



IEV HOLDINGS LIMITED

(Company Registration No: 201117734D)

(Incorporated in the Republic of Singapore on 26 July 2011)

(the "Company", and together with its subsidiaries, the "Group")

UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2019

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

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**Exchange**") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.*

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

	Group			Group		
	3 months ended 30 September ("3Q")			9 months ended 30 September ("9M")		
	Unaudited 3Q2019 (RM'000)	Unaudited 3Q2018 (RM'000)	% change Increase/ (decrease)	Unaudited 9M2019 (RM'000)	Unaudited 9M2018 (RM'000)	% change Increase/ (decrease)
Revenue	4,152	412	907.8	8,221	2,019	307.2
Cost of sales	(1,705)	(165)	933.3	(4,532)	(804)	463.7
Gross profit	2,447	247	890.7	3,689	1,215	203.6
Other operating income	45	110	(59.1)	128	371	(65.5)
Administration expenses	(2,132)	(2,474)	(13.8)	(6,664)	(7,484)	(11.0)
Exchange gain/(loss)	145	(328)	n.m.	50	(581)	n.m.
Selling and distribution costs	(575)	(41)	1,302.4	(683)	(57)	1,098.2
Other operating expenses	(49)	(63)	(22.2)	(240)	(141)	70.2
Share of results of associate	-	(3)	n.m.	(75)	(25)	200.0
Finance costs	(67)	(146)	(54.1)	(216)	(439)	(50.8)
Loss before tax	(186)	(2,698)	(93.1)	(4,011)	(7,141)	(43.8)
Income Tax	-	-	-	77	(30)	n.m.
Loss for the period from continuing operations	(186)	(2,698)	(93.1)	(3,934)	(7,171)	(45.1)
Discontinued operations ^{(a)(b)}						
Profit/(Loss) for the period from discontinued operations	10,370	(1,148)	n.m.	10,075	(3,060)	n.m.
Profit/(Loss) for the period	10,184	(3,846)	n.m.	6,141	(10,231)	n.m.
Other comprehensive income / (loss) after tax						
- exchange differences on translation of foreign operations	175	165	n.m.	47	296	(84.1)
Total comprehensive income/ (loss) for the period, net of tax	11,359	(3,681)	n.m.	6,188	(9,935)	n.m.
Total income/ (loss) attributable to:						
Owners of the Company						
- Continuing operations	(144)	(2,698)	(94.7)	(3,775)	(7,171)	(47.4)
- Discontinued operations	10,370	(1,148)	n.m.	10,075	(3,060)	n.m.
Non-controlling interests	(42)	-	n.m.	(159)	-	n.m.
	10,184	(3,846)	n.m.	6,141	(10,231)	n.m.
Total comprehensive income/(loss) attributable to:						
Owners of the Company	10,403	(3,681)	n.m.	6,351	(9,935)	n.m.
Non-controlling interests	(44)	-	n.m.	(163)	-	n.m.
	10,359	(3,681)	n.m.	6,188	(9,935)	n.m.

n.m. denotes not meaningful.

Notes:

- a) Financial statements for 3Q2018 and 9M2018 have been re-presented to show results after reclassifying a wholly owned subsidiary, IEV Energy Sdn Bhd, under discontinued operations. IEV Energy Sdn Bhd previously held 100% interest in IEV Vietnam LLC and 95% interest in PT IEV Gas. Subsequent to the completion of the disposal of PT IEV Gas and member's voluntary liquidation of IEV Vietnam LLC, IEV Energy Sdn Bhd has remained dormant.
- b) In addition to Note (a) above, discontinued operations include: (i) the exit from renewable energy business following the transfer of the MK-1 biomass plant in Vietnam as announced on 7 November 2017, 11 January 2018 and 4 June 2018; (ii) the exit from the exploration and production sector as announced on 10 January 2018 and 13 September 2019 in relation to the member's voluntary liquidation of PT IEV Pabuaran KSO; and (iii) the exit from mobile natural gas sector as announced on 16 October 2018, 18 October 2018, 29 October 2018 and 14 November 2018 in relation to disposal of 95% interest in PT IEV Gas.

1(a)(ii) Profit/loss for the financial period from continuing operations is arrived after crediting / (charging) the following:

	Group			Group		
	3 months ended 30 September ("3Q")			9 months ended 30 September ("9M")		
	Unaudited 3Q2019 (RM'000)	Unaudited 3Q2018 (RM'000)	% change increase/ (decrease)	Unaudited 9M2019 (RM'000)	Unaudited 9M2018 (RM'000)	% change Increase/ (decrease)
Rental income	29	108	(73.1)	87	232	(62.5)
Interest income	-	-	-	1	1	-
Interest expense	(67)	(146)	(54.1)	(216)	(439)	(50.8)
Depreciation of property, plant and equipment (include depreciation accounted for in cost of sales)	(132)	(262)	(49.6)	(494)	(858)	(42.4)
Depreciation of right-of-use asset	(61)	-	n.m.	(200)	-	n.m.
Amortisation of intangible assets (include amortisation accounted for in cost of sales)	(12)	(35)	(65.7)	(41)	(105)	(61.0)
(Impairment) / Write back on impairment of property, plant and equipment	-	(11)	n.m.	-	52	n.m.
(Loss) / Gain on disposal of property, plant and equipment	-	(69)	n.m.	21	1	n.m.
Property, plant and equipment written off	(49)	-	n.m.	(57)	-	n.m.
Inventory written off	-	-	-	-	(78)	n.m.
Inventory written down	-	(45)	n.m.	(132)	(45)	193.3
Deferred tax credit in respect of prior years	-	30	n.m.	77	-	n.m.

n.m. denotes not meaningful

Note:

(a) Depreciation of right-of-use assets is in relation to classification of leasing transactions under SFRS(I)16 *Leases* effective for annual periods beginning on or after 1 January 2019

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

	Group			Group		
	3 months ended 30 September ("3Q")			9 months ended 30 September ("9M")		
	Unaudited 3Q2019 (RM'000)	Unaudited 3Q2018 (RM'000)	% change Increase/ (decrease)	Unaudited 9M2019 (RM'000)	Unaudited 9M2018 (RM'000)	% change Increase/ (decrease)
Revenue	-	5,321	n.m.	-	17,636	n.m.
Cost of sales	-	(5,454)	n.m.	-	(17,651)	n.m.
Gross loss	-	(133)	n.m.	-	(15)	n.m.
Other operating income	10,790	254	n.m.	10,796	549	n.m.
Administration expenses	(290)	(779)	(62.8)	(416)	(2,353)	(82.3)
Exchange loss	(127)	(216)	(41.2)	(119)	(458)	(74.0)
Other operating expenses	(3)	(271)	(98.9)	(186)	(774)	(76.0)
Finance costs	-	(3)	n.m.	-	(9)	n.m.
Gain/(Loss) before tax	10,370	(1,148)	n.m.	10,075	(3,060)	n.m.
Taxation	-	-	-	-	-	n.m.
Gain/(Loss) for the period from discontinued operations	10,370	(1,148)	n.m.	10,075	(3,060)	n.m.

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

	Group			Group		
	3 months ended 30 September ("3Q")			9 months ended 30 September ("9M")		
	Unaudited 3Q2019 (RM'000)	Unaudited 3Q2018 (RM'000)	% change increase/ (decrease)	Unaudited 9M2019 (RM'000)	Unaudited 9M2018 (RM'000)	% change Increase/ (decrease)
Rental income	-	12	n.m.	-	25	n.m.
Interest income	-	17	n.m.	-	37	n.m.
Interest expenses	-	(3)	n.m.	-	(9)	n.m.
Depreciation of property, plant and equipment (incl. depreciation accounted for in cost of sales)	-	(450)	n.m.	-	(1,394)	n.m.
Amortisation of intangible assets (incl. amortisation accounted for in cost of sales)	-	(2)	n.m.	-	(6)	n.m.
Impairment of property, plant and equipment	-	(80)	n.m.	-	(80)	n.m.
Write back of impairment of intangible assets	-	2	n.m.	-	3	n.m.
Loss on disposal of property, plant and equipment	-	(4)	n.m.	-	(368)	n.m.
Inventory written off	-	(1)	n.m.	-	(1)	n.m.
Loss on disposal of finance lease assets	-	(180)	n.m.	-	(305)	n.m.
Income from finance lease receivable	-	172	n.m.	-	394	n.m.
Write back payables and accrued expenses due to deconsolidation of subsidiary	11,502	-	n.m.	11,502	-	n.m.
Loss from deconsolidation of subsidiary	(713)	-	n.m.	(713)	-	n.m.

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

	Company		Group	
	Unaudited As at 30 September 2019 (RM'000)	Audited As at 31 December 2018 (RM'000)	Unaudited As at 30 September 2019 (RM'000)	Audited As at 31 December 2018 (RM'000)
ASSETS				
Current				
Cash and bank balances	1,870	44	2,192	1,111
Trade receivables	-	-	14,312	14,157
Other receivables and prepayments	203	50	1,499	4,631
Inventories	-	-	1,173	1,529
Contract costs	-	-	171	1,000
	2,073	94	19,347	22,428
Non-Current				
Property, plant and equipment	-	-	1,105	1,589
Right-of-use assets	-	-	401	-
Intangible assets	-	-	46	87
Subsidiaries	1,818	-	-	-
Associate	-	-	-	75
Other receivables and prepayments	-	-	25	33
Deferred tax assets	-	-	-	13
	1,818	-	1,577	1,797
Total assets	3,891	94	20,924	24,225

	Company		Group	
	Unaudited As at 30 September 2019 (RM'000)	Audited As at 31 December 2018 (RM'000)	Unaudited As at 30 September 2019 (RM'000)	Audited As at 31 December 2018 (RM'000)
LIABILITIES AND EQUITY				
Current				
Bank overdrafts	-	-	2,430	2,969
Lease liabilities	-	-	267	-
Trade payables	-	-	11,819	13,450
Other payables and other provisions	1,033	1,825	3,469	15,244
Contract liabilities	-	-	147	2,656
	1,033	1,825	18,132	34,319
Non-Current				
Lease liabilities	-	-	129	-
Deferred tax liabilities	-	-	-	90
	-	-	129	90
Total liabilities	1,033	1,825	18,261	34,409
Capital and reserves				
Share capital	104,148	98,338	104,148	98,338
Treasury shares	(38)	(38)	(38)	(38)
Currency translation reserve	(153)	(121)	2,268	1,486
Capital reserve	-	-	(380)	(380)
Accumulated losses	(101,099)	(99,910)	(103,282)	(109,582)
Equity attributable to owners of the Company	2,858	(1,731)	2,716	(10,176)
Non-controlling interests	-	-	(53)	(8)
Total equity	2,858	(1,731)	2,663	(10,184)
Total liabilities and equity	3,891	94	20,924	24,225

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

Group	Unaudited As at 30 September 2019 Secured (RM'000)	Audited As at 31 December 2018 Secured (RM'000)
Bank overdrafts	2,430	2,969
Total	2,430	2,969

Amount repayable in one year or less, or on demand	2,430	2,969
Amount repayable after one year	-	-

Details of collaterals

Details of collaterals of the above borrowings are as follows:

The bank overdraft is secured by:

- a debenture by way of a fixed and floating charge over all present and future assets of IEV Group Sdn Bhd;
- corporate guarantees provided by IEV Holdings Limited and IEV Group Sdn Bhd; and
- a personal guarantee provided by a director, Christopher Nghia Do.

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

	Group 3 Months ended 30 September ("3Q")		Group 9 Months ended 30 September ("9M")	
	Unaudited 3Q2019 (RM'000)	Unaudited 3Q2018 (RM'000)	Unaudited 9M2019 (RM'000)	Unaudited 9M2018 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax				
- from continuing operations	(186)	(2,698)	(4,011)	(7,141)
- from discontinued operations	10,370	(1,148)	10,075	(3,060)
	10,184	(3,846)	6,064	(10,201)
Adjustments for:				
Share of results of associate	-	3	75	25
Amortisation of intangible assets (including amortisation accounted for in cost of sales)	12	37	41	111
Depreciation of property, plant and equipment (include depreciation accounted for in cost of sales)	132	712	494	2,252
Depreciation of right-of-use asset	61	-	200	-
Provision for post-employment benefits	-	4	-	192
Loss/(Gain) on disposal of property, plant and equipment	-	73	(21)	367
Loss on disposal of finance lease receivables	-	180	-	305
Income from finance lease receivable	-	(172)	-	(394)
Property, plant and equipment written off	49	-	57	-
Inventory written off	-	1	-	79
Inventory written down	-	45	132	45
Loss from deconsolidation of subsidiary	713	-	713	-
Payable written back	(11,502)	-	(11,502)	-
Impairment of property, plant and equipment	-	91	-	28
Write back on impairment of intangible assets	-	(2)	-	(3)
Interest expense	67	149	216	448
Interest income	-	(17)	(1)	(38)
Operating loss before working capital changes	(284)	(2,742)	(3,532)	(6,784)
Long term other receivables and prepayment	(8)	(368)	8	(356)
Inventories	240	(116)	231	(51)
Contract costs	(158)	(6)	829	23
Trade and other receivables and prepayments	(3,585)	(1,223)	1,552	949
Contract liabilities	137	-	(2,508)	-
Trade and other payables	1,197	(391)	(324)	2,924
Amount due from an associate	(67)	309	(165)	398
Cash used in operating activities	(2,529)	(4,537)	(3,909)	(2,897)
Interest received	-	18	1	38
Interest paid	(67)	(149)	(216)	(448)
Post-employment benefit paid	(7)	(29)	(61)	(111)
Tax (paid)/refund	(13)	-	238	(31)
Net cash used in operating activities	(2,616)	(4,697)	(3,947)	(3,449)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(4)	(316)	(59)	(728)
Cash loss from deconsolidation of subsidiary	(3)	-	(3)	-
(Acquisition of)/Proceeds from finance lease assets	-	(6)	-	68
Proceeds from disposal of property, plant and equipment	-	9,157	23	9,315
Net cash (used in)/generated from investing activities	(7)	8,835	(39)	8,655

	Group 3 Months ended 30 September ("3Q")		Group 9 Months ended 30 September ("9M")	
	Unaudited 3Q2019 (RM'000)	Unaudited 3Q2018 (RM'000)	Unaudited 9M2019 (RM'000)	Unaudited 9M2018 (RM'000)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of finance leases	(70)	(34)	(205)	(79)
Repayment of bank borrowings	-	(6,512)	-	(6,664)
Proceeds from issuance of ordinary shares	-	-	6,095	-
Capitalised transaction costs of issuance of ordinary shares	-	-	(285)	-
Fixed deposits (pledged)/released	(1)	-	-	1
Net cash (used in)/from financing activities	(71)	(6,546)	5,605	(6,743)
Net (decrease)/increase in cash and cash equivalents	(2,694)	(2,409)	1,619	(1,537)
Cash and cash equivalents at beginning of period/year	2,408	4,581	(1,925)	3,828
Currency translation difference of cash and cash equivalents at beginning of period/year	(19)	(19)	1	(138)
Cash and cash equivalents at end of period	(305)	2,153	(305)	2,153
<i>Cash and cash equivalents comprise:</i>				
Cash and bank balances	2,125	1,094	2,125	1,094
Fixed deposits	67	66	67	66
	2,192	1,160	2,192	1,160
Less: Pledged fixed deposits	(67)	(66)	(67)	(66)
Less: Bank overdrafts	(2,430)	(2,974)	(2,430)	(2,974)
Add: Cash and bank balances classified as assets held for sale	-	1,059	-	1,059
Cash and cash equivalents at end of period	(305)	(821)	(305)	(821)

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding year

<u>Company</u> Current Period	Share capital (RM'000)	Treasury shares (RM'000)	Accumulated losses (RM'000)	Currency translation reserve (RM'000)	Total (RM'000)
Balance as at 1 July 2019	104,148	(38)	(100,697)	(126)	3,287
Total comprehensive loss for the period	-	-	(402)	(27)	(429)
Balance as at 30 September 2019	104,148	(38)	(101,099)	(153)	2,858

<u>Company</u> Previous Period	Share capital (RM'000)	Treasury shares (RM'000)	Accumulated losses (RM'000)	Currency translation reserve (RM'000)	Total (RM'000)
Balance as at 1 July 2018	98,338	(38)	(98,502)	215	13
Total comprehensive loss for the period	-	-	(496)	(218)	(714)
Balance as at 30 September 2018	98,338	(38)	(98,998)	(3)	(701)

Group Current Period	Share capital (RM'000)	Treasury shares (RM'000)	Accumulated Losses (RM'000)	Capital Reserve (RM'000)	Currency translation reserve (RM'000)	Equity attributable to owners of the Company (RM'000)	Non-controlling interests (RM'000)	Total equity (RM'000)
Balance as at 1 July 2019	104,148	(38)	(113,508)	(380)	1,360	(8,418)	(49)	(8,467)
Profit for the period	-	-	10,226	-	-	10,226	(42)	10,184
Other comprehensive income	-	-	-	-	177	177	(2)	175
- Currency translation difference arising from consolidation	-	-	-	-	177	177	(2)	175
Total comprehensive income	-	-	10,226	-	177	10,403	(44)	10,359
Transaction with owner:	-	-	-	-	-	-	62	62
- Effects of shares subscription in subsidiary	-	-	-	-	-	-	62	62
-Effect of deconsolidation of discontinued operation	-	-	-	-	731	731	(22)	709
Balance as at 30 September 2019	104,148	(38)	(103,282)	(380)	2,268	2,716	(53)	2,663

Group Previous Period	Share capital (RM'000)	Treasury shares (RM'000)	Accumulated losses (RM'000)	Capital reserve (RM'000)	Currency translation reserve (RM'000)	Equity attributable to owners of the Company (RM'000)	Non-controlling interests (RM'000)	Total equity (RM'000)
Balance as at 1 July 2018	98,338	(38)	(99,085)	(380)	508	(657)	(174)	(831)
Total comprehensive (loss)/income for the period	-	-	(3,846)	-	165	(3,681)	-	(3,681)
Balance as at 30 September 2018	98,338	(38)	(102,931)	(380)	673	(4,338)	(174)	(4,512)

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

There were no changes in the Company's share capital since 30 June 2019 and up to 30 September 2019.

There were no outstanding convertibles, share options or subsidiary holdings as at 30 September 2019 and 30 September 2018.

The total number of treasury shares as at 30 September 2019 and 30 September 2018 are presented below:

	As at 30 September 2019	As at 30 September 2018
Total number of treasury shares	200,000	200,000
Total number of ordinary shares	365,512,632	285,512,632
% of treasury shares over total number of ordinary shares	0.05%	0.07%

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

	As at 30 September 2019	As at 31 December 2018
Number of issued shares of the Company	365,712,632	285,712,632
Shares held as treasury shares	(200,000)	(200,000)
Number of issued shares excluding treasury shares	365,512,632	285,512,632

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

There were no sales, transfers, disposal, cancellation and / or use of treasury shares as at 30 September 2019.

1(d)(v) A statement showing all sales, transfers, cancellation and / or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and / or use of subsidiary holdings as at 30 September 2019.

2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period reported on, as those applied in the Group's most recently audited financial statements for the financial year ended 31 December 2018.

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

The Group has adopted all the new and revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and SFRS(I) Interpretations ("**SFRS(I) INTs**") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2019, where applicable. The adoption of these standards from the effective date has not resulted in material adjustments to the financial position, results of operations or cash flows of the Group for 9M2019 except the adoption of SFRS(I) 16 *Leases* which provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both leases and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

The Group elected to apply SFRS(I) 16 retrospectively with the cumulative effect of initially applying the Standard recognised at the date of initial application on 1 January 2019. The impact from adoption of SFRS(I) 16 is mainly derived from the lease of an office space for three years from 1 April 2018.

The Group recognises:

- (a) a lease liability of RM0.6 million at 1 January 2019, which is measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate ("**IBR**") at 1 January 2019.
- (b) a right-of-use asset ("**ROU**" asset") of RM0.6 million at 1 January 2019, which is equal to the lease liability.

Subsequent to the initial recognition on 1 January 2019, the ROU asset is depreciated over the lease term and the lease liability is measured by increasing the carrying amount to reflect the interest on the lease liability and reducing the carrying amount to reflect lease payments made.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Group	3Q2019 (Malaysian sen)	3Q2018 ⁽¹⁾ (Malaysian sen)	9M2019 (Malaysian sen)	9M2018 ⁽¹⁾ (Malaysian sen)
Loss per ordinary share for the period based on the net loss attributable to shareholders of the Company:				
(i) Basic				
- from continuing operations	(0.04)	(0.94)	(1.16)	(2.51)
- from discontinued operations	2.84	(0.40)	3.09	(1.07)
	2.80	(1.35)	1.93	(3.58)
(ii) On a fully diluted basis	2.80	(1.35)	1.93	(3.58)
Weighted average number of ordinary shares	365,512,632	285,512,632	326,245,233	285,512,632

Note:

- The loss in 3Q2018 and 9M2018 from a dormant subsidiary, IEV Energy Sdn Bhd, have been represented as loss from discontinued operations.

Basic and diluted (loss) per ordinary share have been computed based on the Group's loss attributable to owners of the parent and the weighted average number of ordinary shares in issue during the respective periods.

The basic and diluted earnings per ordinary share for each 3Q2019, 3Q2018, 9M2019 and 9M2018 were the same as there were no potentially dilutive ordinary shares existing during 3Q2019, 3Q2018, 9M2019 and 9M2018 respectively.

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

	Net asset value per ordinary share (Malaysian sen)	
	As at 30 September 2019	As at 31 December 2018
Group	0.7	(4.3)
Company	0.8	(0.7)

Net asset value per ordinary share as at 30 September 2019 and 31 December 2018 have been calculated based on the aggregate number of ordinary shares (excluding treasury shares) of 365,512,632 and 285,512,632 as at the respective dates.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Statement of Comprehensive Income

Breakdown by business segments

Three Months ended 30 September 2019

Business sector	3Q2019			3Q2018		
	Revenue (RM'000)	Gross Profit (RM'000)	Gross Profit Margin %	Revenue (RM'000)	Gross Profit/ (Loss) (RM'000)	Gross Profit/ (Loss) Margin %
<u>Continuing Operations</u>						
Asset Integrity Management Sector ("AIMS")	4,152	2,447	58.9%	412	247	60.0%
Total from continuing operations	4,152	2,447	58.9%	412	247	60.0%
<u>Discontinued Operations</u>						
Mobile Natural Gas Sector	-	-	-	5,321	(133)	(2.5%)
Total from discontinued operations	-	-	-	5,321	(133)	(2.5%)
Total	4,152	2,447	58.9%	5,733	114	2.0%

Nine Months ended 30 September 2019

Business sector	9M2019			9M2018		
	Revenue (RM'000)	Gross Profit (RM'000)	Gross Profit Margin %	Revenue (RM'000)	Gross Profit/ (Loss) (RM'000)	Gross Profit/ (Loss) Margin %
<u>Continuing Operations</u>						
Asset Integrity Management Sector ("AIMS")	8,221	3,689	44.9%	2,019	1,215	60.2%
Total from continuing operations	8,221	3,689	44.9%	2,019	1,215	60.2%
<u>Discontinued Operations</u>						
Mobile Natural Gas Sector	-	-	-	17,636	(15)	(0.09%)
Total from discontinued operations	-	-	-	17,636	(15)	(0.09%)
Total	8,221	3,689	44.9%	19,655	1,200	6.1%

Continuing Operations

Revenue

Revenue for the Group in 3Q2019 increased by 907.8% to RM4.2 million from RM0.4 million in 3Q2018 due mainly to increased sales from the Group's proprietary marine growth control ("**MGC**") products and the sale of retrofitted corrosion control products. Group revenue for 9M2019 increased by 307.2% to RM8.2 million from RM2.0 million for 9M2018 due mainly to increased MGC product sales, a completed AIMS Advanced Inspection Solutions project and an on-going retrofitted corrosion control project.

Gross Profit

The Group's gross profit for 3Q2019 increased by 890.7% to RM2.4 million from RM0.2 million in 3Q2018 due mainly to increased MGC sales activity. Similarly, for 9M2019 the Group's gross profit increased by 203.6% to RM3.7 million from RM1.2 million for 9M2018 due mainly to increase in AIMS sales activities and in particular MGC sales.

The Group's gross profit margin remained generally stable at 58.9% in 3Q2019 and 60.0% in 3Q2018. Group gross profit margin for 9M2019 decreased to 44.9% compared to 60.2% in 9M2018, due mainly to increased business activities from

non-proprietary products and services, including an Advanced Inspection Solution project, which has lower gross profit margins compared to Group's proprietary MGC products.

Other Operating Income

The Group's other operating income for 3Q2019 declined by 59.1% to RM45 thousand from RM110 thousand for 3Q2018 due mainly to a decrease in rental income subsequent to the disposal of the Vietnam biomass plant. The Group's other operating income for 9M2019 declined by 65.5% to RM130 thousand from RM370 thousand in 9M2018 due mainly to (i) decline in rental income of RM145 thousand after the disposal of the Vietnam biomass plant and (ii) a one-off write back in 9Q2018 of a RM52 thousand impairment on property, plant and equipment.

Administrative Expenses

Administrative expenses in 3Q2019 reduced by 13.8% to RM2.1 million from RM2.5 million in 3Q2018, whilst administrative expenses in 9M2019 reduced by 11.0% to RM6.7 million from RM7.5 million in 9M2018. The lower administrative expenses were mainly due to cost reduction initiatives undertaken by the Group including: (i) reducing manpower headcount and salary cuts; (ii) disposal of non-essential fixed assets, including sale of a corporate office, to reduce depreciation, repair and maintenance expenses; and (iii) reduction in travel expenses. Depreciation of right-of-use assets of RM61 thousand in 3Q2019 and RM200 thousand in 9M2019 is a reclassification under SFRS(I)16 *Leases* for an office lease that was previously recorded as rental expense. Amortisation of intangible assets decreased by 65.7% from RM35 thousand in 3Q2018 to RM12 thousand in 3Q2019 and by 61.0% from RM105 thousand in 9M2018 to RM41 thousand in 9M2019 due mainly to the full impairment provision during FY2018 of a licensed corrosion control technology no longer in use.

Exchange Loss/Gain

The Group recorded an exchange gain of RM0.1 million in 3Q2019 compared to an exchange loss of RM0.3 million in 3Q2018. For 9M2019, the Group recorded a marginal exchange gain of RM50 thousand compared to an exchange loss of RM0.6 million in 9M2018. The exchange gain for both 3Q2019 and 9M2019 is mainly due to the depreciation of the Malaysia Ringgit against the US Dollars during the period of review and increased AIMS business activities which are denominated in US Dollars.

Selling and Distribution Costs

Selling and distribution costs represent commissions payable to agents for AIMS sales made for the Group. Sales and distribution cost for 3Q2019 increased by 1,302% to RM0.6 million from RM41 thousand in 3Q2018 due to increased sales of the Group's proprietary MGC products, reflecting a pick-up in upstream oil and gas business activities for the Group. For the same reason, sales and distribution costs for 9M2019 increased by 1,098% to RM0.7 million from RM57 thousand for 9M2018.

Other Operating Expenses

Other operating expenses for 3Q2019 decreased moderately to RM49 thousand from a write-down in property, plant and equipment, compared to RM63 thousand for 3Q2018. Other operating expenses for 9M2019 increased by 70.2% to RM240 thousand compared to RM141 thousand in 9M2018 due mainly to (i) RM57 thousand write off of property plant and equipment no longer in use and (ii) tax penalties of RM46 thousand.

Share of Results of Associate

Share of results of associate was nil for 3M2019 compared to a marginal loss of RM3 thousand for 3M2018. Share of results of associates for 9M2019 was a loss of RM75 thousand, a 200% increase from the loss of RM25 thousand for 9M2018. The larger loss for 9M2019 was due to a delay in pick up in business activities of an AIMS associate, IEV (Malaysia) Sdn. Bhd.

Finance Costs

Finance costs for 3Q2019 reduced by 54.1% to RM67 thousand from RM146 thousand in 3Q2018 whilst finance costs for 9M2019 reduced by 50.8% to RM216 thousand from RM439 thousand in 9M2018. The reduction in finance costs was

mainly due to the full settlement of a bank loan during FY2018 associated with the disposal of a commercial office space and partial repayment of corporate overdrafts in the current year.

Loss Before Tax

For reasons set out above, the Group recorded a 93.1% reduction in loss before tax to RM0.2 million for 3Q2019 from RM2.7 million for 3Q2018. For 9M2019, the Group recorded a 43.8% reduction in loss before tax to RM4.0 million from RM7.1 million in 9M2018.

Discontinued Operations

For 9M2019, a profit before tax of RM10.1 million from discontinued operations was recorded due mainly to a RM10.8 million reversal of provisions and liabilities in PT IEV Pabuaran KSO which are no longer required when the Company commenced a member's voluntary liquidation, as announced on 13 September 2019. This gain was partially offset by RM0.4 million of administrative expenses and RM0.2 million of other operating expenses from various discontinued subsidiaries.

Review of Statement of Financial Position

Current Assets

Trade receivables increased marginally by RM0.2 million to RM14.4 million as at 30 September 2019, from RM14.2 million as at 31 December 2018, reflecting sustained AIMS business activities during the period in review. The current portion of other receivables and prepayments decreased by RM3.1 million to RM1.5 million as at 30 September 2019 from RM4.6 million as at 31 December 2018, due mainly to (i) receipt of settlement sum for the disposal of the Vietnam biomass plant to BSB amounting to RM2.7 million and (ii) a tax refund of RM0.3 million in relation to the disposal of a corporate office space. Inventory values reduced to RM1.2 million as at 30 September 2019 from RM1.5 million 31 December 2018 mainly due to: (i) RM132 thousand write-down of Oxifree inventories and (ii) depletion of inventories for the manufacture of marine growth control products. Contract costs reduced to RM0.01 million as at 30 September 2019 from RM1.0 million as at 31 December 2018 due mainly to the net transfer of contract costs of RM0.9 million to costs of sale following the completion of an AIMS Advanced Inspection Solutions project during 9M2019.

Non-Current Assets

Net carrying value of property, plant and equipment decreased by RM0.5 million to RM1.1 million as at 30 September 2019 from RM1.6 million as at 31 December 2018. This was due to: (i) depreciation charges of RM0.5 million; and (ii) asset write off charges of RM57 thousand; which were partially offset by new acquisitions of RM59 thousand. Right-of-use assets of RM0.4 million as at 30 September 2019 was due to the adoption SFRS(I)16 *Lease*, effective 1 January 2019 for the lease of an office space, which recognised RM0.6 million from 1 January 2019 and offset by depreciation charges of RM0.2 million during 9M2019. Net book value of intangible assets decreased to RM46 thousand as at 30 September 2019, from RM87 thousand as at 31 December 2018, due mainly to amortisation charges during the period in review. Value in associate reduced to nil as at 30 September 2019 from RM75 thousand as at 31 December 2018 due to the share of loss of associate recorded during 9M2019.

Capital and Reserves

Share capital of the Company and Group increased to RM104.1 million as at 30 September 2019 from RM98.3 million as at 31 December 2018 due to the allotment and issuance of 80,000,000 new ordinary shares in the Company to individual shareholders at an issue price of S\$0.025 per ordinary share.

Currency translation reserve as at 30 September 2019 increased to RM2.3 million from RM1.5 million as at 31 December 2018 due mainly to the reversal of a RM0.7 million currency translation loss upon the deconsolidation of a subsidiary, PT IEV Pabuaran KSO.

Accumulated losses for the Group decreased by RM6.3 million to RM103.3 million as at 30 September 2019 from RM109.6 million accumulated losses as at 31 December 2018, mainly due to discontinued operations as explained above.

Non-Current Liabilities and Current Liabilities

Bank borrowings decreased by RM0.6 million to RM2.4 million as at 30 September 2019 from RM3.0 million as at 31 December 2018, due mainly to progressive reductions in the overdraft amount. Current and non-current lease liabilities totalling RM0.4 million is due to the adoption of SFRS(I)16 *Lease* for the lease of an office space.

Trade payables decreased by RM1.6 million to RM11.8 million as at 30 September 2019 from RM13.5 million as at 31 December 2018, due mainly to the settlement of AIMS project invoices during 9M2019. Other payables and provisions as at 30 September 2019 decreased by RM11.8 million to RM3.5 million as compared to other payables as at 31 December 2018 of RM15.2 million. The decrease was due mainly to the RM11.5 million reversal of provisions and payables in relation of member's voluntary liquidation of PT IEV Pabuaran KSO. Contract liabilities decreased to RM0.1 million as at 30 September 2019 from RM2.7 million as at 31 December 2018 due to the recognition of revenue from an AIMS Advanced Inspection Solutions project during 9M2019.

The Group has positive working capital of RM1.2 million as at 30 September 2019 compared to a negative working capital of RM11.9 million as at 31 December 2018 and a net equity position of RM2.7 million as at 30 September 2019 compared to a net liability position of RM10.2 million as at 31 December 2018. The change in working capital position and net asset position of the Group was due mainly to (i) a one-off reversal of provisions and liabilities totaling RM10.8 million for PT IEV Pabuaran KSO which the Company commenced member's voluntary liquidation; and (ii) the allotment and issuance of 80,000,000 ordinary shares during 9M2019 to raise net capital proceeds of RM5.8 million.

Review of Statement of Cash Flows

For 3Q2019 the Group's operating activities used a net cash of RM2.5 million. This was mainly due to: (i) an operating loss before working capital changes of RM0.3 million; (ii) increase in operating receivables of RM3.6 million; (iii) increase in contract costs of RM0.16 million; (iv) increase in amount due from an associate of RM0.07 million; and (v) interest payments of RM0.07 million. These were partially offset by (i) increase in operating payables of RM1.2 million, (ii) decrease in inventories of RM0.2 million; and (iii) increase in contract liabilities of RM0.1 million. Investing activities for 3Q2019 was limited to using RM4 thousand for the net acquisition of property, plant and equipment and RM3 thousand for the deconsolidation of PT IEV Pabuaran KSO. Financing activities for 3Q2019 was limited to using RM70 thousand for lease payments.

For 9M2019, the Group recorded net cash used in operating activities of RM3.9 million. This was mainly due to: (i) an operating loss before working capital changes of RM3.5 million; (ii) decrease in contract liabilities of RM2.5 million; (iii) decrease in operating payable of RM0.3 million; (iv) increase in amount due from an associate of RM0.2 million, (v) interest payments of RM0.2 million; and (vi) payment of long term employment benefits of RM0.06 million. These were partially offset by (i) a decrease in operating receivables of RM1.6 million; (ii) decrease in contract costs of RM0.8 million; (iii) decrease in inventories of RM0.2 million; and (iv) a net tax refund of RM0.2 million. Net cash used in investing activities of RM39 thousand for 9M2018 was mainly for the net acquisition of property, plant and equipment. Net cash generated from financing activities of RM5.6 million for 9M2019 was from the net proceeds of RM5.8 million in the issuance of ordinary shares, which was partially offset by lease payments of RM0.2 million.

As a result of the above, the cash and bank balances was RM2.2 million as at 30 September 2019, compared to RM1.1 million as at 31 December 2018.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trend competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Group is continuing its efforts to streamline its AIMS business and to dispose of subsidiaries from discontinued businesses. As announced on 30 August 2019 and 13 September 2019 respectively, IEV Vietnam Limited Liability Company

has been formally dissolved and the Group commenced member's voluntary liquidation of PT IEV Pabuaran KSO. Separately, on 23 October 2019, the Company announced that its wholly-owned subsidiary, IEV Group Sdn Bhd entered into a Share Sale Agreement for the disposal of IEV Technologies Vietnam Limited Liability Company and IEV Engineering (India) Pvt Ltd.

Oil price remains fluctuating due to many factors that affect oil production and consumption from OPEC and Non-OPEC countries, including the ongoing US-China trade negotiation, slowdown in growth of US shale oil production¹ and the change in global energy policy that aims at reducing demand of fossil fuel due to climate change².

On the engineering front, the Group is increasing its earnings across the region, especially from its proprietary marine growth control technology. The Group intensifies its effort in rolling out its pipeline of disruptive technologies in Asset Integrity Management (AIM) business in the brownfield market. The transformation of the engineering business division into a Centre of Disruptive Technologies is gaining momentum. A comprehensive range of engineering solutions in the fields of Structural Integrity Solutions, Advanced Inspection Solutions, Corrosion Control Solutions, and Repair and Rehabilitation Solutions are in varying stages of commercialisation. IEV and its regional infrastructure continue to serve as a platform for third party technologies in AIM to be commercialised in the Asia region.

Following the EGM on October 18th, 2019, the Group is in the process of completing the conditions precedent to acquire Lady Paradise Sdn Bhd, the first postpartum care centre as part of its diversification plan in the healthcare and wellness sector. Barring any unforeseen circumstances, the acquisition of Lady Paradise (M) Sdn Bhd will be completed by 31 December 2019.

11. If a decision regarding dividend has been made:

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

No.

(b) Previous corresponding period/rate %

None.

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

There is no interim dividend recommended and declared by the Directors in respect of the current financial period ended 30 September 2019 as the Group recorded a loss from its continuing operations in 3Q2019 and 9M2019.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group does not have a general mandate from shareholders for interested person transactions ("IPTs") pursuant to Rule 920(1)(a)(ii) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "Catalist Rules"). There were no IPTs entered into during the financial period reported on which exceeds SGD 100,000 in value.

14. Use of Proceeds from Share Subscription

The Board of Directors wishes to provide an update on the use of the proceeds arising from the allotment and issue of 80.0 million new ordinary shares at an issue price of S\$0.025 per share in the capital of the Company through a share subscription exercise (the "Share Subscription") that was completed on 15 May 2019. The net proceeds of approximately

¹ <https://oilprice.com/Energy/Energy-General/The-Drilling-Frenzy-Is-Over-For-US-Shale.html>

² <https://oilprice.com/Energy/Energy-General/OPEC-Braces-For-Drastic-Drop-In-Oil-Demand.html>

S\$1.906 million (after deducting expenses of approximately S\$0.094 million incurred by the Company in connection with the Share Subscription) have been utilised as follows:

Use of Proceeds	Amount allocated (as announced on 26 April 2019) (S\$'000)	Amount utilised as at the date of this announcement (S\$'000)	Balance of net proceeds as at the date of this announcement (S\$'000)
(i) Identify and invest into new business	1,000	283	717
(ii) Working capital	906	803 ⁽¹⁾	103
Total	1,906	1,086	820

Note:

- Working capital utilisation comprise of (i) payment of trade and other payables of S\$274 thousand; (ii) payment of professional fees of S\$263 thousand; and (iii) manpower and overheads of S\$266 thousand.

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

We, Christopher Nghia Do and Harry Ng, the undersigned, being Directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the third quarter ended 30 September 2019 false or misleading in any material aspect.

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

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

ON BEHALF OF THE BOARD OF DIRECTORS

CHRISTOPHER NGHIA DO PRESIDENT & CEO	HARRY NG LEAD INDEPENDENT DIRECTOR
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Date: 12 November 2019