**+**	+	**100**	100	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
##	IEV Engineering Sdn. Bhd.	Malaysia	**+**	+	**100**	100	Provision of marine growth control, corrosion control, subsea engineering and oilfield equipment and services to the oil and gas and marine industries in Malaysia
##	IEV (Malaysia) Sdn. Bhd.	Malaysia	**+**	+	**49**	+++	Provision of marine growth control, subsea engineering and oilfield equipment to the onshore, offshore and marine industries in Malaysia
	Balance carried forward		**32,357,388**	32,357,388			

24 SUBSIDIARIES (CONT'D)

	Name	Country of incorporation/ principal place of business	Cost of investments		Proportion of ownership interest and voting right held by the Group		Principal activities
			31 December 2014 RM	31 December 2013 RM	**31 December 2014 %**	31 December 2013 %	
	Balance brought forward		**32,357,388**	32,357,388			
	Subsidiary held by IEV Energy Sdn. Bhd.						
^^	PT IEV Gas	Indonesia	**+**	+	**95**	95	Undertakes commercial business of CNG and LNG, and provision of bottling services, charging and transportation of CNG and LNG
#	IEV Vietnam Joint Stock Company (formerly known as IEV Biomass Joint Stock Company)	Socialist Republic of Vietnam	**+**	+	**75**	71	Undertake business activities in relation to the production of renewable energy
	Subsidiary held by IEV Energy Investment Pte. Limited						
^^^	PT. IEV Pabuaran KSO	Indonesia	**+**	+	**95**	95	Undertake business activities in relation to onshore oil and natural gas services and operating and maintenance of oil and natural gas facility services
			32,357,388	32,357,388			

^ Audited by Cheng & Cheng Limited, Hong Kong
^^ Audited by Hendrawinata Gani & Hidayat Grant Thornton, Indonesia
^^^ Audited by Osman Bing Satrio & Eny (Member Firm of Deloitte Touche Tohmatsu Limited), Indonesia
# Audited by Grant Thornton (Vietnam) Ltd, Socialist Republic of Vietnam
Audited by SJ Grant Thornton, Malaysia
* Audited by Mitchell & Partners Chartered Accountants, Australia
+ Interest held through subsidiaries
++ The subsidiary is dormant during the financial year 2014.
+++ In the financial year 2013, IEV (Malaysia) Sdn. Bhd. was regarded as an associated company.

On 15 August 2014, the Group incorporated a subsidiary, IEV Biomass Corporation Limited, with an initial paid-up capital of HKD1 (0.47 sen).

For the purpose of consolidation under FRS reporting, Foo Kon Tan LLP has performed the audit of all subsidiaries except for IEV Oil & Gas Technologies Co., Ltd and IEV Biomass Vietnam Joint Stock Company which have Net Tangible Assets ("NTA") of RM983,274 and RM2,252,091 as at 31 December 2014 respectively, which in total represent less than 3.6% of the consolidated NTA.

Foo Kon Tan LLP has performed the review of component auditor's working papers of PT. IEV Pabuaran KSO which has a NTA of RM382,167 as at 31 December 2014, which represents less than 0.4% of the consolidated NTA.

24 SUBSIDIARIES (CONT'D)

The total assets of IEV (Malaysia) Sdn. Bhd. ("IEV Malaysia") is approximately 10% of the Group. It has the proprietary rights to operate offshore oil & gas activities in Malaysia.

The table below shows details of the non-wholly subsidiary of the Group that has material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
		31 December 2014	31 December 2013	**31 December 2014**	31 December 2013	**31 December 2014**	31 December 2013
IEV Malaysia	Malaysia	**51%**	-	**476,154**	-	**1,570,671**	-

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below which is only applicable for financial year 2014. The summarised financial information below represents amounts before intragroup eliminations.

IEV Malaysia

Summarised balance sheet

	31 December 2014 RM	31 December 2013 RM
Current assets	**50,434,962**	66,602,175
Non-current assets	**266,357**	403,714
Current liabilities	**47,524,041**	64,289,085
Non-current liabilities	**97,530**	100,319
Equity attributable to owners of the Company	**3,079,748**	2,616,485
Non-controlling interests	**-**	-

Summarised statement of comprehensive income

	31 December 2014* RM	31 December 2013 RM
Revenue	**11,971,053**	73,513,659
Expenses	**(11,037,416)**	(74,156,589)
Profit/(loss) for the year	**933,637**	(642,930)
Profit/(loss) attributable to owners of the Company	**457,483**	(642,930)
Profit attributable to the non-controlling interests	**476,154**	-
Profit/(loss) for the year	**933,637**	(642,930)
Other comprehensive income attributable to owners of the Company	**-**	-
Other comprehensive income attributable to the non- controlling interests	**-**	-
Other comprehensive income for the year	**-**	-
Total comprehensive income attributable to owners of the Company	**457,483**	-
Total comprehensive income attributable to the non- controlling interests	**476,154**	-
Total comprehensive income for the year	**933,637**	-

* Covered only three months period from 1 October 2014 to 31 December 2014.

24 SUBSIDIARIES (CONT'D)

Other summarised information

	31 December 2014 RM	31 December 2013 RM
Net cash (outflow)/ inflow from operating activities	**(4,716,207)**	842,708
Net cash inflow from investing activities	**6,765**	-
Net cash inflow /(outflow) from financing activities	**3,248,841**	(6,016)
Net cash (outflow)/inflow	**(1,460,601)**	836,692

25 COMMITMENTS

25.1 Operating lease commitments (non-cancellable)

(A) Where the Group is the lessee

As at the end of reporting period, the Group was committed to making the following lease rental payments in respect of non-cancellable operating leases for office and apartment premises and motor vehicles with an original term of more than one year:

The Group	31 December 2014 RM	31 December 2013 RM
Not later than one year	**1,070,183**	615,396
Later than one year and not later than five years	**991,485**	431,655
Later than five years	**-**	-

The leases on the Group on which rental is payable will expire on 30 April 2015, the earliest date and 20 December 2017, the latest date. The current rents payable are in the range of RM2,200 and RM21,143 per month which are subject to revision on renewal.

The current rents payable on the leases on the office and apartment premises per annum are as follows:

Location	Land area (sqm)	Expiry date	Rental per month (RM)
Indonesia			
(i) Kampung Tegal Gede, Desa Pasir Sari Kecamatan Cikarang Selatan, Kabupaten Bekasi 17550, Indonesia	31,090	20 December 2017	7,000
(ii) First Triangle Industrial Park Tanjung Uncang, Batam Island Indonesia	6,432	1 July 2017	31,054
Malaysia			
(iii) Landlord: Tran Thi Mai Thao A27-02, Waldorf Tower, 62 Jalan Sri Hartamas 1, Sri Hartamas, 50480 Kuala Lumpur	307	16 May 2015	9,000

25 COMMITMENTS (CONT'D)

25.1 Operating lease commitments (non-cancellable) (cont'd)

(A) Where the Group is the lessee (cont'd)

Location	Land area (sqm)	Expiry date	Rental per month (RM)
Malaysia (cont'd)			
(iv) Landlord: Medi-Chem Systems Sdn. Bhd. No 4-2, Jalan 27/70A, Desa Sri Hartamas, 50480 Kuala Lumpur	710	30 April 2015	2,200
(v) Suite 2.01, 2nd Floor, Dataran Hamodal Block B Lot. No. 4, Jalan Bersatu 13/4, Section 13, 46200 Petaling Jaya, Selangor Darul Ehsan	1,057	30 April 2015	20,831
(vi) No 13 Jalan Tandang, 46200 Petaling Jaya, Selangor Darul Ehsan	727	31 December 2015	20,656

(B) Where the Group is the lessor

As at the end of reporting period, the Group had the following lease rental income in respect of non-cancellable operating leases for factory premises with an original term of more than one year:

The Group	31 December 2014 RM	31 December 2013 RM
Not later than one year	**18,891**	71,093
Later than one year and not later than five years	**-**	71,093

The leases on the Group's factory premises on which rental is receivable will expire on 31 March 2015 with renewals at the then prevailing rates. The current rent receivable is RM6,297 per month.

26 SIGNIFICANT RELATED PARTY TRANSACTIONS

Other than the related party information disclosed elsewhere in the consolidated financial statements, the following are transactions at mutually agreed amounts entered into between the Group and associated company at agreed rates:

The Group	31 December 2014 RM	31 December 2013 RM
Charged to an associated company		
- project income	**87,933,826**	59,643,770
- administrative fees	**-**	17,832
- manpower services	**-**	2,414,230
Charged by an associated company		
- purchases	**891,328**	1,346,428
Payment of interest to a director	**411,000**	-
The receipt of financial assistance from a director	**-**	6,000,000

27 CORPORATE GUARANTEES

As at the reporting date, entities of the Group has provided corporate guarantees to financial institutions for credit facilities granted to subsidiaries as follows:

Corporate guarantees provided by	Provided to	**31 December 2014 RM**	31 December 2013 RM
The Company			
IEV Holdings Limited	IEV Group Sdn. Bhd.	**9,000,000**	8,000,000
IEV Holdings Limited	IEV Energy Sdn. Bhd.	**6,996,000**	6,563,000
IEV Holdings Limited	IEV Engineering Sdn. Bhd.	**-**	12,000,000
The Group			
IEV Group Sdn. Bhd.	IEV Engineering Sdn. Bhd.	**-**	12,000,000
IEV Group Sdn. Bhd.	IEV Energy Sdn. Bhd.	**6,996,000**	6,563,000

There is no impact on the financial guarantees as the bank borrowings of the subsidiaries concerned are at prevailing market rates. Interests varies between 4.34% and 8.35%. At the reporting date, the Company does not consider it probable that claims will be made against the Company and the Group under the guarantees.

28 DIVIDENDS

The Directors do not recommend any final dividend in respect of the financial year ended 31 December 2014 and 31 December 2013.

29 OPERATING SEGMENTS

For management purposes, the Group is organised into the following reportable operating segments as follows:

(1) Offshore Engineering sector;
(2) Mobile Natural Gas sector;
(3) Exploration and Production sector; and
(4) Renewable Energy sector

There are no other operating segments that have been aggregated to form the above reportable operating segments.

The management monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as set out below, is measured differently from operating profit or loss in the consolidated financial statements.

The inter-segment sales are carried out at arm's length.

29 OPERATING SEGMENTS (CONT'D)

(a) Business segments

The Group	Offshore Engineering 2014 RM	Offshore Engineering 2013 RM	Mobile Natural Gas 2014 RM	Mobile Natural Gas 2013 RM	Exploration and Production 2014 RM	Exploration and Production 2013 RM	Renewable Energy 2014 RM	Renewable Energy 2013 RM	Consolidated 2014 RM	Consolidated 2013 RM
REVENUE										
Total sales	**160,269,004**	137,413,463	**40,615,452**	29,903,298	**-**	-	**-**	-	**200,884,456**	167,316,761
Inter-segment sales	**(28,034,238)**	(22,910,413)	**-**	-	**-**	-	**-**	-	**(28,034,238)**	(22,910,413)
External sales	**132,234,766**	114,503,050	**40,615,452**	29,903,298	**-**	-	**-**	-	**172,850,218**	144,406,348
RESULTS										
Segment results	**6,757,572**	(9,366,773)	**3,681,114**	6,656,965	**(3,632,556)**	(1,764,109)	**(515,201)**	(91,252)	**6,290,929**	(4,565,169)
Finance costs	**(1,111,046)**	(1,086,462)	**(135,385)**	(210,907)	**-**	-	**-**	-	**(1,246,431)**	(1,297,369)
Share of associated companies'results, net of tax	**(177,979)**	2,068,587	**694,872**	1,747,960	**-**	-	**-**	-	**516,893**	3,816,547
Profit/(loss) before tax	**5,468,547**	(8,384,648)	**4,240,601**	8,194,018	**(3,632,556)**	(1,764,109)	**(515,201)**	(91,252)	**5,561,391**	(2,045,991)
Taxation									**(542,558)**	(1,619,973)
Non-controlling interests									**(224,473)**	(58,079)
Profit/(loss) attributable to owner									**4,794,360**	(3,724,043)
OTHER INFORMATION										
Segment assets	**117,012,553**	95,066,854	**31,313,290**	34,661,135	**43,857,171**	21,524,634	**220,671**	2,315,883	**192,403,685**	153,568,506
Investment in associated company	**-**	11,159,554	**-**	7,707,786	**-**	-	**-**	-	**-**	18,867,340
Consolidated total assets (excluding taxation)	**117,012,553**	106,226,408	**31,313,290**	42,368,921	**43,857,171**	21,524,634	**220,671**	2,315,883	**192,403,685**	172,435,846
Segment liabilities (excluding taxation and progress billing)	**92,227,498**	82,141,175	**5,815,057**	6,609,382	**7,661,621**	4,004,393	**16,402**	6,648	**105,720,578**	92,761,598
Capital expenditure										
- intangible assets	**251,478**	-	**-**	45,315	**-**	-	**-**	-	**251,478**	45,315
- property, plant and equipment	**1,848,288**	13,200,617	**2,058,825**	1,121,653	**551,870**	-	**1,574,356**	445,666	**6,033,339**	14,767,936
Amortisation of intangible assets	**95,255**	56,160	**39,863**	45,050	**325,794**	315,332	**-**	-	**460,912**	416,539
Depreciation of property, plant and equipment	**1,833,957**	1,363,452	**1,957,490**	2,048,119	**334,277**	-	**2,083**	-	**4,127,807**	3,411,571

29 OPERATING SEGMENTS (CONT'D)

(b) Geographical segment

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

Sales Revenue by Geographical Market

The Group	31 December 2014 RM	31 December 2013 RM
Malaysia	**83,146,803**	69,993,674
Indonesia	**67,327,088**	44,870,533
Vietnam	**2,803,998**	4,274,086
Thailand	**6,158,966**	956,780
India	**2,649,906**	9,853,228
Singapore	**1,128,039**	4,721,587
China	**4,344,132**	6,043,779
United Kingdom	**-**	3,222,549
Others	**5,291,286**	470,132
	172,850,218	144,406,348

Information about major customers
Revenue from two major customers amounted to RM55,462,140 and RM18,439,658 (2013 - RM59,643,770 and RM11,897,888), arising from offshore engineering and petroleum segments respectively.

(c) Additions to property, plant and equipment by geographical areas

The following table shows the carrying amount of additions to property, plant and equipment by geographical areas in which the assets are located:

The Group	31 December 2014 RM	31 December 2013 RM
Malaysia	**1,445,781**	12,430,313
Indonesia	**2,768,290**	1,125,306
Vietnam	**1,819,268**	460,998
Hong Kong	**-**	751,319
	6,033,339	14,767,936

29 OPERATING SEGMENTS (CONT'D)

(d) Reconciliation of segments' total assets and total liabilities

The Group	31 December 2014 RM	31 December 2013 RM
Reportable segments' assets are reconciled to total assets:		
Tax recoverable	**3,694,552**	4,172,896
Segment assets	**192,403,685**	153,568,506
Value-added tax receivables	**127,339**	80,135
Investment in associated companies	**-**	18,867,340
Deferred tax assets	**321,260**	191,586
Total assets	**196,546,836**	176,880,463
Reportable segments' liabilities are reconciled to total liabilities:		
Segment liabilities	**105,720,578**	92,761,598
Withholding tax	**660,727**	777,362
Value-added tax	**97,706**	-
Deferred tax liabilities	**58,531**	46,280
Progress billing	**27,183**	344,753
Current tax payable	**358,610**	1,456,598
Total liabilities	**106,923,335**	95,386,591

(e) Non-current assets information based on geographical location of assets are as follows:

The Group	31 December 2014 RM	31 December 2013 RM
Malaysia	**13,713,930**	32,219,011
Indonesia	**46,680,518**	28,509,695
Vietnam	**2,592,601**	711,994
Hong Kong	**1,892,250**	1,997,577
	64,879,299	63,438,277

30 DISCLOSURE OF DIRECTORS' REMUNERATION

As required by the Listing Manual of the Singapore Exchange, the remuneration of directors of the Company is disclosed in bands as follows:

	Number of directors 2014	2013
Above S$500,000	**-**	1
S$250,000 to S$499,999	**1**	-
Below S$250,000	**5**	5
Total	**6**	6

31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial instruments carried on the statements of financial position include cash and cash equivalents, financial assets and financial liabilities.

The Group's activities expose it to a variety of financial risks: currency risk, interest rate risk, liquidity risk, market price risk and credit risk. 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.

As the Group's exposure to market risk is kept at a minimum level, the Group has not used any derivatives or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes.

31.1 Foreign Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group operates in Asia with dominant operations in Malaysia, Indonesia and Socialist Republic of Vietnam. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as the United States dollar ("USD"), Indonesian Rupiah ("IDR"), British Pound ("GBP") and Vietnamese Dong ("VND").

The Group is exposed to currency translation risk on the net assets in foreign operations. Currency exposure to the net assets of the Group's foreign operations in Hong Kong, Indonesia and Socialist Republic of Vietnam are managed primarily through borrowings, denominated in the relevant foreign currencies to mitigate the risk of currency exposure. However, the Group does not use any financial derivative such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes. The Group will continue to monitor its foreign exchange exposure and may employ forward currency contracts to manage its foreign exchange exposure should the need arise.

The exposure to major currencies of the Group is as follows:

	USD	IDR	GBP	VND
At 31 December 2014				
Financial assets				
Fixed deposits	101,220	-	-	-
Cash and cash equivalents	17,732,962	743,953	19,386	407,247
Trade and other receivables	80,394,405	1,685,349	-	2,165,969
	98,228,587	2,429,302	19,386	2,573,216
Financial liabilities				
Borrowings	1,165,000	-	-	-
Finance lease obligations	-	719,284	-	-
Trade and other payables	74,370,479	4,348,641	135,423	1,401,451
	75,535,479	5,067,925	135,423	1,401,451
Currency exposure on financial assets and liabilities	22,693,108	(2,638,626)	(116,037)	1,171,765

31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

31.1 Foreign Currency risk (cont'd)

	USD	IDR	GBP	VND
At 31 December 2013				
Financial assets				
Cash and cash equivalents	13,161,454	635,859	18,577	2,369,587
Trade and other receivables	62,948,893	1,035,395	-	2,523,079
	76,110,347	1,671,254	18,577	4,892,666
Financial liabilities				
Borrowings	3,281,501	-	-	-
Finance lease obligations	-	97,152	-	-
Trade and other payables	51,235,305	2,215,283	95,561	95,706
	54,516,806	2,312,435	95,561	95,706
Currency exposure on financial assets and liabilities	21,593,541	(641,181)	(76,984)	4,796,960

Sensitivity analysis

With all other variables being held constant, a 5% strengthening/weakening of the USD, IDR, GBP and VND against RM at the reporting date would have either decreased or increased the Group's net loss after tax and equity (nearest thousand) by the amounts shown below:

The Group	2014 RM	2013 RM
USD	**851,000**	810,000
IDR	**(99,000)**	(24,000)
GBP	**(4,000)**	(3,000)
VND	**44,000**	180,000

31.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from borrowings, finance lease obligations and cash placed with financial institutions.

The interest rates are disclosed in Notes 12, 20(a) and 20(c) to the financial statements.

31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

31.2 Interest rate risk (Cont'd)

The following table sets out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk:

The Group	Within 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
2014							
Fixed rate							
Fixed deposits > 3 months	**6,746,601**	**-**	**-**	**-**	**-**	**-**	**6,746,601**
Fixed deposits < 3 months	**2,165,792**	**-**	**-**	**-**	**-**	**-**	**2,165,792**
Obligations under finance lease	**(373,684)**	**(41,476)**	**(436,521)**	**-**	**(138,570)**	**-**	**(990,251)**
Borrowing	**(264,781)**	**(276,989)**	**(291,945)**	**(306,740)**	**(322,836)**	**(6,055,286)**	**(7,518,577)**
Advances from third party	**-**	**-**	**-**	**(5,000,000)**	**-**	**-**	**(5,000,000)**
Floating rate							
Borrowings	**(3,834,660)**	**-**	**-**	**-**	**-**	**-**	**(3,834,660)**
2013							
Fixed rate							
Fixed deposits > 3 months	496,984	-	-	-	-	-	496,984
Fixed deposits < 3 months	2,535,625	-	-	-	-	-	2,535,625
Obligations under finance lease	(113,583)	(33,682)	-	-	-	-	(147,265)
Borrowing	(258,972)	(271,375)	(283,408)	(297,946)	(312,214)	(6,347,767)	(7,771,682)
Advances from third party	-	-	-	-	(5,000,000)	-	(5,000,000)
Floating rate							
Borrowings	(5,086,446)	(1,093,833)	-	-	-	-	(6,180,279)

31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

31.2 Interest rate risk (Cont'd)

Sensitivity analysis for interest rate risk

At the end of reporting period, if interest rate increase/decrease by 1% per annum with all other variables held constant, the Group's loss net of tax would have decreased/increased and equity would have increased/decreased as follows:

	Increase/(decrease) Loss net of tax	
	2014	2013
The Group	**RM**	RM
Interest rate		
- decreased by 1% per annum	**130,000**	143,000
- increased by 1% per annum	**(130,000)**	(143,000)

	Equity	
	2014	2013
	RM	RM
Interest rate		
- decreased by 1% per annum	**130,000**	143,000
- increased by 1% per annum	**(130,000)**	(143,000)

This arises mainly as a result of lower/higher interest expenses on bank borrowings, finance lease obligations and advances from a third party.

31.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company's and the Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's and the Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group ensures that there are adequate funds to meet all its obligations in a timely and cost-effective manner. The Group aims at maintaining flexibility in funding by keeping committed credit facilities available as disclosed in Note 15 to the financial statements.

The table below analyses the maturity profile of the Company's and the Group's financial liabilities based on contractual undiscounted cash flows:

31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

31.3 Liquidity risk (Cont'd)

The Group	Less than 1 year RM	Between 1 and 5 years RM	Above 5 years RM	Total RM
As at 31 December 2014				
Trade and other payables	**85,422,343**	**7,549,432**	**-**	**92,971,775**
Bank borrowings	**4,479,144**	**2,518,926**	**8,228,162**	**15,226,232**
Finance lease obligations	**470,752**	**696,812**	**-**	**1,167,564**
Corporate guarantee	**6,996,000**	**-**	**-**	**6,996,000**
	97,368,239	**10,765,170**	**8,228,162**	**11,636,571**
As at 31 December 2013				
Trade and other payables	73,236,954	7,549,432	-	80,786,386
Bank borrowings	5,796,821	3,578,856	8,680,509	18,056,186
Finance lease obligations	128,264	35,095	-	163,359
Corporate guarantee	12,000,000	6,563,000	-	18,563,000
	91,162,039	17,726,383	8,680,509	117,568,931
The Company				
As at 31 December 2014				
Trade and other payables	**478,979**	**-**	**-**	**478,979**
Corporate guarantee	**6,996,000**	**1,000,000**	**8,000,000**	**15,996,000**
	7,474,979	**1,000,000**	**8,000,000**	**16,474,979**
As at 31 December 2013				
Trade and other payables	466,661	-	-	466,661
Corporate guarantee	12,000,000	6,563,000	8,000,000	26,563,000
	12,466,661	6,563,000	8,000,000	27,029,661

31.4 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss.

The Company's and the Group's exposure to credit risk arises primarily from trade and other receivables, related parties' balances and cash held with financial institutions. There are no significant concentrations of credit.

The Group typically grant credit terms of 30 to 45 days to customers and based on the Group's experience, customers typically make payment within the credit period. However, the Group may be exposed to payment delays and/or defaults by customers. As the Group is in the projects-oriented business, there is no single customer considered significant.

At the end of reporting period, approximately nil (2013 - 52%) of the Group's trade receivables are due from an associate company in offshore engineering sector. The Group's single customer reported 32% (2013 - 41%) of the Group's revenue.

31 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

31.4 Credit risk (Cont'd)

The Group monitors its potential losses on credit extended. The amounts presented in the statements of financial position are net of allowances for doubtful receivables. An allowance for impairment on the receivables is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Further details of credit risks on trade and other receivables are disclosed in Note 10.

Other than as disclosed, the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the statements of financial position.

32 CAPITAL MANAGEMENT

The Group's objectives when managing capital are:

(a) To safeguard the Group's ability to continue as a going concern;

(b) To support the Group's stability and growth;

(c) To provide capital for the purpose of strengthening the Group's risk management capability; and

(d) To provide an adequate return to shareholders.

Having regards to its gearing exposure, 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.

There were no changes in the Group's approach to capital management during the financial year ended 31 December 2014. 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 2014.

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 debts. The Group's policy to keep the gearing ratio between 0.3 and 0.5. Net debt is calculated as bank borrowings plus trade and other payables plus finance lease obligations less cash and cash equivalents.

Total capital is calculated as equity plus net debt.

32 CAPITAL MANAGEMENT (CONT'D)

The Group	2014 RM	2013 RM
Borrowings (Note 15)	**11,353,237**	13,951,961
Obligations under finance lease (Note 16)	**990,251**	147,265
Trade and other payables (Note 18)	**94,135,523**	79,439,734
Less: Cash and cash equivalents (Note12)	**(21,920,115)**	(18,954,591)
Less: Fixed deposit (Note11)	**(6,746,601)**	(496,984)
Net debts	**77,812,295**	74,087,385
Total equity attributable to the equity holders of the Company	**86,660,365**	79,908,491
Equity and net debts	**164,472,660**	153,995,876
Gearing ratio	**0.47**	0.48

The Company has observed its covenant obligations, including maintaining capital ratios since the inception of the borrowings (Note 15).

33 FINANCIAL INSTRUMENTS

(a) Fair values

FRSs define fair value as 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.

The carrying amount of the financial assets and financial liabilities with a maturity of less than one year is assumed to approximate their fair values.

The Group does not anticipate that the carrying amounts recorded at end of reporting period would be significantly different from the values that would eventually be received or settled.

(b) Financial instruments by category

Accounting classifications of financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities in each category are as follows:

The Company	31 December 2014 RM	31 December 2013 RM
Financial assets		
Loans and receivables		
- Cash and bank balances	**131,149**	1,920,643
Financial liabilities		
Financial liabilities		
- Trade and other payables	**478,979**	466,661

33 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial instruments by category (Cont'd)

The Group	31 December 2014 RM	31 December 2013 RM
Financial assets		
Loans and receivables		
- Trade and other receivables (less value-added tax and tax recoverable)	**90,085,362**	83,618,760
- Fixed deposit	**6,746,601**	496,984
- Cash and bank balances	**21,920,115**	18,954,591
	118,752,078	103,070,335
Financial liabilities		
Financial liabilities		
- Obligations under finance lease	**990,251**	147,265
- Trade and other payables (less value-added tax and withholding tax)	**84,663,910**	72,459,592
- Borrowings	**11,353,237**	13,951,961
- Advances from third party	**5,000,000**	5,000,000
	102,007,398	91,558,818

34 COMPARATIVE FIGURES

The following comparative figures have been reclassified to conform with current year's presentation:

The Group	Reported 2013 RM	Reclassification 2013 RM	Restated 2013 RM
Consolidated statement of profit or loss and other comprehensive income			
Other operating expenses	2,689,388	(343,671)	**2,345,717**
Finance cost	953,698	343,671	**1,297,369**

The above reclassification has no significant impact on the consolidated statement of profit or loss and other comprehensive income for the financial year ended 2013.

35 EVENTS AFTER END OF REPORTING PERIOD

Subsequent to the financial year ended 31 December 2014, the Group has filed a claim of approximately USD8.9 million against a sub-contractor on the loss and damages in relation to defect works.

Statistics of Shareholdings

as at 13 March 2015

Issued and paid-up capital	:	SGD33,615,530.00
Number of issued shares	:	189,200,000
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	1	0.12	23	0.00
100 - 1,000	8	0.91	7.977	0.01
1,001 - 10,000	340	38.81	2,710,200	1.43
10,001 - 1,000,000	503	57.42	29,384,000	15.53
1,000,001 AND ABOVE	24	2.74	157,097,800	83.03
TOTAL	**876**	**100.00**	**189,200,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	CHRISTOPHER NGHIA DO	26,157,500	13.83
2	VIMALA J.GOVINDASAMY	22,471,000	11.88
3	HL BANK NOMINEES (SINGAPORE) PTE LTD	21,640,000	11.44
4	KGI FRASER SECURITIES PTE. LTD.	16,555,000	8.75
5	PERMBROOK PTY LIMITED	7,524,000	3.98
6	CROGAR PTY LIMITED	7,230,000	3.82
7	MUVUSI PTY LIMITED	7,230,000	3.82
8	MUWORI PTY LIMITED	7,230,000	3.82
9	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	7,105,000	3.76
10	OCBC SECURITIES PRIVATE LIMITED	5,764,100	3.05
11	KHIEM TRONG DO	4,691,000	2.48
12	ROZIA HANIS BINTI TUN HUSSEIN	3,133,000	1.66
13	PHILLIP SECURITIES PTE LTD	2,723,200	1.44
14	CIMB SECURITIES (SINGAPORE) PTE. LTD.	2,498,000	1.32
15	JOANNE ROSE BRUCE	2,025,000	1.07
16	TJONG TJU PHIN	1,840,000	0.97
17	UOB KAY HIAN PRIVATE LIMITED	1,788,000	0.95
18	TRAN THI MAI THAO	1,736,000	0.92
19	LIM & TAN SECURITIES PTE LTD	1,657,000	0.88
20	CHONG TECK ENG	1,501,000	0.79
	TOTAL	**152,498,800**	**80.63**

Substantial Shareholders

As recorded in the Register of Substantial Shareholders as at 13 March 2015

		Direct Interest		Deemed Interest	
No	Name	No. of Shares	%	No. of Shares	%
1	TAN SRI DATO' HARI N. GOVINDASAMY	-	-	36,571,000[(1)]	19.33
2.	VIMALA J. GOVINDASAMY	22,471,000	11.88	14,100,000[(2)]	7.45
3.	CHRISTOPHER NGHIA DO	26,157,500	13.83	7,736,000[(3)]	4.09
4.	JANICE CRAWFORD	-	-	21,984,000[(4)]	11.62
5.	CHRISTINE MUNRO	-	-	21,984,000[(5)]	11.62
6.	AmPRIVATE EQUITY SDN. BHD.	-	-	11,353,000[(6)]	6.00
7.	ANZ FUNDS PTY LTD	-	-	11,353,000[(7)]	6.00
8.	AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED	-	-	11,353,000[(7)]	6.00
9.	EMPLOYEES PROVIDENT FUND BOARD	-	-	11,353,000[(7)]	6.00
10.	AMMB HOLDINGS BERHAD	-	-	11,353,000[(7)]	6.00
11.	AmINVESTMENT GROUP BERHAD	-	-	11,353,000[(7)]	6.00

Notes:

(1) The deemed interest in 36,571,000 shares includes:
- i) 31,071,000 shares held direct by his spouse, Vimala J. Govindasamy either in her own name or through HL Bank Nominees (Singapore) Pte. Ltd.;
- ii) 1,000,000 shares held through HSBC (Singapore) Nominees Pte. Ltd.; and
- iii) 4,500,000 shares held through HL Bank Nominees (Singapore) Pte. Ltd.

(2) The deemed interest in 14,100,000 shares includes:
- i) 8,600,000 shares held through HL Bank Nominees (Singapore) Pte. Ltd.; and
- ii) 5,500,000 shares held by her spouse, Tan Sri Dato' Hari N. Govindasamy through HL Bank Nominees (Singapore) Pte. Ltd. and HSBC (Singapore) Nominees Pte. Ltd.

(3) The deemed interest in 7,736,000 shares includes:
- i) 6,000,000 shares held through United Overseas Bank Nominees (Private) Limited; and
- ii) 1,736,000 shares held by his spouse, Tran Thi Mai Thao.

(4) Janice Crawford is one of the beneficial owners of each of the following companies and is therefore 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.

(5) Christine Munro is one of the beneficial owners of each of the following companies and is therefore 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.

(6) The 11,353,000 shares are held by AmPrivate Equity Sdn. Bhd. through KGI Fraser Securities Pte. Ltd., a nominee account.

(7) Deemed to be interested in 11,353,000 shares held by AmPrivate Equity Sdn. Bhd. through KGI Fraser Securities Pte. Ltd. by virtue of Section 7 of the Companies Act, Cap. 50.

SHARES HELD BY PUBLIC

Based on the information provided to the Company as at 13 March 2015, approximately 35.47% 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 Canary Room, Level 4, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663 on Monday, 27 April 2015 at 10.30 a.m. for the following business:

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2014 and the Reports of the Directors and the Auditors thereon. **(Resolution 1)**

2. To re-elect Tan Sri Dato' Hari N. Govindasamy who is retiring pursuant to Article 98 of the Articles of Association of the Company[1].

   *Tan Sri Dato' Hari N. Govindasamy will, upon re-election as a Director of the Company, remain as a member of the Audit, Nominating and Remuneration Committees. The Board considers him to be non-independent for the purpose of Rule 704(7) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**").* **(Resolution 2)**

3. To re-elect Mr Kesavan Nair who is retiring pursuant to Article 98 of the Articles of Association of the Company[1].

   Mr Kesavan Nair will, upon re-election as a Director of the Company, remain as the Chairman of the Nominating and Remuneration Committees and a member of the Audit Committee. The Board considers him to be independent for the purpose of Rule 704(7) of the Catalist Rules. **(Resolution 3)**

4. To approve the payment of Directors' fees amounting to SGD213,000 for the financial year ending 31 December 2015, to be paid quarterly in arrears. (2014 : SGD216,000) **(Resolution 4)**

5. To appoint Messrs Deloitte & Touche LLP as auditors of the Company in place of the retiring auditors, Messrs Foo Kon Tan LLP, to hold office until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to fix their remuneration.
   [See Explanatory Note 1] **(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. **Authority to Allot and Issue Shares**

   THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (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

[1] Detailed information on the Directors who are proposed to be re-appointed can be found under the sections entitled "Directors' Profile", "Further Information on Board of Directors", "Report on Corporate Governance" and "Directors' Report" of the Company's Annual Report 2014.

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 Articles of Association 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 Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note 2] **(Resolution 6)**

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

THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, 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 ordinary shares in the capital of the Company ("**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 Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note 3] **(Resolution 7)**

By Order of the Board

Teo Meng Keong
Company Secretary
Singapore
10 April 2015

Explanatory Notes:

(1) **Resolution 5**

In accordance with the requirements of Rule 712(3) of the Catalist Rules:

(a) Foo Kon Tan LLP, the Company's current auditors for the financial year ended 31 December 2014, has confirmed that it is not aware of any professional reasons why Deloitte & Touche LLP should not accept appointment as the new auditors of the Company;

(b) the Company confirms that there were no disagreements with Foo Kon Tan LLP on accounting treatments within the last twelve (12) months from the date of the appendix to shareholders in relation to the proposed change of auditors ("**Appendix**");

(c) the Company confirms that it is not aware of any circumstances connected with the proposed change of auditors that should be brought to the attention of the shareholders of the Company which has not been disclosed in the Appendix;

(d) the reasons for the proposed change of auditors are part of the Company's efforts to review its corporate governance practices on a continual basis which include the rotation of auditors. The proposed change of auditors is not due to the dismissal of Foo Kon Tan LLP, or due to Foo Kon Tan LLP declining to continue to serve as auditors of the Company; and

(e) the Company confirms that it complies with Rules 712 and 715 of the Catalist Rules in relation to the proposed appointment of Deloitte & Touche LLP as the auditors of the Company.

For further information in relation to the proposed change of auditors, please refer to the Appendix which is circulated to shareholders of the Company together with the Company's Annual Report 2014.

(2) **Resolution 6**

This is to empower the Directors of the Company, effective until conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting 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 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.

(3) **Resolution 7**

This is to authorise the Directors of the Company, effective until conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting 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 member of the Company entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint not more than two proxies to attend in his stead. A proxy need not be a member of the Company.

2. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.

3. If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.

4. The instrument appointing a proxy must be deposited at the office of 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 Annual General Meeting.

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 Alex Tan, Chief Executive Officer, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 68546160.

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IEV HOLDINGS LIMITED
(Incorporated in the Republic of Singapore
- Company Registration No. 201117734D)

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/her, the Chairman of the Annual General Meeting of the Company ("AGM"), as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the AGM to be held at Canary Room, Level 4, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663 on Monday, 27 April 2015 at 10.30 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of AGM. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the AGM.)

	ORDINARY BUSINESS	For	Against
Resolution 1	To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2014 and the Reports of the Directors and the Auditors thereon		
Resolution 2	To re-elect Tan Sri Dato' Hari N. Govindasamy as a Director of the Company		
Resolution 3	To re-elect Mr Kesavan Nair as a Director of the Company		
Resolution 4	To approve the payment of Directors' fees for the financial year ending 31 December 2015, to be paid quarterly in arrears		
Resolution 5	To appoint Messrs Deloitte & Touche LLP as auditors of the Company in place of retiring auditors, Messrs Foo Kon Tan LLP and authorise the Directors to fix their remuneration		
	SPECIAL BUSINESS	For	Against
	Ordinary Resolutions:		
Resolution 6	To approve the authority to allot and issue shares		
Resolution 7	To approve the authority to allot and issue shares pursuant to the IEV Holdings Performance Share Plan		

Date this ________ day of ______________ 2015

____
Signature(s) of members(s) or Common Seal

Total Number of Shares held in :	
CDP Register	
Register of Members	

NOTES:
IMPORTANT

1. Please insert the total number of Shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members 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 member of the Company entitled to attend and vote at the general meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the member must specify the proportion of shareholdings (expressed as a percentage of the whole) to be represented by each 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.

4. The instrument appointing a proxy or proxies must be deposited at the office of 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 set for the general meeting.

5. 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 an officer or attorney duly authorised.

6. 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.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the general meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

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 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM 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 AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (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.

IEV HOLDINGS LIMITED
(Company Registration No.: 201117734D)
(Incorporated in the Republic of Singapore on 26 July 2011)

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