



IEV HOLDINGS LIMITED
(Company Registration 201117734-D)

ANNOUNCEMENT

For Immediate Release

IEV ENERGY AND GAS MALAYSIA ENTERS INTO A JOINT VENTURE AGREEMENT FOR CNG DISTRIBUTION IN MALAYSIA

Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning ascribed to them in the announcements dated 15 October 2012, 15 January 2013, 15 March 2013 and 16 May 2013 (the "Announcements").

Singapore, 24February2014: Further to the Announcements, the board of directors ("**Directors**") of IEV Holdings Limited ("**Company**", and together with its subsidiaries, "**IEV**" or the "**Group**") wish to update that pursuant to the completion of the Feasibility Study on liquefied natural gas ("**LNG**") distribution in Malaysia, both IEV and Gas Malaysia have decided to pursue further business cooperation initiatives for the distribution of compressed natural gas ("**CNG**") instead. As such, the Group and Gas Malaysia have entered into a Joint Venture Agreement ("**JVA**") to incorporate a joint venture company ("**JVC**"), to pursue and engage in the following businesses:-

- (a) The provision of the sale, supply and transportation of CNG to potential customers;
- (b) the carrying out of the design, construction, installation, commissioning and operation of:-
 - i. Pressure Regulating Unit ("**PRU**") at each customer's premises; and
 - ii. Gas Malaysia-IEV mother station at each supply station;
- (c) the purchase and operation of CNG trailers to transport CNG from Gas Malaysia-IEV mother station to the PRU located at customer locations; and
- (d) any other business relating or incidental to or compatible with the above or any other business as may be agreed upon by the parties from time to time.

Structure of JVC

The JVC is expected to have an initial authorised share capital of RM 6,000,000, comprising 6,000,000 ordinary shares of RM1.00 each. IEV Energy's share of the capital contribution is expected to be funded by internal resources. Pursuant to the JVA, the paid-up capital of the JVC may be increased from time to time, subject to the approval of both IEV Energy and Gas Malaysia. The JVC will be 25% and 75% held by IEV Energy and Gas Malaysia respectively, and is expected to be incorporated as soon as the condition precedents ("**CPs**") are fulfilled. One of the CPs requires that the JVC obtain the necessary approvals from the relevant regulatory authorities in Malaysia.

Salient terms of the JVA

- (a) the CPs shall be fulfilled within three (3) months from the signing of the JVA;
- (b) the board of directors of the JVC will comprise at least four (4) directors, of which three (3) persons shall be nominated by Gas Malaysia and one (1) person nominated by IEV Energy;

- (c) IEV Energy grants first right of refusal for Gas Malaysia to participate in IEV non-Malaysian overseas projects on pipeline gas and combined heat and power projects on terms and conditions to be mutually agreed; and
- (d) the construction and supply contracts shall not be awarded until all the CPs have been fulfilled.

The JVA is available for inspection at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898 during normal business hours for a period of three (3) months from the date of this announcement.

Financial Effects

As the construction of the necessary infrastructure for the CNG distribution system will likely take place in 2014 after the necessary approvals from the relevant regulatory authorities in Malaysia have been obtained, the JVA is not expected to have any material impact on the consolidated earnings per share and/or net tangible assets per share of the Group for the financial year ending 31 December 2014.

President and CEO of the Group, Christopher Do commented, "The formation of this joint venture with Gas Malaysia will set forth IEV's vision to deliver natural gas as a clean and economical alternative energy to costly liquid fuels throughout the region, following our successful development of the two CNG supply chains in Indonesia and Vietnam."

Save for their shareholdings in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct and indirect, in the JVA. The Directors are also not aware of any substantial shareholders that have any interest, direct or indirect, in the JVA.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company in relation to this announcement as there is no assurance on the incorporation of the JVC, as it is subject to the fulfilment of all CPs set out in the JVA, within three (3) months, which may be extended by another 30 days by mutual agreement.

By the order of the Board

Christopher Do
President and CEO
24 February 2014

ABOUT IEV HOLDINGS LIMITED

Listed on Catalist of the Singapore Exchange on 25 October 2011, IEV offers a range of integrated engineering solutions ("IES") involving all aspects of a field life cycle, from the installation of new facilities to repair and maintenance of existing assets and the eventual decommissioning of ageing structures. With over 25 years of experience and a network of offices in Malaysia, Indonesia and Vietnam, IEV is well recognised as one of the leading providers of subsea products and services in the Asia Pacific region. IEV is also a provider of mobile natural gas to the industrial sector in Indonesia and Vietnam, a business the Group developed since 2005.

In the **Mobile Natural Gas Sector**, through the development of mobile gas infrastructure and supply chains, IEV produces compressed natural gas ("CNG") from natural gas sources and then transports and delivers it to customers in the industrial sector where gas pipelines are not available or, where construction of gas pipelines is technically or economically unviable. This "virtual pipeline" enables consumers without access to pipeline gas to consume clean and low cost energy and reduce their dependence on liquid fuel. IEV currently operates a full scale supply chain in Indonesia and holds a 19.17% interest in Vietnam as a co-founder of CNG Vietnam. IEV not only provides technical expertise for customers to commercialise their flare gas and stranded gas by providing mobile natural gas solutions, but also sources for flare gas and stranded gas reserves owned by energy companies in Indonesia and offer them commercialisation solutions.

ABOUT GAS MALAYSIA BERHAD

Gas Malaysia is a company listed on Main Board of Bursa Malaysia. Gas Malaysia's core business is to sell, market and distribute natural gas as well as construct and operate the Natural Gas Distribution System within Peninsular Malaysia. Gas Malaysia has a network of natural gas pipelines connecting customers to the Peninsular Gas Utilisation Transmission System owned and operated by PETRONAS Gas Berhad.

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), CanaccordGenuity Singapore Pte. Ltd. for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor 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.

The contact person for the Sponsor is Mr. Alex Tan, CEO, CanaccordGenuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.
