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")

HALF YEAR UNAUDITED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE ("HY") 2013

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

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

	Group					
	3 months ended 30 June			6 months ended 30 June		
	Unaudited 2Q2013 (RM'000)	Unaudited 2Q2012 (RM'000)	% change increase/ (decrease)	Unaudited HY2013 (RM'000)	Unaudited HY2012 (RM'000)	% change increase/ (decrease)
Revenue	66,290	77,498	(14.5)	79,246	147,572	(46.3)
Cost of sales	(67,257)	(63,571)	5.8	(75,899)	(124,629)	(39.1)
Gross profit	(967)	13,927	(106.9)	3,347	22,943	(85.4)
Other operating income	325	(95)	n.m.	859	279	207.9
Exchange (loss)/gain	230	(1,299)	n.m.	593	(1,128)	n.m.
Administrative expenses	(5,167)	(4,368)	18.3	(10,603)	(8,884)	19.3
Selling and distribution costs	(512)	(297)	72.4	(717)	(411)	74.5
Other operating expenses	29	(191)	n.m.	19	(191)	n.m.
Share of associated companies' results, net of tax	1,503	1,183	27.0	2,394	2,316	3.4
Finance costs	(429)	(158)	171.5	(692)	(273)	153.5
(Loss)/Profit before taxation	(4,988)	8,702	n.m.	(4,800)	14,651	n.m.
Taxation	(35)	(2,004)	(98.3)	-	(3,375)	n.m.
(Loss)/Profit for the period	(5,023)	6,698	n.m.	(4,800)	11,276	n.m.
Other comprehensive income after tax						
- currency translation differences arising from consolidation	486	2,592	(81.3)	725	723	0.3
Total comprehensive income for the year, net of tax	(4,537)	9,290	n.m.	(4,075)	11,999	n.m.
Total profit attributable to:						
Owners of the parent	(5,040)	6,746	n.m.	(4,880)	11,352	n.m.
Non-controlling interests	17	(48)	n.m.	80	(76)	n.m.
	(5,023)	6,698	n.m.	(4,800)	11,276	n.m.
Total comprehensive income attributable to:						
Owners of the parent	(4,553)	9,344	n.m.	(4,147)	12,074	n.m.
Non-controlling interests	16	(54)	n.m.	72	(75)	n.m.
	(4,537)	9,290	n.m.	(4,075)	11,999	n.m.

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

	Group					
	3 months ended 30 June			6 months ended 30 June		
	Unaudited 2Q2013 (RM'000)	Unaudited 2Q2012 (RM'000)	% change increase/ (decrease)	Unaudited HY2013 (RM'000)	Unaudited HY2012 (RM'000)	% change increase/ (decrease)
Rental Income	20	17	17.6	45	33	36.4
Interest Income	68	78	(12.8)	121	130	(6.9)
Interest expense	(429)	(158)	171.5	(692)	(273)	153.5
Depreciation of property, plant and equipment (include depreciation accounted for in cost of sales)	(974)	(683)	42.6	(1,763)	(1,334)	32.2
Amortisation of intangible assets (include depreciation accounted for in cost of sales)	(104)	(27)	285.2	(208)	(54)	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 30 June 2013 (RM'000)	Audited As at 31 Dec 2012 (RM'000)	Unaudited As at 30 June 2013 (RM'000)	Audited As at 31 Dec 2012 (RM'000)
ASSETS				
Non-Current				
Intangible assets	-	-	5,310	5,272
Property, plant and equipment	-	-	34,252	23,070
Subsidiaries	48,923	40,253	-	-
Associated companies	-	-	19,459	18,301
Fixed Deposits	-	-	1,516	-
Prepayments	-	-	1,093	908
Deferred tax assets	-	-	227	220
	48,923	40,253	61,857	47,771
Current				
Inventories	-	-	1,404	1,278
Work-in-progress	-	-	858	98
Trade and other receivables	118	-	127,455	87,745
Prepayments	-	53	-	3,834
Fixed deposits	-	-	335	47
Cash and bank balances	9,933	2,437	43,866	31,731
	10,051	2,490	173,918	124,733
Total assets	**58,974**	**42,743**	**235,775**	**172,504**
EQUITY				
Capital and Reserves				
Share capital	80,420	63,247	80,420	63,247
Currency translation reserve	-	-	(1,493)	(2,225)
(Accumulated losses)/retained profits	(21,756)	(21,077)	2,080	6,960
	58,664	42,170	81,007	67,982
Non-controlling interests	-	-	1,042	(46)
	58,664	42,170	82,049	67,936
LIABILITIES				
Non-Current				
Bank borrowings	-	-	9,629	3,058
Finance lease obligations	-	-	108	135
Deferred tax liabilities	-	-	5	5
Other payables	-	-	1,034	844
	-	-	10,776	4,042
Current				
Trade and other payables	310	573	135,913	86,052
Progress billings	-	-	-	59
Bank borrowings	-	-	6,834	13,746

	Company		Group	
	Unaudited As at 30 June 2013 (RM'000)	Audited As at 31 Dec 2012 (RM'000)	Unaudited As at 30 June 2013 (RM'000)	Audited As at 31 Dec 2012 (RM'000)
Finance lease obligations	-	-	141	168
Current tax payable	-	-	62	501
	310	573	142,950	100,526
Total equity and liabilities	**58,974**	**42,743**	**235,775**	**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 30 June 2013		Audited As at 31 Dec 2012	
	Secured (RM'000)	Unsecured (RM'000)	Secured (RM'000)	Unsecured (RM'000)
Bank loans:				
- Bank loan # 1	4,238	-	5,097	-
- Bank loan # 2	1,500	-	4,500	-
- Bank loan # 3	7,895		-	
	13,633	-	9,597	-
Bank overdraft	2,830	-	2,707	-
Revolving credit	-		4,500	
	16,463	-	16,804	-
Finance leases	-	249	-	303
	16,463	249	16,804	303

Amount repayable in one year or less, or on demand	6,834	141	13,746	168
Amount repayable after one year	9,629	108	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; (which include the Group's property at Level 22, PJX-HM Shah Tower, No. 16A, Persiaran Barat, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia pending the issuance of a separate document of title / strata title to the property and a legal charge under the National Land Code 1965)
- 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 HY2013 (RM'000)	Unaudited HY2012 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	(4,800)	14,651
Share of profits in associated companies	(2,394)	(2,316)
Adjustments for:		
Provision for employees' benefits	109	-
Loss on disposal of shares in associated company	28	-
Amortisation of intangible assets	208	54
Depreciation of property, plant and equipment	1,763	1,334
Interest expense	692	273
Interest income	(121)	(130)
Operating profit before working capital changes	(4,515)	13,866
Increase in inventories	(112)	(304)
Increase in work-in-progress	(760)	(87)
Increase in operating receivables	(36,971)	(47,331)
Increase in operating payables	49,858	44,234
Decrease in progress billings	(59)	(127)
Cash generated from operating activities	7,441	10,251
Interest received	121	130
Interest paid	(692)	(273)
Tax paid	(207)	(184)
Net cash generated from operating activities	6,663	9,924
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal/(Subscription) of shares in an associated company	-	(550)
Payment for expenditure carried forward	(608)	-
Acquisition of property, plant and equipment	(12,959)	(1,750)
Proceeds from disposal of property, plant and equipment	2	-
Proceeds from decrease in shareholding of associated company	163	
Dividends income from associated company	1,045	3,311
Net cash generated from / (used in) investing activities	(12,357)	1,011
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease obligations	(99)	(153)
Bank borrowings obtained	8,018	7,943
Bank borrowings repaid	(8,359)	(2,792)
Proceeds from issuance of shares	18,181	-
Increase in fixed deposits pledged	(5,779)	(171)
Net cash generated from / (used in) financing activities	11,962	4,827
Net increase in cash and cash equivalents	6,268	15,762
Cash and cash equivalents at beginning of period	26,613	28,157
Currency translation difference of cash and cash equivalents at beginning of year	376	(142)

Cash and cash equivalents at end of period	33,257	43,777
Cash and cash equivalents comprise:		
Cash and bank balances	43,866	37,896
Fixed deposits	335	7,698
Less: Pledged fixed deposits	(10,944)	(1,817)
Cash and cash equivalents at end of period	33,257	43,777

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
Issue of share capital	17,173	-	17,173
Total comprehensive expense for the period	-	(679)	(679)
Balance as at 30 June 2013	80,420	(21,756)	58,664

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 period	-	(2,357)	(2,357)
Balance as at 30 June 2012	63,247	(19,945)	43,302

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 2012	**63,247**	**6,960**	**(2,225)**	**67,982**	**(46)**	**67,936**
Issue of share capital	**17,173**	**-**	**-**	**17,173**	**-**	**17,173**
Total comprehensive (expense)/income for the period	-	(4,880)	732	(4,148)	1,088	(3,060)
Balance as at 30 June 2012	**80,420**	**2,080**	**(1,493)**	**81,007**	**1,042**	**82,049**

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**	**12,394**	**(1,362)**	**74,279**	**(99)**	**74,180**
Total comprehensive (expense)/income for the period	-	11,351	723	12,074	(75)	11,999
Balance as at 30 June 2012	**63,247**	**23,745**	**(639)**	**86,353**	**(174)**	**86,179**

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 **Current Period**	**Number of shares**	**Resultant issued and paid-up share capital (S$)**
Issued and paid-up share capital of the Company as at 31 March 2013	172,000,000	26,511,930
Issue of shares pursuant to the Private Placement	17,200,000	7,103,600
Issued and paid-up share capital of the Company as at 30 June 2013	189,200,000	33,615,530

There were no outstanding share options and/or other convertibles as at 30 June 2013 and 30 June 2012.

There was no treasury shares held or issued as at 30 June 2013 and 30 June 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 30 June 2013	**As at 31 December 2012**
Number of issued shares excluding treasury shares	189,200,000	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 30 June 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 HY2013.

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	HY2013 (Malaysian sen)	HY2012 (Malaysian sen)
(Loss)/Earnings per ordinary share ("EPS") for the year based on the unaudited net (loss)/ profit attributable to shareholders of the Company:		
(i) Basic (loss)/earnings per share	(2.8)	6.6
(ii) (Loss)/earnings per share on a fully diluted basis	(2.8)	6.6

Basic and fully diluted loss per ordinary share for HY2013 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 173,900,552 shares subsequent to the placement of 17,200,000 new ordinary shares in the capital of the Company on 10 June 2013.

Basic and fully diluted EPS for HY2012 have been computed based on the Group's profit attributable to owners of the parent and the aggregate number of ordinary shares of 172,000,000.

The basic and fully diluted earnings per ordinary share for HY2012 and HY2013 were the same as there were no potentially dilutive ordinary shares existing during HY2012 and HY2013 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 June 2013	As at 31 December 2012
Group	42.8	39.5
Company	31.0	24.5

Net asset value per ordinary share as at 30 June 2013 and 30 June 2012 is calculated based on the aggregate number of ordinary shares of 189,200,000 and 172,000,000 respectively.

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

Review of Statement of Comprehensive Income

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

Three Months ended 30 June 2013

	2Q2013			2Q2012		
Business sector	**Revenue (RM'000)**	**Gross Profit (RM'000)**	**GP Margin %**	**Revenue (RM'000)**	**Gross Profit (RM'000)**	**GP Margin %**
Petroleum Sector Mobile Natural Gas	7,402	2,068	28%	6,694	1,204	18%
Offshore Engineering Sector Integrated Engineering Solutions	10,656	5,673	53%	9,337	2,871	31%
Turnkey projects	48,232	(8,708)	(18%)	61,467	9,852	16%
Total Offshore Engineering Sector	58,888	(3,035)	(5%)	70,804	12,723	18%
Total	**66,290**	**(967)**	**4%**	**77,498**	**13,927**	**18%**

Six Months Ended 30 June 2013

	HY2013			HY2012		
Business sector	**Revenue (RM'000)**	**Gross Profit (RM'000)**	**GP Margin %**	**Revenue (RM'000)**	**Gross Profit (RM'000)**	**GP Margin %**
Petroleum Sector Mobile Natural Gas	14,727	4,479	30%	12,245	2,238	18%
Offshore Engineering Sector Integrated Engineering Solutions	16,287	7,576	47%	18,593	5,142	28%

Turnkey projects	48,232	(8,708)	(18%)	116,734	15,563	13%
Total Offshore Engineering Sector	64,519	(1,132)	(2%)	135,327	20,705	15%
Total	**79,246**	**3,347**	**4%**	**147,572**	**22,943**	**16%**

Revenue

Group's revenue for 2Q2013 decreased by RM11.2 million or 14.5% due mainly to a decrease in revenue contribution from turnkey projects by RM13.2 million. This is partially compensated by the increase in revenue contribution from Integrated Engineering Solutions and from the Mobile Natural Gas Divisions of RM 1.3 million and RM0.7 million respectively.

For HY2013, the Group's revenue decreased by RM68.3 million or 46.3% mainly due to a decrease in revenue contribution of RM70.8 million from the Offshore Engineering Sector ("OES") partly offset by an increase in revenue contribution of RM2.5 million from the Mobile Natural Gas Division. The decrease in revenue contribution from the Offshore Engineering Sector was mainly due to lower revenue being recognised from projects in HY2013, as compared to HY2012, where the Group's revenue was predominantly contributed by two major turnkey contracts, of which RM116.7 was recognised in 2012. The increase in revenue contribution from the Mobile Natural Gas Division was due mainly to the increase in prices and sales volume of compressed natural gas in HY2013.

Gross Profit

In 2Q2013 the Group had a gross loss of RM1.0 million compared with a gross profit of RM13.9 million in 2Q2012. This was due to the D21 turnkey project which incurred a loss of RM9.3 million (For details please refer to Section 10.) This was partly offset by increase in gross profit of RM2.8 million and RM0.9 million from Integrated Engineering Solutions ("IES") and Mobile Natural Gas Divisions respectively. Gross profit margin of Mobile Natural Gas Division increased from 18.0% in 2Q2012 to 28.0% in 2Q2013. Gross profit margin of IES increased from 30.7% in 2Q2012 to 53.2% in 2Q2013.

For HY2013, the Group had a gross profit of RM3.3 million compared with RM22.9 million for HY2012. This was due to the D21 turnkey project which incurred a loss of RM9.3 million (For details please refer to Section 10.) This was partly offset by increase in gross profit of RM2.4 million and RM2.2 million from IES and Mobile Natural Gas Division respectively. Gross profit margin of Mobile Natural Gas Division increased from 18.3% in 2Q2012 to 30.4% in 2Q2013. Gross profit margin of IES increased from 27.7% in 2Q2012 to 46.5% in 2Q2013.

The increase in gross profit margin from the Mobile Natural Gas Division was mainly due to the increase in the supply of CNG on a Take & Pay basis (which has a higher gross profit margin). The increase in gross profit margin from the IES Division was due mainly to the increase in demand for Jacket and Pipeline Engineering Solutions in the Asian region.

Other Operating Income

Other operating income for 2Q2013 was RM0.3 million compared with other operating loss of RM0.1 million for 2Q2012 due to higher interest income from the placement of fixed deposits pledged for banking facilities.

For HY2013, other operating income increased by approximately RM0.6 million or 207.9%, from RM0.3 million in HY2012 to RM0.9 million in HY2013 due mainly to forfeiture of deposits from an external party and interest income.

Exchange (Loss)/Gain

An exchange gain of RM0.2 million was recorded for 2Q2013 compared to an exchange loss of RM1.3 million for 2Q2012. The exchange gain in 2Q2013 mainly arose from trade transactions as compared to the exchange loss sustained in 2Q2012, which was mainly attributable to the conversion of inter-company loans denominated in US dollar of an Indonesian subsidiary as a result of the US dollar appreciating against the Indonesian Rupiah in HY2012. For the same reasons given above, an exchange gain of RM0.6 million was recorded in HY2013 compared to an exchange loss of RM1.1 million in HY2012.

Administrative Expenses

Administrative expenses for 2Q2013 was RM5.1 million compared with RM4.4 million for 2Q2012. The increase in Administrative expenses in 2Q2013 was mainly due to administrative expenses incurred by the Group's newly incorporated subsidiary, PT IEV Pabuaran KSO.

Administrative expenses for HY2013 increased by RM1.7 million or 18.1%, from RM8.9 million in HY2012 to RM10.6 million in HY2013 due mainly to (i) administrative expenses of RM0.5 million incurred by the Group's newly incorporated subsidiary, PT IEV Pabuaran KSO; (ii) an increase in employee costs of RM0.6 million; (iii) an increase in corporate expenses of RM0.3 million and (iv) other miscellaneous expenses of RM0.3 million. The increase in employee costs was 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.

Selling and distribution costs

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

Selling and distribution costs for 2Q2013 was RM0.5 million compared to RM0.3 million for 2Q2012. The increase in selling and distribution costs in 2Q2013 was mainly due to the increase in commission-based sales during the quarter.

Selling and distribution costs of RM0.7 million and RM0.4 million was recorded for HY2013 and HY2012 respectively. The increase in selling and distribution costs in HY2013 was mainly due the increase in commission-based sales during the financial period.

Share of Associated Companies' Results, Net of Tax

Share of associated companies' profits, net of tax for 2Q2013 increased by RM0.3 million from RM1.2 million in 2Q2012 to RM1.5 million in 2Q2013 due to higher profit contribution from CNGVN Joint Stock Company.

Share of associated companies' profits, net of tax remained substantially the same in both HY2013 and HY2012.

Finance Costs

Finance costs for 2Q2013 was RM0.4 million compared to RM0.2 million 2Q2012 mainly due to the increase in bank borrowings for the financing of the D21 Project and the Group's newly acquired property for use as its headquarters.

For the same reasons given above, finance costs increased from RM0.3 million in HY2012 to RM0.7 million in HY2013.

(Loss)/Profit Before Taxation

The Group had a loss of RM5.0 million in 2Q2013 compared to profit before taxation of RM8.7 million in 2Q2012. This was mainly due to the loss incurred by the D21 turnkey project.

For the same reasons given above, the Group had a loss of RM4.8 million for HY2013 compared to profit before taxation of RM14.6 million for HY2012.

Review of Statement of Financial Position

Non-Current Assets

Net book value of intangible assets remained substantially the same at RM 5.3 million as at 30 June 2013 and 31 December 2012.

Net book value of property, plant and equipment increased by RM11.2 million to RM34.3 million as at 30 June 2013 from RM23.0 million as at 31 December 2012. The increase was mainly due to the Group's acquisition of (i) a property for use as its new headquarters in HY2013 which amounted to approximately RM11.8 million; (ii) moulds for the production of concrete sleepers amounting to RM1.0 million; and (iii) fixtures and fittings for the Pabuaran KSO project of RM0.2 million, partially offset by depreciation charged for the period of RM1.7 million.

Net book value of associated companies increased by RM1.2 million to RM19.5 million as at 30 June 2013 from RM18.3 million as at 31 December 2012. The increase was due to the Company's share of associated companies' results net of dividend received during the period reported on.

As at 30 June 2013, fixed deposits of RM1.5 million related to fixed deposits pledged for the issuance of guarantee bond for a gas project in Indonesia.

Prepayments increased by RM0.2 million to RM1.1 million as at 30 June 2013 from RM0.9 million as at 31 December 2013. The additional non-current prepayments related to the capitalization of expenses incurred on the microtremor study conducted on the Pabuaran KSO Project.

Current Assets

There were no material changes in the balance of inventories as at 30 June 2013 and 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 30 June 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 during the financial period under review.

Trade and other receivables increased by RM39.7 million to RM127.5 million as at 30 June 2013 from RM87.7 million as at 31 December 2012, due mainly to the turnkey services rendered in respect of the Malikai Project.

Fixed deposits of RM0.3 million as at 30 June 2013 comprised deposits pledged for projects performance bonds issued.

Cash and bank balances increased by RM12.2 million to RM43.9 million as at 30 June 2013 from RM31.7 million as at 31 December 2012. The increase was due mainly to the unutilized balance from the proceeds of the private placement of shares and cash generated from operating activities during the financial period under review.

Capital and Reserves

Share capital increased by RM17.2 million to RM80.4 million as at 30 June 2013 from RM63.2 million as at 31 December 2012 as a result of the private placement of shares.

Exchange translation reserve increased by RM0.7 million to RM(1.5 million) as at 30 June 2013 from RM(2.2) million as at 31 December 2012, which was mainly due to the appreciation of the US dollar against RM in HY2013.

Retained profits decreased by RM4.9 million to RM2.1 million as at 30 June 2013 from RM7.0 million as at 31 December 2012 due to the net loss generated from operating activities for HY2013.

Non- Current Liabilities and Current Liabilities

Bank borrowings (including non-current portion) decreased by RM0.3 million to RM16.5 million as at 30 June 2013 from RM16.8 million as at 31 December 2012 due to repayments made during HY2013 of RM8.3 million partially offset by new bank loans of RM8.0 million.

Trade and other payables (including non-current portion) increased by RM50.0 million to RM136.9 million as at 30 June 2013 from RM86.9 million as at 31 December 2012, due mainly to billings in relation to the 1st milestone completion of the Malikai Project which were not due for payment as at 30 June 2013.

As at 30 June 2013, the Group had a net working capital position of RM31.0 million.

Review of Statement of Cash Flows

The net cash generated from operating activities for HY2013 was RM6.7 million. This was mainly due to the increase in operating payables of RM49.9 million, partially offset by the operating loss before working capital changes of RM4.5 million, the increase in operating receivables of RM37.0 million, the increase in work-in-progress of RM0.7 million, the increase in inventories of RM0.1 million, net interest paid of RM0.7 million and tax paid of RM0.2 million.

The net cash used in investing activities amounting to RM12.4 million was mainly due to the acquisition of the Group's new headquarters (including furniture and fittings) which amounted to RM13.0 million and payment for expenditure carried forward of RM0.6 million, partially offset by the dividend income from associated company of RM1.0 million and decrease in shareholding of associate company of RM0.2 million.

The net cash generated from financing activities was mainly due to the RM18.1 million proceeds from the issuance of new shares pursuant to the Placement and the RM8.0 million bank borrowings obtained by the Group for the acquisition of a property which is being used as the Group's headquarters, partially offset by the repayment of bank borrowings amounting to RM8.4 million and the increase in fixed deposits pledged of RM5.8 million.

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.

The Company had previously disclosed that the application for the licence of the first biomass plant in Vietnam is expected to be completed in 2Q2013. Please refer the update in Section 10 below.

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 rate of recovery of the global economy, especially Europe, USA and China;
- The movement of the oil prices; and
- The fluctuation of the US dollar.

Barring any unforeseen circumstances, the Company remains cautiously optimistic on outlook of the oil and gas industry, particularly in Asia.

Offshore Engineering Sector

In the Offshore Engineering Sector, the IES or specialist business of the Group continues to perform well with healthy numbers of pile grouting and pipeline support projects being awarded in 2013, as well as strong sales recorded from its proprietary marine growth control business. During HY2013, the Group entered into a number of strategic alliances to expand its engineering solutions to serve the regional oil and gas industry, ranging from platform rejuvenation to subsea pipeline services. The Group has also been awarded a number of studies related to platform abandonment and demolition in India, Thailand and Malaysia, all targeting the '3-Re' value proposition for upstream facilities, i.e "Rejuvenate", "Remove" and "Reuse". These studies could help to position the Group in its future contracting activities in turnkey projects.

The Group signed the contract for the transportation and installation scope of the deepwater Malikai Tensioned Leg Platform ("TLP") on 28 May 2013 and engineering work is ongoing for the 1st TLP in Malaysia under a subcontract with Heerema Marine Contractors.

In the D21 turnkey project the Group's US-based sub-contractor failed to perform its contractual obligations. As a result, the Group incurred significant additional costs in completing and rectifying works that were under the US sub-contractor's scope of work. The Group intends to vigorously pursue all legal remedies available to recover these additional costs. As at the date of this announcement, approximately RM3.0 million has been received.

Petroleum Sector

In the Mobile Natural Gas Division, CNG sales volume increased as we secured more customers and existing customers have also increased their consumption in West Java, Indonesia. The Throughput Contract with PT Odira Energy Persada will end in September 2013 and the Group will be supplying CNG directly to PT Odira Energy Persada's consumers. Feed gas supply has been signed with two gas traders to implement the direct sales business model.

Negotiation on the business cooperation with Gas Malaysia Berhad is progressing while work on conditions precedent for the implementation of the CNG supply chain in Peninsular Malaysia is continuing.

In the Petroleum Sector, tendering work for the drilling of twin well and workover at the existing oil and gas discoveries of Pabuaran Block are ongoing following the approval of the budget and work program by Pertamina in April 2013. Meanwhile, a GGR study was awarded to further evaluate the reserve of the KSO. Site work of the KSO is scheduled to take place in 4Q 2013 followed by production testing.

Renewable Energy Sector

The Group is still currently working on the application of the licence and tax incentives for its first rice-husk biomass project in Vietnam with the Vietnam provincial government. The application has now reached the final phase and is expected to be finalised in due course. Meanwhile, preparatory work for tenders for construction and procurement is on-going by the project team and marketing activities are in progress to secure long term international buyers.

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 30 June 2013.

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

Not applicable

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

Name of Dividend	HY2012 Interim
Dividend type	Cash
Dividend amount per ordinary share (Malaysian sen)	0.66

An interim tax exempt (one-tier) dividend of 0.66 Malaysian sen per ordinary share in respect of HY2012 was paid on 1 November 2012. The interim dividend amounted to RM1,135,200, equivalent to a total payout of 10.0% of the profit attributable to owners of the parent in HY2012.

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

In HY2013, the Group incurred and paid rental and related charges to PT Elang Sakti which amounted to approximately RM20,698 (HY2012: RM18,149) 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 Group's President and CEO, 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 Private Placement

Pursuant to Rule 1204(5)(f) of the Catalist Rules, the Board of Directors wishes to provide an update on the use of the proceeds arising from the allotment and issue of 17.2 million new ordinary shares at the issue price of S$0.413 each in the capital of the Company via private placement ("Placement"). The net proceeds of approximately S$6.9 million (after deducting expenses of approximately S$0.18 million incurred by the Company in connection with the Placement) have been utilised as follows:

Use of Proceeds	Amount allocated (as stated in the announcement of 10 June 2013) (S$'000)	Amount utilised as at the date of this announcement (S$'000)	Balance of net proceeds as at the date of this announcement (S$'000)
(i) To fund the Pabuaran KSO Project	2,040	-	2,040
(ii) To fund the expansion of Mobile Natural Gas supply chains in West Java, Indonesia and the development and operation of new Mobile Natural Gas supply chains in collaboration with Gas Malaysia Berhad in Peninsular Malaysia	3,710	3,273	437
(iii) To fund the proposed construction of the biomass rice-husk pellet plant in the Mekong Delta, Socialist Republic of Vietnam	1,170	-	1,170
Net proceeds from the Placement	6,920	3,273	3,647

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

15. 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 have been fully 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	(5,000)	-
(iii) To fund the continued investments in product design and development	350	(350)	-
(iv) For general corporate and working capital requirements	1,800	(1,800)	-
Net proceeds from the IPO	8,650	(8,650)	-

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

We, Christopher Nghia Do and Joanne Rose Bruce, being two 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 six months financial period ended 30 June 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: 14 August 2013