



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 2014 ("1Q2014")

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		% change increase/ (decrease)
	Unaudited 1Q2014 (RM'000)	Unaudited 1Q2013 (RM'000)	
Revenue	65,763	12,956	407.6
Cost of sales	(57,633)	(8,642)	566.9
Gross profit	8,130	4,314	88.5
Other operating income	106	534	(80.1)
Exchange (loss)/gain	(952)	363	n.m.
Administrative expenses	(5,331)	(5,436)	(1.9)
Selling and distribution costs	(279)	(205)	36.1
Other operating expenses	(2)	(10)	(80.0)
Share of associated companies' results, net of tax	834	891	(6.4)
Finance costs	(309)	(263)	17.5
Profit before taxation	2,197	188	1,068.6
Taxation	(2)	35	n.m.
Profit for the period	2,195	223	884.3
Other comprehensive income after tax - currency translation differences arising from consolidation	892	239	273.2
Total comprehensive income for the period, net of tax	3,087	462	568.2
Total profit attributable to:			
Owners of the parent	2,196	160	1,272.5
Non-controlling interests	(1)	63	n.m.
	2,195	223	884.3
Total comprehensive income attributable to:			
Owners of the parent	3,033	406	647.0
Non-controlling interests	54	56	(3.6)
	3,087	462	568.2

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

	Group		% change increase/ (decrease)
	Unaudited 1Q2014 (RM'000)	Unaudited 1Q2013 (RM'000)	
Rental Income	25	25	-
Interest Income	24	53	(54.7)
Interest expense	(309)	(263)	17.9
Depreciation of property, plant and equipment (include depreciation accounted for in cost of sales)	(874)	(789)	10.8
Amortisation of intangible assets (include depreciation accounted for in cost of sales)	(126)	(104)	21.2

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 2014 (RM'000)	Audited As at 31 Dec 2013 (RM'000)	Unaudited As at 31 Mar 2014 (RM'000)	Audited As at 31 Dec 2013 (RM'000)
ASSETS				
Non-Current				
Intangible assets	-	-	5,307	5,277
Property, plant and equipment	-	-	32,073	31,413
Subsidiaries	60,461	59,972	-	-
Associated companies	-	-	19,702	18,867
Oil and gas properties	-	-	9,595	6,596
Prepayments	-	-	1,402	1,093
Deferred tax assets	-	-	206	192
	60,461	59,972	68,285	63,438
Current				
Inventories	-	-	5,941	4,814
Work-in-progress	-	-	825	94
Trade and other receivables	164	-	138,606	87,872
Prepayments	-	74	-	1,211
Fixed deposits	-	-	516	497
Cash and bank balances	1,642	1,921	12,230	18,955
	1,806	1,995	158,118	113,443
Total assets	62,267	61,967	226,403	176,881
EQUITY				
Capital and Reserves				
Share capital	80,048	80,048	80,048	80,048
Currency translation reserve	-	-	(2,658)	(3,495)
(Accumulated losses)/retained profits	(18,851)	(18,548)	5,551	3,355
	61,197	61,500	82,941	79,908
Non-controlling interests	-	-	1,638	1,585
	61,197	61,500	84,579	81,493
LIABILITIES				
Non-Current				
Bank borrowings	-	-	7,307	8,607
Finance lease obligations	-	-	158	34
Deferred tax liabilities	-	-	46	46
Other payables	-	-	1,496	6,203
	-	-	9,007	14,890
Current				
Trade and other payables	1,070	467	126,565	73,237
Progress billings	-	-	-	345
Bank borrowings	-	-	6,081	5,345
Finance lease obligations	-	-	140	114
Current tax payable	-	-	31	1,457

	Company		Group	
	Unaudited As at 31 Mar 2014 (RM'000)	Audited As at 31 Dec 2013 (RM'000)	Unaudited As at 31 Mar 2014 (RM'000)	Audited As at 31 Dec 2013 (RM'000)
	1,070	467	132,817	80,498
Total equity and liabilities	62,267	61,967	226,403	176,881

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 2014		Audited As at 31 Dec 2013	
	Secured	Unsecured	Secured	Unsecured
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Bank loans:				
- Bank loan # 1	2,723	-	3,281	-
- Bank loan # 2	7,707	-	7,772	-
	10,430	-	11,053	-
Bank overdraft	2,958	-	2,899	-
	13,388	-	13,952	-
Finance leases	-	298	-	148
	13,388	298	13,952	148
Amount repayable in one year or less, or on demand	6,081	140	5,345	114
Amount repayable after one year	7,307	158	8,607	34

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 is 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 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.

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 1Q2014 (RM'000)	Unaudited 1Q2013 (RM'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	2,197	188
Share of profits in associated companies	(834)	(891)
Adjustments for:		
Amortisation of intangible assets	126	104
Depreciation of property, plant and equipment	874	789
Provision for employees' benefits	230	109
Loss on disposal of property, plant and equipment	-	219
Interest expense	309	263
Interest income	(24)	(53)
Operating profit before working capital changes	2,878	728
Increase in inventories	(818)	(130)
Increase in work-in-progress	(731)	(793)
Increase in oil and gas properties	(2,999)	-
(Increase) / Decrease in operating receivables	(49,523)	12,655
Increase / (Decrease) in operating payables	48,324	(6,812)
Decrease in progress billings	(345)	(59)
Cash (used in) / generated from operating activities	(3,214)	5,589
Interest received	24	53
Interest paid	(309)	(263)
Tax paid	(1,400)	(172)
Net cash (used in) / generated from operating activities	(4,899)	5,207
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for expenditure carried forward	(309)	(569)
Acquisition of property, plant and equipment	(969)	(9,990)
Acquisition of intangible assets	(192)	-
Net cash generated from / (used in) investing activities	(1,470)	(10,559)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease obligations	(45)	(81)
Repayment of loan from external party	-	(872)
Bank borrowings obtained	59	8,199
Bank borrowings repaid	(617)	(4,987)
Proceeds from issuance of ordinary shares	-	1,008
Decrease/(Increase) in fixed deposits pledged	144	(79)
Net cash generated from / (used in) financing activities	(459)	3,188
Net decrease in cash and cash equivalents	(6,828)	(2,164)
Cash and cash equivalents at beginning of period	17,474	26,613
Currency translation difference of cash and cash equivalents at beginning of year	267	19
Cash and cash equivalents at end of period	10,913	24,468
<i>Cash and cash equivalents comprise:</i>		
Cash and bank balances	12,230	25,766
Fixed deposits	516	3,946
Less: Pledged fixed deposits	(1,833)	(5,244)
Cash and cash equivalents at end of period	10,913	24,468

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 2014	80,048	(18,548)	61,500
Total comprehensive expense for the period	-	(303)	(303)
Balance as at 31 March 2014	80,048	(18,851)	61,197

Company Previous 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 year	-	(429)	(429)
Balance as at 31 March 2013	63,247	(21,506)	41,741

Group Current Period	Share capital (RM'000)	Retained profits (RM'000)	Currency translation reserve (RM'000)	Total attributable to equity holders of the parent (RM'000)	Non-control ling interests (RM'000)	Total equity (RM'000)
Balance as at 1 January 2014	80,048	3,355	(3,495)	79,908	1,585	81,493
Total comprehensive (expense)/income for the year	-	2,196	837	3,033	53	3,086
Balance as at 31 March 2014	80,048	5,551	(2,658)	82,941	1,638	84,579

Group Previous Period	Share capital (RM'000)	Retained profits (RM'000)	Currency translation reserve (RM'000)	Total attributable 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

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 2013	189,200,000	33,615,530
Issued and paid-up share capital of the Company as at 31 March 2014	189,200,000	33,615,530

There were no outstanding share options granted as at 31 March 2014 and 31 December 2013.

There was no treasury shares held or issued as at 31 March 2014 and 31 December 2013.

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 2014	As at 31 December 2013
Number of issued shares excluding treasury shares	189,200,000	189,200,000

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 March 2014.

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 2013.

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 2014, 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 1Q2014.

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	1Q2014 (Malaysian sen)	1Q2013 (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	1.16	0.09
(ii) On a fully diluted basis	1.16	0.09

Basic earnings per ordinary share for 1Q2014 and 1Q2013 have been computed based on the Group's profit attributable to owners of the parent and the weighted average number of ordinary shares in issue of 189,200,000 and 172,000,000 respectively.

The basic and diluted earnings per ordinary share for 1Q2014 and 1Q2013 were the same as there were no potentially dilutive ordinary shares existing during 1Q2014 and 1Q2013 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 2014	As at 31 December 2013
Group	43.8	42.2
Company	32.3	32.5

Net asset value per ordinary share as at 31 March 2014 and 31 December 2013 is calculated based on the aggregate number of ordinary shares of 189,200,000.

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

Review of Statement of Comprehensive Income

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

Three Months ended 31 March 2014

Business sector	1Q2014			1Q2013		
	Revenue (RM'000)	Gross Profit (RM'000)	GP Margin %	Revenue (RM'000)	Gross Profit (RM'000)	GP Margin %
<u>Petroleum Sector</u>						
Mobile Natural Gas	9,604	1,378	14.4%	7,325	2,411	32.9%
<u>Offshore Engineering Sector</u>						
Integrated Engineering Solutions	9,802	3,815	38.9%	5,631	1,903	33.8%
Turnkey projects	46,357	2,937	6.3%	-	-	-
<u>Total Offshore Engineering Sector</u>	56,159	6,752	12.0%	5,631	1,903	33.8%
Total	65,763	8,130	12.4%	12,956	4,314	33.3%

Revenue

All sectors recorded increases in revenue for 1Q2014 which contributed to the overall increase in the Group's revenue by RM52.8 million or 407.6% to RM65.8 million from RM13.0 million in 1Q2013.

Revenue from the Offshore Engineering Sector ("OES") increased by 897.3% to RM56.2 million from RM5.6 million in 1Q2013. This was contributed by: (i) increase in revenue from integrated engineering services or "IES" by 74.1% to RM9.8 million from RM5.6 million in 1Q2013; and (ii) revenue contribution from turnkey projects of RM46.4 million. There was no revenue contribution from turnkey projects in the previous corresponding quarter. For 1Q2014, the Group's revenue from turnkey projects were predominantly contributed by two major turnkey contracts; i.e. the Malikai Project (for the installation of an Integrated Tension Leg Platform with a three years contract value of approximately RM313.0 million) and the FPSO Perintis decommissioning contract (for the decommissioning of a Floating Production Storage and Offloading vessel offshore Malaysia with a contract value of RM52.0 million). The two projects, in aggregate, contributed revenue of RM44.1 million in 1Q2014. In addition, the Group was paid for rectification works as part of the cost recovery exercise by its US-based sub-contractor which amounted to RM2.6 million in respect of the D21 turnkey project in 1Q2014.

Revenue from the Mobile Natural Gas Sector increased by RM2.3 million to RM9.6 million from RM7.3 million in 1Q2013, due mainly to the conversion of business model from the combination of throughput and direct sales to direct sales of CNG only. The per unit sales price of compressed natural gas ("CNG") for direct sales is higher as compared to the throughput model.

Gross Profit

Gross profit increased by RM3.8 million or 88.5%, from RM4.3 million in 1Q2013 to RM8.1 million in 1Q2014. The increase was mainly due to increase in gross profit contribution from OES of RM4.8 million, partly offset by a decrease in contribution of RM1.0 million from the Mobile Natural Gas Sector.

The Group's gross profit margin decreased from 33.3% in 1Q2013 to 12.4% in 1Q2014. Gross profit margin from the OES decreased by 21.8 percentage points as the increase in gross profit margin from IES by 5.1 percentage points from 33.8% in 1Q2013 to 38.9% in 1Q2014 was partially offset by the low gross profit margin contribution of 6.3% from the turnkey projects. Comparatively, IES has a higher gross profit margin than turnkey projects.

Gross profit margin from the Mobile Natural Gas Sector decreased by 18.5 percentage points, due mainly to the conversion of business model from the combination of throughput and direct sales to direct sales of CNG only, which commands a lower gross profit margin. In addition, the conversion created a decrease in sales volume over the transition period (January and February 2014).

Other Operating Income

Other operating income decreased by approximately RM0.4 million or 80.1%, from RM0.5 million in 1Q2013 to RM0.1 million in 1Q2014 as other operating income in the previous corresponding quarter included a one-time forfeiture of deposits from an external party. Other operating income of the Group is typically made up of rental income, interest income and administrative fees charged on the purchases of goods and services on behalf of principals and alliance partners during the execution of projects.

Exchange (Loss)/Gain

An exchange loss of RM1.0 million arose from predominantly trade transactions in 1Q2014 compared to an exchange gain of RM0.4 million recorded in 1Q2013. The exchange loss in 1Q2014 was mainly attributed to the strengthening of the US dollar against the Ringgit Malaysia which had a negative impact on the Group's US dollar denominated payments in 1Q2014.

Administrative Expenses

Administrative expenses remained substantially the same for 1Q2014 and 1Q2013 respectively.

Selling and distribution costs

Selling and distribution costs represent commissions payable to agents for sales made for the Group. Selling and distribution costs of RM0.3 million and RM0.2 million was recorded for 1Q2014 and 1Q2013 respectively.

Share of Associated Companies' Results, Net of Tax

Share of associated companies' profits, net of tax remained substantially the same for 1Q2014 and 1Q2013 respectively.

Finance Costs

Finance costs increased from RM0.3 million in 1Q2013 to RM0.5 million in 1Q2014 mainly due to the increase in borrowings from a third party for the financing of the D21 Project which certain receivables remain outstanding.

Profit Before Taxation

Profit before taxation increased by RM2.0 million or 1,068.6%, from RM0.2 million in 1Q2013 to RM2.2 million in 1Q2014 due mainly to the higher revenue recorded in 1Q2014.

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 31 December 2013 and 31 March 2014. The aggregated amortisation charges and exchange loss for 1Q2014 of RM0.2 million was offset by the acquisition of intangible assets of approximately the same amount.

Net carrying value of property, plant and equipment increased by RM0.7 million to RM32.0 million as at 31 March 2014. The increase was mainly due to the construction works in progress in relation to the Group's biomass plant in the Socialist Republic of Vietnam.

Oil and Gas properties increased by RM3.0 million to RM9.6 million as at 31 March 2014 from RM6.6 million as at 31 December 2013 as the Group expedite work-over of PBN-01 well at the Pabuaran KSO Block which includes re-conditioning of the well, repair of the mud-wall, inserting additional casings to targeted zones, cementing, perforations and well testing.

Net book value of associated companies increased by RM0.8 million to RM19.7 million as at 31 March 2014 from RM18.9 million as at 31 December 2013. The increase was due to the Company's share of associated companies' results for the financial period under review.

Non-current prepayments increased by RM0.3 million to RM1.4 million as at 31 March 2014 due to further recoverable Value Added Tax paid for the purchase of supplies for KSO's exploration and production activities.

There was no material change in deferred tax assets.

Current Assets

Inventories increased by RM1.1 million to RM5.9 million as at 31 March 2014 from RM4.8 million as at 31 December 2013. The increase was due to (i) an increase in stocks for the assembly of marine growth control products in anticipation of higher sales and; (ii) increase in spares and consumables for drilling works at the Pabuaran KSO Block ("KSO").

Work-in-progress, which is mainly related to feasibility studies in connection with the exploration and production activities of stranded gas as at 31 March 2014 was RM0.8 million, as compared to RM0.1 million as at 31 December 2013 due to unbilled services rendered and amounts yet to be collected from customers for work performed during the financial period under review.

Trade and other receivables increased by RM50.7 million to RM138.6 million as at 31 March 2014 from RM87.9 million as at 31 December 2013, due mainly to the increase in turnkey services rendered by OES in 1Q2014.

Prepayments which comprised prepaid operating expenses of RM1.2 million as at 31 December 2013 was fully expensed out during 1Q2014.

Fixed deposits remained substantially unchanged at RM0.5 million as at 31 March 2014 and 31 December 2013.

Capital and Reserves

Exchange translation reserve decreased by RM0.8 million to a deficit of RM2.7 million as at 31 March 2014 from a deficit of RM3.5 million as at 31 December 2013 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 RM2.2 million to RM5.6 million as at 31 March 2014 from RM3.4 million as at 31 December 2013 due to profits generated from operating activities during the current financial period reported on.

Non- Current Liabilities and Current Liabilities

Bank borrowings (including non-current portion) decreased by RM0.6 million to RM13.4 million as at 31 March 2014 from RM14.0 million as at 31 December 2013 due to repayment of bank borrowings.

Trade and other payables (including non-current portion) increased by RM48.6 million to RM128.0 million as at 31 March 2014 from RM79.4 million as at 31 December 2013, which was in line with the increase in the volume of turnkey activities undertaken by the Group in 1Q2014.

Current tax payable decreased by approximately RM1.4 million to approximately RM31k as at 31 March 2014 from RM1.5 million as at 31 December 2013, due to lower provision for taxation for 1Q2014 and tax payment relating to previous years.

The Group had a positive working capital of approximately RM25.3 million as at 31 March 2014 as compared with approximately RM32.9 million as at 31 December 2013.

Review of Statement of Cash Flows

The Group recorded net cash used in operating activities of RM4.9 million for 1Q2014. This was mainly due to the increase in oil and gas properties of RM3.0 million, an increase in inventories of RM0.8 million, an increase in operating receivables of RM49.5 million, an increase in work-in-progress of RM0.7 million, an increase in progress billings of RM0.3 million and taxes paid amounting to RM1.4 million, which were partially offset by a decrease in operating payables of RM48.3 million. The net cash used in investing activities which amounted to RM1.5 million was mainly due to the construction in progress in relation to the Group's biomass plant in the Socialist Republic of Vietnam amounting to RM1.0 million, acquisition of an exclusive license for Malaysia and Brunei for the distribution of "Oxi-Free" corrosion control product from USA-based OxiFree Global LLC amounting to RM0.2 million and payment for expenditure carried forward of RM0.3 million. The net cash used in financing activities of RM0.5 million was mainly due to the RM0.6 million bank borrowings repaid by the Group during 1Q2014, partially offset by the decrease in fixed deposits pledged of RM0.1 million.

As a result, after taking into account the currency translation difference of RM0.3 million, the cash and cash equivalents balance was RM10.9 million as at 31 March 2014 compared to cash and cash equivalents balance of RM24.5 million as at 31 March 2013.

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 recovery of the global economy;
- The potential geopolitical risks in Ukraine on Europe and its effects on world oil and gas prices; and
- The fluctuations of the US dollar versus local currencies.

Barring any unforeseen circumstances, the Group remains cautiously optimistic on the outlook of the oil and gas industry. Offshore activities are picking up in South East Asia with several large green fields issued for tender in Malaysia and Myanmar recently, although there are delays in some new field developments in India due to the multiple extensions of tender closing dates. Brown field activities have also increased and as such, the Group is growing its portfolio of services to support the offshore oil and gas industry, including the emerging market of Floating Production, Storage and Offloading ("FPSO") decommissioning and inspection.

Offshore Engineering Sector

The Group has completed its maiden USD 15 million FPSO decommissioning project in Malaysia in April 2014 and recently received invitation to quote for a similar contract in Malaysia. The Group has also been awarded contracts to inspect mooring systems of two FPSOs in the region. The Group is expecting a rise in demand for higher standards of safety and therefore this new service is expected to increase in the future.

The Group is appointing several new distributors as part of its globalisation efforts for the distribution of its proprietary ocean-powered marine growth control solutions. The global distribution has now been expanded to include the USA, Mexico, Venezuela, Trinidad and Nigeria. The Group is also targeting the revamp and refurbishment business where it can offer its portfolio of underwater repair solutions, and is currently pursuing several tenders involving platform refurbishment and strengthening.

The Group has reached a Global Settlement with its customer for the D21 turnkey platform project and although no monetary consideration was granted, the said customer has returned 70% of the performance bond back to IEV and provided logistics support for IEV to complete the intelligent pigging of the pipeline, which is the last remaining scope of the project. The Group is actively negotiating the cost recovery and has so far, received payment of RM2.6 million for rectification work done on behalf of its USA-based subcontractor as part of the aforesaid efforts.

Petroleum Sector

With the recent award from Indofood, the Group has secured the CNG supply contract to all the three plants of Indofood in Bandung. We plan to expand the CNG supply chain in Cikarang further in 2H2014 to accommodate additional customers in West Java. In Malaysia, the conditions precedent for the joint venture agreement with Gas Malaysia are expected to be fulfilled within 1H2014. Besides the supply chain in Gebeng, Kuantan, the Group is also working with Gas Malaysia to identify potential customers for mobile natural gas in the west coast of Peninsular Malaysia. The Group will also proceed with the sale of CNG Vietnam shares in May 2014 and, subject to the success of such a sale, will utilise the net proceeds as stated in our Appendix to the Notice of Annual General Meeting dated 10 April 2014.

The substitution of oil by natural gas is gaining momentum across Asia as several countries (Singapore, Thailand, Malaysia and Indonesia) are building Floating Storage and Regasification Unit ("FSRU") and/or LNG Receiving Terminals to import natural gas. IEV is also considering entry to the LNG supply and distribution market in the region to complement its CNG infrastructure and has started to work on the feasibility study of LNG supply chains in Indonesia. LNG supply is targeted at customers with large energy demand and/or are located further away (> 200km) from natural gas sources.

Announcements will be made on the progress of the workover and drilling of twin well at Pabuaran KSO as soon as work is completed and production test results are available in 2H2014.

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 2014.

(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 2014.

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

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

14. Use of Proceeds from 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 an issue price of S\$0.413 per share in the capital of the Company through a private placement (the “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 announced on 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	1,272	768
(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	677	493
Net proceeds from the Placement	6,920	5,222	1,698

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

15. Confirmation by the Board of Directors pursuant to Rule 705(5) of the Catalyst 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 2014 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
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Date: 11 May 2014