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")

FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE 3 MONTHS FINANCIAL PERIOD ENDED 31 MAR 2013 ("1Q2013")

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

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

	Group		
	Unaudited 1Q2013 (RM'000)	**Unaudited 1Q2012 (RM'000)**	**% change increase/ (decrease)**
Revenue	12,956	70,074	(81.5)
Cost of sales	(8,642)	(61,058)	(85.8)
Gross profit	4,314	9,016	(52.2)
Other operating income	534	374	42.8
Exchange (loss)/gain	363	171	112.3
Administrative expenses	(5,436)	(4,516)	20.4
Selling and distribution costs	(205)	(114)	79.8
Other operating expenses	(10)	-	n.m.
Share of associated companies' results, net of tax	891	1,133	(21.4)
Finance costs	(263)	(115)	128.7
Profit before taxation	188	5,949	n.m.
Taxation	35	(1,372)	n.m.
Profit for the period	223	4,577	(95.1)
Other comprehensive income after tax			
- currency translation differences arising from consolidation	239	(1,869)	n.m.
Total comprehensive income for the period, net of tax	462	2,708	(82.9)
Total profit attributable to:			
Owners of the parent	406	4,605	(91.2)
Non-controlling interests	56	(28)	n.m.
	462	4,577	(89.9)
Total comprehensive income attributable to:			
Owners of the parent	160	2,729	(94.1)
Non-controlling interests	63	(21)	n.m.
	223	2,708	(91.8)

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

	Group		
	Unaudited 1Q2013 (RM'000)	**Unaudited 1Q2012 (RM'000)**	**% change increase/ (decrease)**
Rental Income	25	16	56.3
Interest Income	53	52	1.9
Interest expense	(263)	(115)	128.7
Depreciation of property, plant and equipment (include depreciation accounted for in cost of sales)	(789)	(651)	21.2
Amortisation of intangible assets (include depreciation accounted for in cost of sales)	(104)	(27)	285.2

n.m. denotes not meaningful

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

	Company		Group	
	Unaudited As at 31 Mar 2013 (RM'000)	Audited As at 31 Dec 2012 (RM'000)	Unaudited As at 31 Mar 2013 (RM'000)	Audited As at 31 Dec 2012 (RM'000)
ASSETS				
Non-Current				
Intangible assets	-	-	5,298	5,272
Property, plant and equipment	-	-	31,970	23,070
Subsidiaries	40,564	40,253	-	-
Associated companies	-	-	19,191	18,301
Fixed deposits	-	-	1,477	-
Prepayments	-	-	910	908
Deferred tax assets	-	-	227	220
	40,564	40,253	59,073	47,771
Current				
Inventories	-	-	1,420	1,278
Work-in-progress	-	-	891	98
Trade and other receivables	276		78,014	87,745
Prepayments	97	53	-	3,834
Fixed deposits	-	-	3,946	47
Cash and bank balances	1,611	2,437	25,766	31,731
	1,984	2,490	110,037	124,733
Total assets	**42,548**	**42,743**	**169,110**	**172,504**
EQUITY				
Capital and Reserves				
Share capital	63,247	63,247	63,247	63,247
Currency translation reserve	-	-	(1,979)	(2,225)
(Accumulated losses)/retained profits	(21,506)	(21,077)	7,120	6,960
	41,741	42,170	68,388	67,982
Non-controlling interests	-	-	1,023	(46)
	41,741	42,170	69,411	67,936
LIABILITIES				
Non-Current				
Bank borrowings	-	-	10,139	3,058
Finance lease obligations	-	-	125	135
Deferred tax liabilities	-	-	5	5
Other payables	-	-	980	844
	-	-	11,249	4,042
Current				
Trade and other payables	807	573	78,368	86,052
Progress billing	-	-		59
Bank borrowings	-	-	9,856	13,746
Finance lease obligations	-	-	164	168
Current tax payable	-	-	62	501

	Company		Group	
	Unaudited As at 31 Mar 2013 (RM'000)	Audited As at 31 Dec 2012 (RM'000)	Unaudited As at 31 Mar 2013 (RM'000)	Audited As at 31 Dec 2012 (RM'000)
	807	573	88,450	100,526
Total equity and liabilities	**42,548**	**42,743**	**169,110**	**172,504**

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

Group	Unaudited As at 31 Mar 2013		Audited As at 31 Dec 2012	
	Secured (RM'000)	Unsecured (RM'000)	Secured (RM'000)	Unsecured (RM'000)
Bank loans:				
- Bank loan # 1	4,633	-	5,097	-
- Bank loan # 2	3,000	-	4,500	-
- Bank loan # 3	7,956	-	-	-
	15,589	-	9,597	-
Bank overdraft	2,906	-	2,707	-
Revolving credit	1,500	-	4,500	-
	19,995	-	16,804	-
Finance leases	-	289	-	303
	19,995	289	16,804	303

Amount repayable in one year or less, or on demand	9,856	164	13,746	168
Amount repayable after one year	10,139	125	3,058	135

Details of collaterals

The above bank borrowings are secured by:

Bank loan #1

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

Bank loan #2

- The loan is secured by way of assignment to the bank the contract proceeds of a project.

Bank loan #3

- The loan is secured by way of assignment to the bank all rights, title and interest of the demised premises; i.e. Level 22, PJX-HM Shah Tower, No. 16A, Persiaran Barat, 46050 Pertaling Jaya, Selangor Darul Ehsan, Malaysia pending the issuance of a separate document of title / strata title to the property and a legal charge under the National Land Code 1965 / (Land Code (cap. 81) of Sarawak / Sabah Land Ordinance (Chapter 68);
- A corporate guarantee provided by IEV Holdings Limited.

The bank overdraft is secured by a debenture by way of a fixed and floating charge over all present and future assets of IEV Group Sdn Bhd.

The revolving credit is secured over a bank account to be opened for the purpose of depositing all proceeds from payments received in relation to a project. Disbursements shall be in relation to:-

(i) cost / expenses in relation to the project;
(ii) payment of principal / interest in relation to the revolving credit facility; and/or
payment / prepayment of principal / interest in relation to bank loan #3.

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	
	Unaudited 1Q2013 (RM'000)	**Unaudited 1Q2012 (RM'000)**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	188	5,949
Share of profits in associated companies	(891)	(1,133)
Adjustments for:		
Amortisation of intangible assets	104	27
Depreciation of property, plant and equipment	789	651
Provision for employees' benefits	109	303
Loss on disposal of PPE	219	-
Interest expense	263	115
Interest income	(53)	(52)
Operating profit before working capital changes	728	5,860
Increase in inventories	(130)	(233)
Increase in work-in-progress	(793)	(128)
(Increase) / Decrease in operating receivables	12,655	(100,545)
Increase / (Decrease) in operating payables	(6,812)	91,006
Decrease in progress billings	(59)	-
Cash generated from operating activities	5,589	(4,040)
Interest received	53	52
Interest paid	(263)	(115)
Tax paid	(172)	(52)
Net cash generated from operating activities	5,207	(4,155)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for expenditure carried forward	(569)	
Acquisition of property, plant and equipment	(9,990)	(857)
Dividends income from associated company	-	659
Increase in shareholding of an associated company	-	(16)
Net cash generated from / (used in) investing activities	(10,559)	(214)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease obligations	(81)	(74)
Repayment of loan from external party	(872)	
Bank borrowings obtained	8,199	1,269
Bank borrowings repaid	(4,987)	(1,378)
Proceeds from issuance of ordinary shares	1,008	-
Increase in fixed deposits pledged	(79)	(11,756)
Net cash generated from / (used in) financing activities	3,188	(11,939)
Net increase in cash and cash equivalents	(2,164)	(16,308)
Cash and cash equivalents at beginning of period	26,613	28,157
Currency translation difference of cash and cash equivalents at beginning of year	19	(244)
Cash and cash equivalents at end of period	24,468	11,604
Cash and cash equivalents comprise:		
Cash and bank balances	25,766	25,005
Fixed deposits	3,946	-
Less: Pledged fixed deposits	(5,244)	(13,401)
Cash and cash equivalents at end of period	24,468	11,604

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

Company **Current Period**	**Share capital** **(RM'000)**	**Accumulated losses** **(RM'000)**	**Total** **(RM'000)**
Balance as at 1 January 2013	63,247	(21,077)	42,170
Total comprehensive expense for the period	-	(429)	(429)
Balance as at 31 March 2013	63,247	(21,506)	41,741

Company **Previous Period**	**Share capital** **(RM'000)**	**Accumulated losses** **(RM'000)**	**Total** **(RM'000)**
Balance as at 1 January 2012	63,247	(17,588)	45,659
Total comprehensive expense for the year	-	(722)	(722)
Balance as at 31 March 2012	63,247	(18,310)	44,937

Group **Current Period**	**Share capital (RM'000)**	**Retained profits (RM'000)**	**Currency translation reserve (RM'000)**	**Total attribu-table to equity holders of the parent (RM'000)**	**Non-control ling interests (RM'000)**	**Total equity (RM'000)**
Balance as at 1 January 2013	**63,247**	**6,960**	**(2,225)**	**67,982**	**(46)**	**67,936**
Total comprehensive (expense)/income for the year	-	160	246	406	1,069	1,475
Balance as at 31 March 2013	**63,247**	**7,120**	**(1,979)**	**68,388**	**1,023**	**69,411**

Group **Previous Period**	**Share capital (RM'000)**	**Retained profits (RM'000)**	**Currency translation reserve (RM'000)**	**Total attribu-table to equity holders of the parent (RM'000)**	**Non-control ling interests (RM'000)**	**Total equity (RM'000)**
Balance as at 1 January 2012	**63,247**	**12,393**	**(1,362)**	**74,278**	**(99)**	**74,179**
Total comprehensive (expense)/income for the year	-	4,605	(1,875)	2,730	(21)	2,709
Balance as at 31 March 2012	**63,247**	**16,998**	**(3,237)**	**77,008**	**(120)**	**76,888**

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

Issued and paid-up shares	Number of shares	Resultant issued and paid-up share capital (S$)
Issued and paid-up share capital of the Company as at 31 December 2012	172,000,000	26,511,930
Issued and paid-up share capital of the Company as at 31 March 2013	172,000,000	26,511,930

There were no outstanding share options granted as at 31 March 2013 and 31 December 2012.

There was no treasury shares held or issued as at 31 March 2013 and 31 December 2012.

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

	As at 31 March 2013	As at 31 December 2012
Number of issued shares excluding treasury shares	172,000,000	172,000,000

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

There were no sales, transfers, disposal, cancellation and / or use of treasury shares as at 31 Mar 2013.

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

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

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

Not applicable.

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

Except as disclosed in Note 5 below, the Group had applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's most recently audited financial statements for the financial year ended 31 December 2012.

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

The Group has adopted all the new and revised Singapore Financial Reporting Standards ("FRSs") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2013, where applicable. The adoption of these standards from the effective date is not expected to result in material adjustments to the financial position, results of operations or cash flows of the Group for 1Q2013.

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	1Q2013 (Malaysian sen)	1Q2012 (Malaysian sen)
Earnings per ordinary share for the period based on the unaudited net profit attributable to shareholders of the Company:		
(i) Basic earnings per share	0.2	2.7
(ii) On a fully diluted basis	0.2	2.7

Basic earnings per ordinary share for 1Q2013 and 1Q2012 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 172,000,000.

The basic and diluted earnings per ordinary share for 1Q2013 and 1Q2012 were the same as there were no potentially dilutive ordinary shares existing during 1Q2013 and 1Q2012 respectively.

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

	Net asset value per ordinary share (Malaysian sen)	
	As at 31 March 2013	As at 31 December 2012
Group	40.4	39.5
Company	24.3	24.5

Net asset value per ordinary share as at 31 March 2013 and 31 December 2012 is calculated based on the aggregate number of ordinary shares of 172,000,000.

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

<u>Review of Statement of Comprehensive Income</u>

Breakdown of Revenue, Gross Profit and Gross Profit Margin by business segments

Business segment	1Q2013			1Q2012		
	Revenue (RM'000)	**Gross Profit (RM'000)**	**GP Margin %**	**Revenue (RM'000)**	**Gross Profit (RM'000)**	**GP Margin %**
IES	5,631	1,903	34%	9,256	2,271	25%
Turnkey projects	-	-	-	55,267	5,711	10%
Total OES	5,631	1,903	34%	64,523	7,982	12%
Sales of CNG	7,325	2,411	33%	5,551	1,034	19%
Total	**12,956**	**4,314**	**33%**	**70,074**	**9,016**	**13%**

Revenue

Revenue decreased by RM57.1 million or 81.5%, from RM70.1 million in 1Q2012 to RM13.0 million in 1Q2013, due to a decrease in revenue contribution of RM58.9 million from the Offshore Engineering Sector partly offset by an increase in revenue contribution of RM1.8 million from the Mobile Natural Gas Sector.

Revenue from the Offshore Engineering Sector ("OES") decreased by 91.3% as revenue for the current financial period were contributed by the provision of integrated engineering services or "IES" only compared with the corresponding financial period in which the Group's revenue were predominantly contributed by two major turnkey contracts; i.e. the "Provision for Decommissioning SM-4 and SMV-A Platforms Project" and "Supply, Delivery, Installation and Commissioning of Refurbished Wellhead Platform, Pipeline and Host Tie-Ins at D35 for D21 Project" (collectively, the "Projects"). The Projects, in aggregate, contributed revenue of RM55.2 million in 1Q2012. For this current financial year, the revenue from turnkey engineering projects is expected to come in from 2Q2013.

Revenue from the Mobile Natural Gas Sector increased by 31.9% due mainly to the increase in prices and the sales volume of compressed natural gas ("CNG"). The volume of CNG supplied increased by 6.9% in 1Q2013.

Gross Profit

Gross profit decreased by RM4.7 million or 52.2%, from RM9.0 million in 1Q2012 to RM4.3 million in 1Q2013. The decrease was due mainly to decrease in contribution from the Offshore Engineering Sector of RM6.0 million partly offset by an increase in contribution of RM1.3 million from the Mobile Natural Gas Sector.

Notwithstanding the decrease in gross profit, the Group's gross profit margin increased from 12.9% in 1Q2012 to 33.3% in 1Q2013. Gross profit margin from the Offshore Engineering Sector increased by 21.4% as comparatively, IES typically contributes higher gross profit margin as opposed to turnkey services.

Gross profit margin from the Mobile Natural Gas Sector increased by 14.3% due mainly to the increase in the supply of CNG on a Take & Pay basis, as opposed to a Throughput basis. As between the two, the Take & Pay basis contributes a higher gross profit margin.

Other Operating Income

Other operating income increased by approximately RM0.2 million or 42.8%, from RM0.4 million in 1Q2012 to RM0.5 million in 1Q2013 due mainly to forfeiture of deposits from an external party.

Exchange (Loss)/Gain

An exchange gain of RM0.3 million arose from predominantly trade transactions in 1Q2013 compared to an exchange gain of RM0.2 million recorded in 1Q2012. The exchange gain as observed in 1Q2013 reflected the strengthening of the US dollar against the Ringgit Malaysia which had a positive impact on the Group's US dollar denominated receipts.

Administrative Expenses

Administrative expenses increased by RM0.9 million or 20.4%, from RM4.5 million in 1Q2012 to RM5.4 million in 1Q2013 due mainly to increase in employee costs of RM0.6 million and corporate expenses of RM0.3 million. The increase in employee costs is due to the redeployment of staff from projects to general staff. The increase in corporate expenses was predominantly due to legal and stamping fees associated with the acquisition of the Group's property for use as its headquarters in 1Q2013.

Selling and distribution costs

Selling and distribution costs represent commissions payable to agents for sales made for the Group. Selling and distribution costs of RM0.2 million and RM0.1 million was recorded for 1Q2013 and 1Q2012 respectively.

Share of Associated Companies' Results, Net of Tax

Share of associated companies' profits, net of tax decreased by RM0.2 million or 21.4%, from RM1.1 million in 1Q2012 to RM0.9 million in 1Q2013 as a result of a slight decrease in profit contribution from CNG Vietnam Joint Stock Company.

Finance Costs

Finance costs increased from RM0.1 million in 1Q2012 to RM0.3 million in 1Q2013 mainly due to the increase in bank borrowings for the financing of the D21 Project, the acquisition of capital assets for the Group's Mobile Natural Gas Sector and mortgage finance of the Group's newly acquired property for use as its headquarters.

Profit Before Taxation

Profit before taxation decreased by RM5.8 million or 96.8%, from RM6.0 million in 1Q2012 to RM0.2 million in 1Q2013 due mainly to (i) lower revenue, (ii) higher administrative expenses, (iii) higher selling and distribution costs, and (iv) lower share of associated companies' profits net of tax, partially offset by higher gross margins, higher other operating income and exchange gain.

Review of Statement of Financial Position

Non-Current Assets

Net book value of intangible assets remained substantially the same at RM 5.3 million between 31 December 2012 and 31 March 2013. Amortisation charges for 1Q2013 of RM0.1 million was offset by exchange gain of RM0.1 million.

Net carrying value of property, plant and equipment increased by RM8.9 million to RM32.0 million as at 31 March 2013. The increase was mainly due to the Group's acquisition of a property for its new headquarters in 1Q2013, which amounted to approximately RM10.0 million, partially offset by a disposal of property, plant and equipment amounting to RM0.3 million, and the reclassification of RM0.2 million of equipment to inventories for disposal.

Net book value of associated companies increased by RM0.9 million to RM19.2 million as at 31 March 2013 from RM18.3 million as at 31 December 2012. The increase was due to current period's share of associated companies' results.

The non-current fixed deposits of RM1.5 million relates to fixed deposits pledged for the issuance of guarantee bond for a gas project in Indonesia.

Current Assets

Inventories increased marginally by RM0.1 million to RM1.4 million as at 31 March 2013 from RM1.3 million as at 31 December 2012.

Work-in-progress, which is mainly related to feasibility studies in connection to the exploration and production activities of stranded gas as at 31 March 2013 was RM0.9 million, as compared to RM0.1 million as at 31 December 2012 due to unbilled services rendered and the amount yet to be collected from customers for the project work performed to-date.

Trade and other receivables decreased by RM9.7 million to RM78.0 million as at 31 March 2013 from RM87.7 million as at 31 December 2012, due mainly to the lower volume of offshore engineering services activities undertaken by the Group in 1Q2013.

Prepayments which comprised prepaid operating expenses of RM3.8 million as at 31 December 2012 was fully expensed out during 1Q2013.

Fixed deposits increased by RM3.9 million as at 31 March 2013 from approximately RM47k as at 31 December 2012. The increase was mainly due to the fixed deposits pledged for the issuance of a guarantee bond for the D21 Project.

Capital and Reserves

Exchange translation reserve increased by RM0.2 million to (RM2.0) million as at 31 March 2013 from (RM2.2) million as at 31 December 2012 mainly due to appreciation of the US dollar against the Ringgit Malaysia which had a positive impact on the Group's US dollar denominated revenue

Retained profits increased by RM0.2 million to RM7.1 million as at 31 March 2013 from RM6.9 million as at 31 December 2012 due to profits generated from operating activities during the current financial period.

Non- Current Liabilities and Current Liabilities

Bank borrowings (including non-current portion) increased by RM3.2 million to RM20.0 million as at 31 March 2013 from RM16.8 million as at 31 December 2012 due to additional bank borrowings obtained for the (i) the acquisition of capital assets for the Group's Mobile Natural Gas Sector; and (ii) acquisition of the Group's new headquarters during 1Q2013 for the total amount of RM8.2 million, and partially offset by the repayment of bank borrowings of RM5.0 million.

Trade and other payables (including non-current portion) decreased by RM7.6 million to RM79.3 million as at 31 March 2013 from RM86.9 million as at 31 December 2012, which was in line with the decrease in the volume offshore engineering services activities undertaken by the Group in 1Q2013.

Current tax payable decreased by approximately RM0.4 million to RM0.1 million as at 31 March 2013 from RM0.5 million as at 31 December 2012, due to lower provision for taxation for 1Q2013 and tax paid in respect of previous financial year's provision for taxation.

The Group had a positive working capital of approximately RM21.9 million as at 31 March 2013 as compared with approximately RM24.2 million as at 31 December 2012.

Review of Statement of Cash Flows

The net cash generated from operating activities for 1Q2013 was RM5.2 million. This was mainly due to the decrease in operating receivables of RM12.7 million, partially offset by the decrease in operating payables of RM6.8 million and the increase in work-in-progress of RM0.8 million. The net cash used in investing activities which amounted to RM10.6 million was mainly due to the acquisition of the Group's new headquarters. The net cash generated from financing activities was mainly due to the RM8.2 million bank borrowings obtained by the Group, partially offset by the repayment of bank borrowings amounting to RM5.0 million.

As a result, after taking into account the currency translation difference of RM19k the cash and cash equivalents was RM24.5 million as at 31 March 2013 compared to cash and cash equivalents of RM11.6 million as at 31 March 2012.

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 factors that may significantly affect the industry in the next 12 months are as follows:

- The state of the global economy, especially Europe, USA and China;
- The movement in oil prices;
- The continued efforts from local governments to accelerate exploration and production to slow down production decline
- The movement in LNG prices in the Asian market, which affects piped gas prices throughout the region; and
- The fluctuation of the USD against the RM and IDR.

Barring any unforeseen circumstances, the Directors are optimistic that the outlook of the oil and gas industry is positive for the next 12 months, particularly in the Asian region.

a) Offshore Engineering Sector

The Directors are of the view that the oil and gas industry will likely continue to be vibrant with a significant number of new projects currently under development throughout the Asian region, as local governments are pushing for oil exploration & production to slow down the production decline from mature oil fields. Similarly, investment in gas fields is also being accelerated as LNG demand and the resultant LNG prices are expected to continue to climb. Domestic piped gas prices have reached new heights as natural gas prices from domestic sources have to be gradually brought up to Asian LNG price level. In Malaysia, Petronas is accelerating the development of marginal fields and has embarked on Enhanced Oil Recovery programs to increase the extraction rate of hydrocarbons from existing fields. In India, ONGC has commenced revamp programs for their ageing assets offshore Mumbai. The Group also enjoyed the benefits of the current wave of new field developments in Myanmar through the provision of services under its Jacket and Pipeline Installation Solutions ("JPIS"). During 1Q2013, the Group has seen an increase in contract awards for its IES activities and barring any unforeseen circumstances, this trend is expected to continue in 2Q2013.

The Group is entering into several strategic alliances to grow its IES business, which includes tapping into underwater dry welding technology from Russia for the repair of damaged structures and a subsea excavation technology from the UK for pipeline trenching and post burial needs. The Company intends to build on this momentum and will continue to identify and build strategic relationships with industry partners to provide innovative and cost effective services to the oil and gas industry in the region.

The Group is executing the balance of work in the D21 Project and the tie-in of all wells was completed in 1Q2013. The current offshore campaign is scheduled to start in May 2013 to complete the balance of Hook Up and Commissioning work and close out the project. The Group continues to work with Petronas Carigali Sdn Bhd. and its subcontractor to recover costs related to the additional works, standby time and materials replacement costs incurred in the D21 Project. The Group will provide timely updates as and when there are further material developments and/or financial impact pursuant to the aforesaid cost recovery exercise. Meanwhile, engineering work has already started since receipt of the letter of award for the Malikai Project (as announced on SGXNET on 1 March 2013) and the official contract is scheduled to be signed at end of May 2013.

b) Petroleum Sector

The approval from Pertamina for the drilling of twin well at CLS1, workover at PBN-1 and reprocessing of data has made way for the tenders for services to start. Barring unforeseen circumstances, both oil and gas production testing are expected in 4Q 2013, from the two structures where discoveries were previously made.

The Group also continues to work towards securing its stranded gas sources to increase the sales volume of CNG and the profitability of its Mobile Natural Gas business in West Java. Sales of CNG by the Group are expected to further increase due to higher demand from both existing and new customers.

c) Renewable Sector

The application for the licence of the first biomass plant in Vietnam is ongoing and is expected to be completed in 2Q2013. Plant fabrication is expected to start, as soon as the licence is issued by the local authorities.

The order book of the Group amounted to approximately USD126 million as at the date of this announcement.

11. If a decision regarding dividend has been made:

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

There is no interim dividend recommended and declared by the Directors in respect of the current financial period ended 31 march 2013.

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

Not applicable

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

None.

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

Not applicable.

(d) The date the dividend is payable

Not applicable.

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

Not applicable.

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

There is no interim dividend declared and recommended in respect of the current financial period ended 31 March 2013.

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 recurring interested person transactions pursuant to Rule 920(1)(a)(ii) of Section B: Rules of Catalist of the Listing Manual of the Singapore Exchange Securities Trading Limited 9the "Catalist Rules") .

In 1Q2013, the Group incurred and paid rental and related charges to PT Elang Sakti, which amounted to approximately RM9,224.00 (1Q2012: RM9,184.00) for the lease of the premises located at Menara Era Building, Jalan Senen Raya No. 12A-05, Jakarta, Indonesia. This property is used as the Group's office in Indonesia. PT Elang Sakti is owned by the President and CEO of the Company, Christopher Nghia Do (50.0%), his wife, Tran Thi Mai Thao (45.0%) and an unrelated third party (5.0%).

14. Use of Proceeds from the Invitation

The Board of Directors of the Company refers to the Offer Document in relation to the initial public offering of the Company's shares on the Catalist.

The Board of Directors wishes to provide an update on the use of the proceeds raised by the Company from the issue of the 37 million new shares at the issue price of S$0.30 each in the capital of the Company (the "IPO"). In accordance with the "Use of Proceeds from the Invitation and Expenses Incurred" section of the Offer Document, the Company wishes to announce that after deducting listing expenses of approximately S$2.3 million, the net proceeds of approximately S$8.7 million has been utilised as follows:

Use of Proceeds	**Amount allocated (as stated in the Offer Document) S$'000**	**Amount utilised as at the date of this announcement S$'000**	**Balance of net proceeds as at the date of this announcement S$'000**
(i) To fund the expansion plans of the Offshore Engineering Sector	1,500	(1,500)	-
(ii) To fund the additional investments in the Mobile Natural Gas Sector	5,000	(4,661)	339
(iii) To fund the continued investments in product design and development	350	(100)	250
(iv) For general corporate and working capital requirements	1,800	(1,800)	-
Net proceeds from the Invitation	8,650	(8,061)	589

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

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

We, Christopher Nghia Do and Joanne Rose Bruce, 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 three months financial period ended 31 March 2013 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD OF DIRECTORS

CHRISTOPHER NGHIA DO PRESIDENT & CEO	JOANNE ROSE BRUCE EXECUTIVE DIRECTOR

Date: 15 May 2013