



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 2017

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") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "Exchange"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the 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.

	3 months ended 30 September ("3Q")			9 months ended 30 September ("9M")		
	Unaudited 3Q2017 (RM'000)	Unaudited 3Q2016 (RM'000)	% change Increase/ (decrease)	Unaudited 9M2017 (RM'000)	Unaudited 9M2016 (RM'000)	% change Increase/ (decrease)
Revenue	8,409	221,845	(96.2)	27,414	370,195	(92.6)
Cost of sales	(7,692)	(215,045)	(96.4)	(25,482)	(355,480)	(92.8)
Gross profit	717	6,800	(89.5)	1,932	14,715	(86.9)
Other operating income	1,310	118	1,010.2	2,190	610	259.0
Administration expenses	(4,313)	(5,142)	(16.1)	(13,573)	(15,940)	(14.8)
Exchange (loss)/gain	(153)	79	n.m.	922	419	120.0
Selling and distribution costs	29	(832)	n.m.	(185)	(1,335)	(86.1)
Other operating expenses	(29)	(687)	(95.8)	(69)	(747)	(90.8)
Share of results of associates	266	(250)	n.m.	(482)	(603)	(20.1)
Finance costs	(150)	(237)	(36.7)	(478)	(693)	(31.0)
Loss before tax	(2,323)	(151)	1,438.4	(9,743)	(3,574)	172.6
Tax	281	(221)	n.m.	278	(264)	n.m.
Loss for the period	(2,042)	(372)	448.9	(9,465)	(3,838)	146.6
Other comprehensive income /(loss) after tax - currency translation differences arising from consolidation	(1,649)	3,572	n.m.	(5,890)	(3,706)	58.9
Total comprehensive income /(loss) for the period, net of tax	(3,691)	3,200	n.m.	(15,355)	(7,544)	103.5
Total profit/(loss) attributable to:						
Owners of the Company	(2,106)	(338)	523.1	(9,465)	(3,735)	153.4
Non-controlling interests	64	(34)	n.m.	-	(103)	n.m.
	(2,042)	(372)	448.9	(9,465)	(3,838)	146.6
Total comprehensive income/(loss) attributable to:						
Owners of the Company	(3,760)	3,221	n.m.	(15,346)	(7,409)	107.1
Non-controlling interests	69	(21)	n.m.	(9)	(135)	(93.3)
	(3,691)	3,200	n.m.	(15,355)	(7,544)	103.5

n.m. denotes not meaningful.

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

	Group					
	3 months ended 30 September ("3Q")			9 months ended 30 September ("9M")		
	Unaudited 3Q2017 (RM'000)	Unaudited 3Q2016 (RM'000)	% change increase/ (decrease)	Unaudited 9M2017 (RM'000)	Unaudited 9M2016 (RM'000)	% change Increase/ (decrease)
Rental income	117	92	27.2	269	276	(2.5)
Interest income	5	17	(70.6)	31	55	(43.6)
Interest expense	(150)	(237)	(36.7)	(478)	(693)	(31.0)
Depreciation of property, plant and equipment (include depreciation accounted for in cost of sales)	(1,114)	(1,211)	(8.0)	(3,452)	(3,654)	(5.5)

	Group					
	3 months ended 30 September ("3Q")			9 months ended 30 September ("9M")		
	Unaudited 3Q2017 (RM'000)	Unaudited 3Q2016 (RM'000)	% change increase/ (decrease)	Unaudited 9M2017 (RM'000)	Unaudited 9M2016 (RM'000)	% change Increase/ (decrease)
Depreciation, depletion and amortisation of oil and gas properties	(17)	-	n.m.	(61)	-	n.m.
Amortisation of intangible assets (include amortisation accounted for in cost of sales)	(128)	(159)	(19.5)	(397)	(479)	(17.1)
(Allowance for)/Write back of doubtful receivables	(2)	(675)	(99.7).	203	(675)	n.m.
Gain on disposal of property, plant and equipment	101	-	n.m.	101	141	(28.4)
Property, plant and equipment written off	(1)	-	n.m.	(1)	(7)	(85.7)
Receivables written off	(11)	-	n.m.	(11)	-	n.m.
Payables written back	796	-	n.m.	1,240	-	n.m.
Inventory written off	-	(3)	n.m.	(2)	(14)	(85.7)
(Under)/over provision for tax in respect to prior years	280	(206)	n.m.	278	(252)	n.m.

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 September 2017 (RM'000)	Audited As at 31 December 2016 (RM'000)	Unaudited As at 30 September 2017 (RM'000)	Audited As at 31 December 2016 (RM'000)
ASSETS				
Current				
Cash and bank balances	53	318	6,405	22,112
Trade receivables	-	-	18,636	57,717
Other receivables and prepayments	2,320	2,296	5,357	7,865
Inventories	-	-	4,621	4,903
Work-in-progress	-	-	1	10
	2,373	2,614	35,020	92,607
Non-Current				
Property, plant and equipment	-	-	29,783	33,237
Intangible assets	-	-	3,764	4,375
Oil and gas properties	-	-	45,964	47,740
Subsidiaries	119,696	115,847	-	-
Associates	-	-	322	945
Asset held for sale	-	-	142	-
Other receivables and prepayments	-	-	7,763	8,793
Deferred tax assets	-	-	1,518	1,614
	119,696	115,847	89,256	96,704

	Company		Group	
	Unaudited As at 30 September 2017 (RM'000)	Audited As at 31 December 2016 (RM'000)	Unaudited As at 30 September 2017 (RM'000)	Audited As at 31 December 2016 (RM'000)
Total assets	122,069	118,461	124,276	189,311

LIABILITIES AND EQUITY				
Current				
Bank borrowings	-	-	3,276	2,812
Trade payables	-	-	20,246	64,292
Other payables	27,063	24,296	10,469	12,651
Finance leases	-	-	95	141
Income tax payable	-	-	-	365
	27,063	24,296	34,086	80,261
Non-Current				
Bank borrowings	-	-	6,440	6,680
Finance leases	-	-	114	31
Deferred tax liabilities	-	-	278	288
Provision for post-employment benefits obligations	-	-	2,087	2,655
Advances from a third party	-	-	-	2,500
Provision for decommissioning	-	-	2,543	2,702
	-	-	11,462	14,856
Total liabilities	27,063	24,296	45,548	95,117
Capital and Reserves				
Share capital	98,338	97,691	98,338	97,691
Treasury shares	(38)	(38)	(38)	(38)
Currency translation reserve	2,042	1,767	3,236	9,117
Capital reserve	-	-	(307)	(101)
(Accumulated losses)/Retained earnings	(5,336)	(5,255)	(22,320)	(12,855)
Equity attributable to owners of the Company	95,006	94,165	78,909	93,814
Non-controlling interests	-	-	(181)	380
Total equity	95,006	94,165	78,728	94,194
Total liabilities and equity	122,069	118,461	124,276	189,311

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 2017 Secured (RM'000)	Audited As at 31 December 2016 Secured (RM'000)
Bank loans	6,741	6,970
Bank Overdraft	2,975	2,522
Total Bank Borrowings	9,716	9,492
Finance leases	209	172
Total Borrowings & Debt Securities	9,925	9,664

Group	Unaudited As at 30 September 2017 Secured (RM'000)	Audited As at 31 December 2016 Secured (RM'000)
Amount repayable in one year or less, or on demand	3,371	2,953
Amount repayable after one year	6,554	6,711

Details of collaterals

Details of collaterals of the above borrowings are as follows:

The bank loans are 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); and
- 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;
- corporate guarantees provided by IEV Holdings Limited and IEV Group Sdn Bhd; and
- a personal guarantee provided by a director, Christopher Nghia Do.

The finance leases from non-related parties are for the leasing of motor vehicles, computers and machinery and are secured by the underlying assets.

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 3Q2017 (RM'000)	Unaudited 3Q2016 (RM'000)	Unaudited 9M2017 (RM'000)	Unaudited 9M2016 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/Profit before tax	(2,323)	(151)	(9,743)	(3,574)
Adjustments for:				
Share results of associates	(266)	250	482	603
Amortisation of intangible assets (including amortisation accounted for in cost of sales)	128	159	397	479
Depreciation of property, plant and equipment (include depreciation accounted for in cost of sales)	1,114	1,211	3,452	3,654
Depreciation, depletion and amortization of oil and gas properties	17	-	61	-
Provision for post-employment benefits	(26)	195	183	586
Gain on disposal of property, plant and equipment	(101)	-	(101)	(141)
Property, plant and equipment written off	1	-	1	7
Inventory written off	-	3	2	14
Receivables written off	11	-	11	-
Payable written back	(796)	-	(1,240)	-
Allowance for/(write back of) doubtful receivables	2	675	(203)	675
Interest expense	150	237	478	693
Interest income	(5)	(17)	(31)	(55)
Operating (loss)/profit before working capital changes	(2,094)	2,562	(6,251)	2,941

	Group 3 Months ended 30 September ("3Q")		Group 9 Months ended 30 September ("9M")	
	Unaudited 3Q2017 (RM'000)	Unaudited 3Q2016 (RM'000)	Unaudited 9M2017 (RM'000)	Unaudited 9M2016 (RM'000)
Decrease/(increase) in long term other receivables and prepayment	89	(263)	35	(86)
Decrease/(increase) in inventories	138	(58)	113	(946)
Decrease in work-in-progress	48	11	9	41
(Increase)/decrease in operating receivables	(722)	(12,775)	6,319	(56,334)
Increase/(decrease) in operating payables	1,940	129,588	(43,511)	238,718
Decrease/(increase) in amount due from an associate	201	(108,883)	33,638	(177,682)
Cash generated from/(used in) operating activities	(400)	10,182	(9,648)	6,652
Interest received	5	17	31	55
Interest paid	(150)	(237)	(478)	(693)
Post-employment benefit paid	(41)	(88)	(581)	(344)
Tax refund/(paid)	120	(312)	58	(565)
Net cash (used in)/generated from operating activities	(466)	9,562	(10,618)	5,105
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(281)	(239)	(1,321)	(1,531)
Increase in oil and gas properties	(251)	(5,210)	(1,119)	(8,369)
Proceeds from disposal of property, plant and equipment	159	-	159	141
Net cash used in investing activities	(373)	(5,449)	(2,281)	(9,759)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of finance leases	(45)	(82)	(339)	(254)
Drawdown of finance leases	-	-	395	-
Repayment of bank borrowings	(77)	(72)	(229)	(210)
Drawdown/(Repayment) of bank overdrafts	(1)	2,528	452	2,528
Repayment of advances from a third party	-	-	(2,500)	-
Fixed deposits pledged	(16)	(114)	1,671	144
Purchase of treasury shares	-	-	-	(38)
Net cash (used in)/generated from financing activities	(139)	2,260	(550)	2,170
Net (decrease)/ increase in cash and cash equivalents	(978)	6,373	(13,449)	(2,484)
Cash and cash equivalents at beginning of period/year	5,467	6,530	18,217	16,958
Currency translation difference of cash and cash equivalents at beginning of period/year	(128)	275	(407)	(1,296)
Cash and cash equivalents at end of period	4,361	13,178	4,361	13,178
<i>Cash and cash equivalents comprise:</i>				
Cash and bank balances	4,361	13,178	4,361	13,178
Fixed deposits	2,044	3,613	2,044	3,613
	6,405	16,791	6,405	16,791
Less: Pledged fixed deposits	(2,044)	(3,613)	(2,044)	(3,613)
Cash and cash equivalents at end of period	4,361	13,178	4,361	13,178

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)	Treasury shares (RM'000)	Accumulated losses (RM'000)	Currency translation reserve (RM'000)	Total (RM'000)
Balance as at 1 July 2017	97,691	(38)	(5,142)	2,275	94,786
Total comprehensive loss for the period	-	-	(194)	(233)	(427)
Transactions with owners: Issuance shares to minority shareholders of the subsidiary	647	-	-	-	647
Balance as at 30 September 2017	98,338	(38)	(5,336)	2,042	95,006

Company 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 2016	97,691	(38)	(3,175)	(1,463)	93,015
Total comprehensive loss for the period	-	-	(425)	1,233	808
Balance as at 30 September 2016	97,691	(38)	(3,600)	(230)	93,823

Group Current Period	Share capital (RM'000)	Treasury shares (RM'000)	Retained profits (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 2017	97,691	(38)	(20,214)	(101)	4,890	82,228	302	82,530
Total comprehensive (loss)/income for the period	-	-	(2,106)	-	(1,654)	(3,760)	69	(3,691)
Transactions with owners: Issuance shares to minority shareholders of the subsidiary	647	-	-	-	-	647	-	647
Effects of changes in ownership interests in subsidiary	-	-	-	(206)	-	(206)	(552)	(758)
Balance as at 30 September 2017	98,338	(38)	(22,320)	(307)	3,236	78,909	(181)	78,728

Group Previous Period	Share capital (RM'000)	Treasury shares (RM'000)	Retained profits (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 2016	97,691	(38)	17,060	(101)	(1,330)	113,282	421	113,703
Total comprehensive (loss)/income for the period	-	-	(338)	-	3,559	3,221	(21)	3,200
Balance as at 30 September 2016	97,691	(38)	16,722	(101)	2,229	116,503	400	116,903

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.

On 18 August 2017, the Company allotted and issued an aggregate 1,912,632 ordinary shares to 2 minority shareholders of IEV Vietnam Joint Stock Company (“**IEV Vietnam**”) in consideration for the acquisition of 460,000 ordinary shares representing 9.73% equity interest of IEV Vietnam that were previously held by the said minority shareholders. The value of the consideration was SGD0.1074 per share issued or a total consideration of SGD205,495.56. With the completion of this transaction, IEV Vietnam is now an indirect wholly owned subsidiary of the Company and its legal status has been changed to a limited liability company.

As such, the total number of issued shares (excluding treasury shares and subsidiary holdings) was 285,512,632 as at 30 September 2017 as compared to 283,600,000 as at 30 June 2017. There were no outstanding convertibles or share options granted as at 30 September 2017 and 30 September 2016.

During the second quarter ended 30 June 2016 (“**2Q2016**”), the Company purchased 200,000 shares at a price of \$0.063 per share from the open market and the shares are held as treasury shares. Consequently, the Company had 200,000 shares held as treasury shares as at 30 September 2017 and 30 September 2016.

As at 30 September 2017 and 30 September 2016, the Company did not have any subsidiary holdings.

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 2017	As at 31 December 2016
Number of issued shares of the Company	283,800,000	283,800,000
Shares held as treasury shares	(200,000)	(200,000)
Increase in paid-up capital	1,912,632	-
Number of issued shares excluding treasury shares	285,512,632	283,600,000

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 September 2017.

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 2017.

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 as those applied in the Group's most recently audited financial statements for the financial year ended 31 December 2016.

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 and Interpretations of FRS that are relevant to its operations and effective for annual periods beginning on or after 1 January 2017, 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 3Q2017 and 9M2017.

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	3Q2017 (Malaysian sen)	3Q2016 (Malaysian sen)	9M2017 (Malaysian sen)	9M2016 (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	(0.74)	(0.12)	(3.3)	(1.3)
(ii) On a fully diluted basis	(0.74)	(0.12)	(3.3)	(1.3)
Weighted average number of ordinary shares	284,514,737	283,600,000	283,908,263	283,722,628

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 3Q2017, 3Q2016, 9M2017 and 9M2016 were the same as there were no potentially dilutive ordinary shares existing during 3Q2017, 3Q2016, 9M2017 and 9M2016 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 2017	As at 31 December 2016
Group	27.6	33.1
Company	33.3	33.2

Net asset value per ordinary share as at 30 September 2017 and 31 December 2016 have been calculated based on the aggregate number of ordinary shares of 285,512,632 and 283,600,000 as at the respective dates, excluding treasury shares.

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 2017

Business sector	3Q2017			3Q2016		
	Revenue (RM'000)	Gross Profit/(Loss) (RM'000)	Gross Profit/(Loss) Margin %	Revenue (RM'000)	Gross Profit/(Loss) (RM'000)	Gross Profit/(Loss) Margin %
<u>Renewable Energy Sector</u> Vietnam Biomass	1	(3)	(300.0%)	182	(15)	(8.2%)
<u>Mobile Natural Gas Sector</u> Mobile Natural Gas	6,941	76	1.1%	8,104	1,096	13.5%
<u>Offshore Engineering Sector</u> Integrated Engineering Solutions	1,467	644	43.9%	7,616	4,693	61.6%
Turnkey projects	-	-	-	205,943	1,026	0.5%
<u>Total Offshore Engineering Sector</u>	1,467	644	43.9%	213,559	5,719	2.7%
Total	8,409	717	8.5%	221,845	6,800	3.1%

Nine Months ended 30 September 2017

Business sector	9M2017			9M2016		
	Revenue (RM'000)	Gross Profit/ (Loss) (RM'000)	Gross Profit/(Loss) Margin %	Revenue (RM'000)	Gross Profit/(Loss) (RM'000)	Gross Profit/(Loss) Margin %
<u>Renewable Energy Sector</u>						
Vietnam Biomass	369	(89)	(24.1%)	535	(65)	(12.1%)
<u>Mobile Natural Gas Sector</u>						
Mobile Natural Gas	23,312	(689)	(3.0%)	26,565	2,724	10.3%
<u>Offshore Engineering Sector</u>						
Integrated Engineering Solutions	3,733	2,710	72.6%	16,203	10,750	66.4%
Turnkey projects	-	-	-	326,892	1,306	0.4%
<u>Total Offshore Engineering Sector</u>	3,733	2,710	72.6%	343,095	12,056	3.5%
Total	27,414	1,932	7.1%	370,195	14,715	4.0%

Revenue

Total revenue for the Group decreased by 96.2% from RM221.8 million in 3Q2016 to RM8.4 million in 3Q2017. This decrease was mainly due to: (i) the Malikai Tension Leg Platform Installation turnkey project which recorded revenue of RM205.9 million for 3Q2016 to which there was no comparable turnkey project undertaken by the Group for 3Q2017; and (ii) a 80.7% decline in revenue contribution from Integrated Engineering Services (“IES”) from RM7.6 million in 3Q2016 to RM1.5 million in 3Q2017. The reduction in IES revenue was in line with a downturn in the upstream oil and gas industry and a decrease in world energy prices.

For 9M2017, total revenue for the Group decreased by 92.6% to RM27.4 million from RM370.2 million in 9M2016. As mentioned above, the Malikai turnkey project contributed revenue of RM326.9 million in 9M2016 for which there was no comparable turnkey project revenue in 9M2017. For reasons given above IES recorded a 77.0% decline in revenue to RM3.7 million in 9M2017 from RM16.2 million in 9M2016. In addition, Mobile Natural Gas Sector (“MNGS”) revenue declined by 12.2% to RM23.3 million in 9M2017 from RM26.6 million in 9M2016 due mainly to expiry of several gas sales agreements during FY2017. The Renewable Energy Sector (“RES”) recorded revenue of RM0.37 million for 9M2017 compared to RM0.54 million for 9M2016 when the MK-1 Biomass Plant was first commissioned. Revenue in 9M2017 was generated mainly from the sale of briquettes which were brought forward from FY2016. The price of rice husk, the material required to produce briquettes, has remained high during the harvest seasons in 9M2017, making it uneconomical to produce briquettes.

Gross Profit

The Group’s gross profit for 3Q2017 declined by 89.5% to RM0.7 million from RM6.8 million in 3Q2016. MNGS experienced a marginal gross profit of RM0.1 million in 3Q2017 compared to a gross profit of RM1.1 million in 3Q2016, mainly due to the non-renewal of a compressed natural gas (“CNG”) supply contract with a major CNG customer, coupled with increased market competition and depressed energy prices which forced the Group to lower its CNG prices for its existing clientele. OES experienced an 88.7% reduction in gross profit to RM0.6 million in 3Q2017 from RM5.7 million in 3Q2017, due to reduced OES business activities including the absence of a similar Malikai turnkey project during FY2017.

RES recorded a gross loss of RM3,000 for 3Q2017 due to high rice husk cost and the capping of briquette sales price due to competition from alternate fuels.

The Group's gross profit for 9M2017 decreased by 86.9% to RM1.9 million from RM14.7 million in 9M2016. MNGS had a gross loss of RM0.7 million for 9M2017 compared to a gross profit of RM2.7 million in 9M2016, due mainly to the closure of a major toll bridge for structural repairs which has forced the Group's CNG delivery vehicles to make a long detour, resulting in higher operating costs. In order to maintain contracted services levels, the Group had to hire additional prime movers and outsource of other services to ensure timely delivery of its CNG. Other factors contributing to the gross loss for 9M2017 included the non-renewal of a CNG supply contract and reduced CNG pricing as explained earlier. OES gross profit for 9M2017 reduced by 77.5% to RM2.7 million from RM12.1million in 9M2016 due to reduced OES business activities and the absence of a similar Malikai turnkey project during FY2017. RES recorded a higher gross loss of RM89,000 for 9M2017 compared to a gross loss of RM65,000 for 9M2016, for the same aforementioned reason of high rice husk cost and capped briquette sales price.

The Group's gross profit margin for 3Q2017 improved to 8.5% compared to 3.1% in 3Q2016 despite gross losses from RES and deteriorating margins from MNGS. OES gross profit margin had increased to 43.9% in 3Q2017 from 2.7% in 3Q2016 due to: (i) a higher proportion of contribution from the Group's proprietary marine growth control products; and (ii) the absence of a similar Malikai turnkey project which typically generates low gross profit margin. Similarly for 9M2017, despite gross losses for RES and MNGS, the higher gross profit margin of 72.6% compared to 3.5% in 9M2016 is due to the aforementioned marine growth control products and the absence of a similar Malikai turnkey project.

Other Operating Income

The Group's other operating income for 3Q2017 increased by RM1.2 million to RM1.3 million from RM0.1 million for 3Q2016, mainly due to (i) a reversal of vendor payables and accruals of RM0.8 million due to a renegotiation of contract terms; (ii) write-back of RM0.2 million in sales commission that was previously over-provided; and (iii) a RM0.1 million gain on disposal of property plant and equipment.

The Group's other operating income for 9M2017 increased by RM1.6 million to RM2.2 million from RM0.6 million for 9M2016. Other operating income for 9M2016 was contributed by rental income, interest income, services fees and a RM0.1 million gain on disposal of property plant and equipment. In addition to the foregoing for 9M2016, other operating income for 9M2017 was also contributed by (i) a reversal of vendor payables and accruals of RM1.2 million due to a renegotiation of contract terms and close-out of projects with over-accruals; (ii) a write back of allowance for doubtful receivables of RM0.2 million due to the settlement of a long outstanding invoice; (iii) write-back of RM0.2 million in sales commission that was previously over-provided.

Exchange Loss/Gain

The Group recorded an exchange loss of RM0.2 million in 3Q2017 compared to an exchange gain of RM79,000 in 3Q2016. For 9M2017, the Group recorded an exchange gain of RM0.9 million compared to an exchange gain of RM0.4 million in 9M2016. The exchange loss for 3Q2017 was mainly due to the depreciation of Indonesia Rupiah against Malaysian Ringgit. Meanwhile the exchange gain for 9M2017 was mainly due from trade and other payables denominated in US Dollar which depreciated against the Malaysian Ringgit and that has largely offset the exchange loss the depreciating Indonesia Rupiah.

Administrative Expenses

Administrative expenses in 3Q2017 reduced by 16.1% to RM4.3 million from RM5.1 million in 3Q2016, whilst administrative expenses in 9M2017 reduced by 14.8% to RM13.6 million from RM15.9 million in 9M2016. The lower administrative expenses were mainly due to: (i) cost reduction initiatives including reduced manpower headcount and reduction of leased properties such as EJ-1 CNG station and OES Batam supply base; (ii) disposal of non-essential fixed assets to reduce depreciation expenses; (iii) reduced amortisation of intangible assets arising from impairment provisioning in FY2016 of KSO's signature bonus; and (iv) non-occurrence of cost of business feasibility studies which resulted in lower consultancy fees in 9M2017.

Selling and Distribution Costs

Selling and distribution costs represent commissions payable to agents for OES sales made for the Group. There was a reversal of sales and distribution cost for 3Q2017 due to an over-accrual of sales and distribution costs resulting in a positive figure of RM29,000. In comparison, 3Q2016 had sales and distribution cost of RM0.8 million reflecting the higher business activity during FY2016. Selling and distribution costs for 9M2017 was RM0.2 million compared to RM1.3 million for 9M2016. This decrease was in line with reduced business activities of the Group.

Other Operating Expenses

Other operating expenses for 3Q2017 were marginal at RM29,000 compared to RM0.7 million for 3Q2016, for which the comparative period had an allowance for doubtful receivable of RM0.7 million from an OES customer. For 3Q2017, the provision for doubtful receivables was a marginal RM2,000. Similarly, other operating expenses for 9M2017 was marginal at RM69,000 compared to RM0.7 million for 9M2016. Allowance for doubtful receivables for 9M2017 was RM2,000 compared to RM0.7 million for 9M2016.

Share of Results of Associates

Share of results of associates was a gain of RM0.3 million for 3Q2017 as compared to a loss of RM0.3 million for 3Q2016. The gain was due to increased business activities of a OES associate during the period in review. However for 9M2017, share of results of associates was a loss of RM0.5 million for 9M2017 compared to RM0.6 million for 9M2016. The losses were recorded by (i) an OES associate in line with a slowdown in the upstream oil and gas business and (ii) Gas Malaysia IEV Sdn Bhd which only commenced commercial operations during 9M2017 and was in its gestation period during which it incurred initial losses.

Finance Costs

Finance costs for 3Q2017 declined to RM150,000 from RM238,000 in 3Q2016 mainly due to the full settlement of advances from a third party. For the same reason, finance costs in 9M2017 declined to RM0.5 million from RM0.7 million in 9M2016.

Loss Before Tax

For reasons set out above, the Group recorded a loss before tax of RM2.3 million for 3Q2017 compared to a loss before tax of RM0.2 million for 3Q2016. For 9M2017 the Group recorded a loss before tax of RM9.8 million, which was a 172.6% increase from 9M2016's loss before tax of RM3.6 million.

Review of Statement of Financial Position

Non-Current Assets

Net carrying value of property, plant and equipment decreased by RM3.4 million to RM29.8 million as at 30 September 2017 from RM33.2 million as at 31 December 2016. This was due to depreciation charges and currency translation differences; and partially offset by capital expenditure for operational equipment for various subsidiaries.

Net book value of intangible assets decreased to RM3.8 million as at 30 September 2017, from RM4.4 million as at 31 December 2016, due to amortisation charges and currency translation differences for US Dollar denominated intangible assets which depreciated against the Malaysian Ringgit.

Oil and gas properties decreased by RM1.7 million to RM46.0 million as at 30 September 2017, from RM47.7 million as at 31 December 2016. This was mainly due to currency translation differences on the exploration and production concession at the Pabuaran KSO Block, West Java Indonesia, which is denominated in US Dollars. This currency translation was partially offset by minimal work over of the twin wells at the KSO Project.

The non-current portion of other receivables and prepayments decreased by RM1.0 million to RM7.8 million as at 30 September 2017, from RM8.8 million as at 31 December 2016, due to a reclassification to current portion of other receivables that the Company expects to receive in the near term and amortisation of land use rights.

Associates decreased from RM0.9 million as at 31 December 2016 to RM0.3 million as at 30 September 2017 reflecting the share of results of associates with losses of RM0.5 million for 9M2017. In addition, the balance net investment of RM142,000 in Gas Malaysia IEV Sdn. Bhd. has been reclassified as Asset Held for Sale, as the Group has agreed to dispose of its 25% equity stake in the company to Gas Malaysia Bhd.

Current Assets

Trade receivables decreased by RM39.1 million to RM18.6 million as at 30 September 2017, from RM57.7 million as at 31 December 2016, due mainly to the settlement of OES project invoices and in particular the Malikai turnkey project. The current portion of other receivables and prepayments, which comprised project related advances, third-party recoverable expenses and prepaid operating expenses decreased by RM2.6 million to RM5.4 million as at 30 September 2017, from RM7.9 million as at 31 December 2016, due mainly to settlement of third-party recoverable expenses and depletion of prepaid operating expenses. Inventories decreased by RM0.3 million to RM4.6 million as at 30 September 2017 from RM4.9 million as at 31 December 2016, due mainly to the depletion of rice husk briquettes and CNG stock.

Capital and Reserves

Share capital of the Company had increased by RM0.6 million to RM98.3 million as at 30 September 2017 from RM97.7 million as at 31 December 2017 due to the issuance 1,912,632 Company shares at SGD0.1074 per share as consideration for the acquisition of minority shares in an indirect subsidiary.

Currency translation reserve reduced to RM3.2 million as at 30 September 2017 from RM9.1 million as at 31 December 2016, due mainly to the appreciation of the Malaysian Ringgit against the US Dollar during the period in review.

Accumulated losses for the Group increased by RM9.5 million to RM22.4 million as at 30 September 2017 from RM12.9 million accumulated losses as at 31 December 2016.

Non-Current Liabilities and Current Liabilities

Bank borrowings (current and non-current portions) increased by RM0.2 million to RM9.7 million as at 30 September 2017 from RM9.5 million as at 31 December 2016, mainly due to a drawdown on bank overdraft facility. Finance leases remained stable at RM0.2 million as at 30 September 2017 and 31 December 2016.

Trade and other payables decreased by RM46.2 million to RM30.7 million as at 30 September 2017 from RM76.9 million as at 31 December 2016, mainly due to the settlement of OES project invoices particularly for the Malikai turnkey project. Provision for post-employment benefits obligations reduced to RM2.1 million as at 30 September 2017 from RM2.7 million as at 31 December 2016 due to the reduction of manpower headcount that arose from cost reduction initiatives implemented during 9M2017.

The Group has a positive working capital of RM0.9 million as at 30 September 2017 as compared to RM12.3 million as at 31 December 2016.

Review of Statement of Cash Flows

For 3Q2017, the Group recorded net cash used in operating activities of RM0.5 million. This was mainly due to: (i) operating loss before working capital changes of RM2.1 million; and (ii) increase in operating receivables of RM0.7 million; which were partially offset by (i) increase in operating payables of RM1.9 million; (ii) decrease in amount due from an associate of RM0.2 million; and decrease in inventories of RM0.1 million. Net cash used in investing activities of RM0.4 million during 3Q2017 was due to: (i) an increase in oil and gas properties of RM0.3 million; and (ii) net purchase of property, plant and equipment of RM0.1 million. Net cash used in financing activities of RM0.1 million during 3Q2017 was mainly for the servicing of bank borrowing and finance leases of the Group.

The Group recorded net cash used in operating activities of RM10.6 million for 9M2017. This was mainly due to: (i) operating loss before working capital changes of RM6.3 million; and (ii) decrease in operating payables of RM43.5 million as a result of the completion of the Malikai turnkey project in FY2016; which were partially offset by (i) a decrease in operating receivables of RM6.3 million; and (ii) decrease in amount due from an associate of RM33.6 million.

Net cash used in investing activities which amounted to RM2.3 million during 9M2017 was mainly due to: (i) the net purchase of property, plant and equipment of RM1.2 million; and (ii) an increase in oil and gas properties of RM1.1 million. Net cash used in financing activities of RM0.6 million during 9M2017 was mainly for (i) the repayment of advances from a third party of RM2.5 million; and (ii) servicing bank borrowing and finance leases of the Group of RM0.6 million; which were partially offset by (i) release of a pledged fixed deposit of RM1.7 million; and (ii) the drawdown of bank facilities and finance leases of RM0.8 million.

As a result of the above and after taking into account the currency translation deficit, the cash and cash equivalents balance was RM4.4 million as at 30 September 2017, as compared to RM13.2 million as at 30 September 2016.

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

Following the recent recovery of oil prices, analysts are cautiously optimistic that OPEC is determined to stick to the oil production cut it agreed with Russia and ten other producing countries last year. Oil prices are forecasted to be between USD 50 and USD 60 per barrel in 2018¹.

The oil and gas industry is hiring again, after more than 400,000 jobs were lost in the industry in the last 3 years. This reinforces the belief that a lot of oil and gas companies have successfully adjusted to the new norm of oil prices, which is still less than 50% of the high oil prices in 2014.

The Group is actively divesting all non-profitable assets and units, and intensifying its efforts on the development and global commercialisation of disruptive technologies, particularly in the OES sector, where risks and returns are favorable during this challenging period. This strategy reflects the new vision of the Group and its sustainability, given the low oil price environment that has changed the dynamics of the oil and gas industry. Simultaneously, various cost reduction initiatives are being undertaken as the Group moves towards a lean management organisation.

Offshore Engineering Sector (“OES”)

The Group is accelerating its technology-focused business and has formed a Technology Development Team (TDT) to undertake R&D activities as well as evaluate new technologies. This is central to the Group’s vision to create value through disruptive technologies.

Currently, the suite of disruptive technologies offered by the Group includes: i) the MGP-*i*, the world’s lowest cost structural integrity management solution, ii) Vertical Tension Anode system, a diverless cathodic protection retrofit solution; iii) Magnetometry Tomography Method, a non-contact stress survey of onshore and subsea pipelines; and iv) Oxifree, a thermoplastic anti-corrosion coating solution for flanges and valves.

A pipeline of new disruptive technologies is being developed and the Group will continue to launch technologies in the coming years through its global distribution network. Technologies under study and development are related to corrosion

¹ <https://knoema.com/yxptpab/crude-oil-price-forecast-2017-2018-and-long-term-to-2030>

control and specialised inspection solutions, and novel seismic services. Concurrently, the Group is seeking complementary technologies and offering complete engineering solutions to create further value for its customers.

Mobile Natural Gas Sector (“MNGS”)

As announced on 3 November 2017, the Group sold its 25% shareholding in GM-IEV Sdn. Bhd. to Gas Malaysia Sdn Bhd. Similarly, the Group has put the CNG supply chain in Indonesia up for sale and a third party is currently performing due diligence for the purchase of PT IEV Gas. Further news on this divestment will be announced as and when material information becomes available.

With regards to the value-added tax (VAT) dispute by PT IEV Gas with the Indonesia tax authority, a tax court hearing was recently presided by a panel of judges on 2nd November 2017 in which the facts of the case and legal arguments were presented. At dispute is whether the various streams of revenue are subject to VAT during the 2013 tax year. The next tax court hearing is scheduled towards the end of November 2017 and further information will be provided when there is any material development.

Exploration and Production Sector (“EPS”)

The Group continues to work on the farm out of Pabuaran KSO with interested parties. Additional funds will be required for the planned limited 3D seismic followed by the side tracking and possibly deepening of CLS-1TW to achieve a sustainable production volume.

Renewable Energy Sector (“RES”)

The Group has entered into a Heads of Agreement (“HOA”) with BSB Investment and Development Co. Ltd. (“BSB”), effective 31 October 2017, to commence the legal process to lease the MK-1 Biomass Plant and its related assets located in Thot Not District, Vietnam for a 2-year lease period and also to grant BSB an option to purchase the MK-1 Biomass Plant at the end of the said lease period.

The HOA is part of the Company’s move to refocus on its core engineering business and exit from the rice-husk biomass business in Vietnam.

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 2017.

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 Catalyst 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 the Rights Issue

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 94.6 million new ordinary shares at an issue price of S\$0.07 per share in the capital of the Company through a Rights Issue Exercise (the “Rights Issue”), which was completed in June 2015. The net proceeds of approximately S\$6.47 million (after deducting expenses of approximately S\$0.15 million incurred by the Company in connection with the Rights Issue) have been utilised as follows:

Use of Proceeds	Amount allocated (as announced on 8 May 2015) (S\$'000)	Amount utilised as at the date of this announcement (S\$'000)	Balance of net proceeds as at the date of this announcement (S\$'000)
(i) To fund the Pabuaran KSO Project	4,400	4,400	-
(ii) Construction of Vietnam biomass plant	1,500	1,500	-
(iii) CNG Supply Chain in Malaysia	500	438	-
(iv) General Working Capital	70	132	-
Net proceeds from the Rights Issue	6,470	6,470	-

Balance of net proceeds of S\$62k as stated in the 2Q2017 financial results announcement made on 11 August 2017 was previously earmarked for the CNG Supply Chain in Malaysia. However, due to the Company’s intention to exit the mobile natural gas supply business as mentioned in the announcement on the disposal of the Group’s 25% shareholding in Gas Malaysia IEV Sdn Bhd to Gas Malaysia Bhd, the S\$62k balance of net proceeds has been utilised for general working capital, including director and sponsor fees.

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 2017 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

<p>CHRISTOPHER NGHIA DO PRESIDENT & CEO</p>	<p>HARRY NG LEAD INDEPENDENT DIRECTOR</p>
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Date: 14 November 2017