



## IEV HOLDINGS LIMITED

(Company Registration 201117734-D)

(Incorporated in the Republic of Singapore on 26 July 2011)

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# PROPOSED DISPOSAL OF INTEREST IN TWO SUBSIDIARIES: IEV TECHNOLOGIES VIETNAM LLC AND IEV ENGINEERING (INDIA) PVT LTD

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## 1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of IEV Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, IEV Group Sdn. Bhd. (“**IEV Malaysia**”), has entered into a Share Sale Agreement (“**SSA**”) with Disruptech Holdings Sdn Bhd (“**Purchaser**”) on 22 October 2019 for the disposal of IEV Malaysia’s 100% equity interest in IEV Technologies Vietnam Limited Liability Company (“**IEV Vietnam**”) and 50% plus 1 share equity interest in IEV Engineering (India) Pvt Ltd (“**IEV India**”) (the “**Proposed Disposal**”). Subsequent to the completion of the Proposed Disposal, IEV Vietnam and IEV India will cease to be subsidiaries of the Group.

## 2. INFORMATION ON THE SUBSIDIARIES

### 2.1 IEV Vietnam

IEV Vietnam was incorporated on 18 July 2018 with a share capital of VND 2,274,000,000 (approximately MYR 418,000). It was initially incorporated with the intention to carry out the asset integrity management services (“**AIMS**”) business in Vietnam and act as an agent to market and distribute the Group’s products and services. However, due to the market and geopolitical conditions and the slowdown in the oil and gas industry, IEV Vietnam has been operating at a loss since its incorporation.

Based on the audited financial statements of IEV Vietnam for the full year ended 31 December 2018 (“**FY2018**”), IEV Vietnam recorded a net loss of VND 218,932,900 (approximately MYR 38,000) for FY2018 and net asset value of VND 945,427,250 (approximately MYR 170,000) as at 31 December 2018.

Based on the consolidated accounts for the six months ended 30 June 2019 (“**HY2019**”), IEV Vietnam recorded a net loss of VND 1,343,813,579 (approximately MYR 238,000) and net liability of VND 398,386,329 (approximately MYR 71,000) as at 30 June 2019.

### 2.2 IEV India

IEV India was incorporated on 25 June 2018 and has a share capital of INR 2,584,770 (approximately MYR 156,000). It was initially incorporated with the intention to carry out the AIMS business in India and to market and distribute the Group’s products and services. However, due to the market conditions and the slowdown in the oil and gas industry, IEV India has been operating at a loss since its incorporation.

Based on the audited financial statements of IEV India for the financial year ended 31 March 2019, IEV India recorded a net loss of INR 3,605,470 (approximately MYR 212,000) and net liability of INR 1,020,700 (approximately MYR 60,000) as at 31 December 2018.

Based on the latest available consolidated accounts for the three months ended 30 June 2019, IEV India recorded a net loss of INR 745,069 (approximately MYR 44,000) and net liability of INR 404,269 (approximately MYR 24,000) as at 30 June 2019.

### 3. INFORMATION ON THE PURCHASER

The Purchaser is an entity incorporated in Malaysia, and wholly-owned by Mr. Christopher Nghia Do (“**Mr. Do**”), the President and Chief Executive Officer of the Company for the purpose of the Proposed Disposal.

As at the date of this Announcement, the Purchaser has an issued and paid-up share capital of RM1.00 consisting of 1 ordinary share.

### 4. CONSIDERATION

The consideration for the Proposed Disposal is SGD 69,000 for IEV Vietnam (approximately MYR 212,000 at an exchange rate of SGD 1 : 3.072 as at 21 October 2019) and SGD 47,000 for IEV India (approximately MYR 144,400), which will be fully satisfied by way of cash (“**Consideration**”).

The Consideration was arrived at after arm’s length negotiations, on a willing-buy, willing-seller basis and taking into account the (i) net liability position of IEV Vietnam and IEV India as at 30 June 2019 amounting to approximately MYR 71,000 and MYR 24,000 respectively, (ii) the par value of the shares of IEV Vietnam and IEV India, (iii) cash flow required from the Company to continue running IEV Vietnam and IEV India; and (iv) the need to reduce the overall operating cost and improve cash flow of the Group.

The gain on disposal arising from the Proposed Disposal will be approximately MYR 283,000 for IEV Vietnam and MYR 168,400 for IEV India. The net proceeds of the Proposed Disposal will be utilised for the Group’s working capital requirements.

### 5. PRINCIPAL TERMS OF THE SSA

The salient terms of the SSA are set out as below.

#### 5.1 Conditions Precedent

The Proposed Disposal is conditional upon the following conditions being fulfilled:

- a. Approval of the Department of Planning and Investment of Ho Chi Minh City and any other relevant approving authority under IEV Vietnam’s Investment Certificate and Business Licence;
- b. Approval of the board of directors of the Vendor on the Proposed Disposal; and
- c. All other approvals, consents, authorisations, permits or waivers of any regulatory agency, authority or parties necessary or appropriate for and in connection with the disposal of the equity interest in IEV Vietnam and IEV India.

#### 5.2 Cut-Off Date

If all of the conditions precedent under the SSA (save for those compliance with which has been waived or varied in accordance with the terms of the SSA) have not been fulfilled within 90 days of the date of the SSA, then the SSA is terminated with no party having rights against the other.

### 6. RATIONALE FOR THE PROPOSED DISPOSAL

#### 6.1 IEV Vietnam and IEV India are not principal subsidiaries of the Group

##### 6.1.1 IEV Vietnam

Since IEV Vietnam’s incorporation in 18 July 2018, IEV Vietnam has been operating at a loss as a result of the downturn of the oil and gas industry and the long gestation time required to commercialise new technologies in the Group’s focus markets. As a result, IEV Vietnam has not been a significant contributor to the Group’s financial results since incorporation.

The table below shows a comparison of IEV Vietnam’s contribution to the Group’s revenue, gross profit, loss attributable to the owners of the Company for the 6-month period from 1 January 2019 to 30 June

2019 and the 12-month period from 1 January 2018 to 31 December 2018, as well as the net asset value of IEV Vietnam as at 30 June 2019 and 31 December 2018.

<b>Revenue</b>	<b>IEV Vietnam RM'000</b>	<b>Group RM'000</b>	<b>% of Group</b>
HY2019	44	4,069	1.08
FY2018	0	2,961	0.00

<b>Gross Profit</b>	<b>IEV Vietnam RM'000</b>	<b>Group RM'000</b>	<b>% of Group</b>
HY2019	23	1,242	1.85
FY2018	0	1,660	0.00

<b>Loss attributable to owners of the Company</b>	<b>IEV Vietnam RM'000</b>	<b>Group RM'000</b>	<b>% of Group</b>
HY2019	(238)	(3,926)	6.06
FY2018	(38)	(17,052)	0.22

<b>Net asset value</b>	<b>IEV Vietnam RM'000</b>	<b>Group RM'000</b>	<b>% of Group</b>
HY2019	(71)	(8,467)	0.84
FY2018	170	(10,184)	Not meaningful

#### 6.1.2 IEV India

Since IEV India's incorporation in 25 June 2018, IEV India has been operating at a loss as a result of the downturn of the oil and gas industry and the long gestation time required to commercialise new technologies in the Group's focus markets. As a result, IEV India has not been a significant contributor to the Group's financial results since incorporation.

The table below shows a comparison of IEV India's contribution to the Group's revenue, gross profit, loss attributable to the owners of the Company for the 6-month period from 1 January 2019 to 30 June 2019 and the 12-month period from 1 January 2018 to 31 December 2018, as well as the net asset value of IEV India as at 30 June 2019 and 31 December 2018.

<b>Revenue</b>	<b>IEV India RM'000</b>	<b>Group RM'000</b>	<b>% of Group</b>
HY2019	0	4,069	0.00
FY2018	0	2,961	0.00

<b>Gross (Loss)/Profit</b>	<b>IEV India RM'000</b>	<b>Group RM'000</b>	<b>% of Group</b>
HY2019	0	1,242	0.00
FY2018	0	1,660	0.00

<b>Loss attributable to owners of the Company</b>	<b>IEV India RM'000</b>	<b>Group RM'000</b>	<b>% of Group</b>
HY2019	(138)	(3,926)	3.51
FY2018	(212)	(17,052)	1.24

<b>Net asset value</b>	<b>IEV India RM'000</b>	<b>Group RM'000</b>	<b>% of Group</b>
HY2019	(24)	(8,467)	0.28
FY2018	(60)	(10,184)	0.59

In light of the absolute figures above, both IEV Vietnam and IEV India are not major income contributors nor are core assets of the Group. Hence, the Proposed Disposal will not change the nature of the Group's main business and the risk profile of the Group.

## 6.2 Reduction of the Group's liabilities and funding requirements

The Proposed Disposal enables the Group to recover SGD116,000 from its aggregate investment of approximately SGD184,700 in IEV Vietnam and IEV India thereby allowing the Group to strengthen its cash flow, reduce its future funding need for operations and simplify its consolidated financial report and overall management of the Group. Other than the Purchaser, the Company has not received any interests from other third parties to purchase these 2 entities.

## 7. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL SECTION B: RULES OF CATALIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST") (THE "CATALIST RULES")

Based on the unaudited consolidated financial statements of the Group for the financial period ended 30 June 2019 ("HY2019"), the relative figures of the Proposed Disposal under Rule 1006 of the Catalist Rules are as follows:-

Relative Figures (%)	IEV Vietnam	IEV India
<b>Rule 1006(a)</b>		
Net asset value of the assets to be disposed of, compared with the Group's net asset value	0.84%	0.28%
<b>Rule 1006(b)</b>		
Net profits attributable to the asset acquired compared to the Group's net profits <sup>(1)</sup>	5.95%	3.44%
<b>Rule 1006(c)</b>		
Aggregate value of the Consideration, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares <sup>(2)</sup>	0.57%	0.39%
<b>Rule 1006(d)</b>		
Number of equity securities issued by the Company as consideration for the transaction, compared with the number of equity securities previously in issue	Not applicable <sup>(3)</sup>	Not applicable <sup>(3)</sup>
<b>Rule 1006(e)</b>		
Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not applicable <sup>(4)</sup>	Not applicable <sup>(4)</sup>

### Notes:

- (1) Net profits means profit or loss before income tax, minority interests and extraordinary items. The Group recorded a net loss before income tax and minority interests for HY2019 of MYR 4,003,000.
- (2) The market capitalisation of the Company is approximately SGD12,061,917 computed based on shares in issue of 365,512,632 shares and the weighted average share price of SGD0.033 transacted on 21 October 2019 (being the market day preceding the date of the SSA).
- (3) No equity securities would be issued in respect of the Proposed Disposal.
- (4) The Proposed Disposal is not in relation to a mineral, oil and gas asset.

As the relative figures computed under Rule 1006 involves negative figures, the Company has, through the Sponsor, consulted the SGX-ST in accordance with Rule 1007(1) of the Catalist Rules on the applicability of Chapter 10 for the Proposed Disposal and to seek the SGX-ST's concurrence that the Proposed Disposal constitutes a "discloseable transaction" under Chapter 10 of the Catalist Rules.

The SGX-ST had, on 11 October 2019, informed the Company that it had no further comments that the Proposed Disposal constitutes a "discloseable transaction", having considered the Company's following representations:

- (i) The absolute Rule 1006 relative figures do not exceed 50%;
- (ii) IEV Vietnam and IEV India are not major income contributors or core assets of the Group;
- (iii) There will be a gain on disposal of approximately MYR280,000 and MYR167,000 for the respective disposal of IEV Vietnam and IEV India;

- (iv) The Proposed Disposal will not change the risk profile of the Group as this is a disposal of loss-making entities that are non-core to the Group; and
- (v) The Proposed Disposal will enable the Group to recover SGD116,000 from its aggregate investment of approximately SGD184,700 in both entities.

## 8. INTERESTED PARTY TRANSACTION

In view that the Purchaser's director and sole beneficiary of the shares is Mr. Do, and that Mr. Do is also the President and Chief Executive Officer of the Group, the Proposed Disposal constitutes an interested person transaction ("IPT") pursuant to Chapter 9 of the Catalyst Rules.

Based on the Group's latest audited consolidated financial statements for FY2018, the Group recorded a negative net tangible asset ("NTA") of MYR 10,271,087 and a negative net asset value ("NAV") of MYR 10,184,231 as at 31 December 2018.

In this regard, the Company has applied and the SGX-ST has approved for the Company to determine the materiality of its IPTs for the purposes of Catalyst Rules 905 and 906 based on the Company's market capitalisation as at the previous financial year end, until such time the audited NTA or NAV of the Group turns positive. Should the Group's NTA or NAV become positive, the Company will consult the SGX-ST to determine an appropriate benchmark with which to assess materiality for the purpose of compliance with Chapter 9 of the Listing Manual.

The market capitalisation of the Company as at 31 December 2018 is S\$6,652,444, based on the number of shares in issue of 285,512,632 shares (excluding treasury shares) and volume weighted average price of S\$0.0233 as at 31 December 2018. Based on the consideration of SGD116,000, the total value of interested person transaction represents 1.74% of the market capitalisation of the Company as at 31 December 2018.

## 9. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The pro forma financial effects of the Proposed Disposal on the Group set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the completion of the Proposed Disposal. These illustrative financial effects have been prepared based on the audited consolidated financial statements of the Group for FY2018, the audited financial statements of IEV Vietnam for FY2018 and the audited financial financial statements of IEV India for the financial year ended 31 March 2019, based on the following bases and assumptions:

- (a) that the Proposed Disposal had been completed on 1 January 2018 for the purposes of illustrating the financial effects on loss per share ("LPS");
- (b) that the Proposed Disposal had been completed on 31 December 2018 for the purposes of illustrating the financial effects on net tangible liabilities ("NTL"); and
- (c) the computation does not take into account any expenses that may be incurred in relation to the Proposed Disposal.

### 9.1 NTL

	Before the Proposed Disposal	After the Proposed Acquisition
NTL (MYR)	(10,271,087)	(10,024,687)
Number of shares (excluding treasury shares)	365,512,632 <sup>1</sup>	365,512,632
NTL per Share (MYR)	(0.028)	(0.027)

Notes: (1) The number of shares has been adjusted for an issuance of 80,000,000 shares pursuant to a share subscription exercise completed on 15 May 2019, increasing the total number of issued shares (excluding treasury shares) from 285,512,632 Shares as at 31 December 2018 to 365,512,632 Shares.

## 9.2 LPS

	Before the Proposed Acquisition	After the Proposed Acquisition
Net loss attributable to owners of the Company (MYR'000)	(17,052,344)	(16,555,944)
Weighted average number of Shares ('000)	365,512,632 <sup>1</sup>	365,512,632
LPS (Malaysia cents)	(0.047)	(0.045)

Notes: (1) The weighted average number of shares have been adjusted for an issuance of 80,000,000 shares pursuant to a share subscription exercise completed on 15 May 2019 increasing the weighted average number of shares (excluding treasury shares) from 285,512,632 shares as at 31 December 2018 to 365,512,632 shares.

## 10. Interest of Directors and Controlling Shareholders

Save for Christopher Nghia Do, none of the Directors or controlling shareholders of the Company, or their respective associates, has any interest, direct or indirect, in the Transfer other than their respective shareholdings in the Company (if any).

## 11. Details of any service contract

No person is proposed to be appointed as a director of the Company in connection with the Transfer. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

## 12. Document for inspection

A copy of the SSA is available for inspection during normal business hours at the Company's registered office, 80 Robinson Road, #02-00 Singapore 0688898, for a period of three (3) months from the date of this announcement.

By order of the Board  
Tan Sri Dato' Hari N. Govindasamy  
Non-Independent Non-Executive Chairman  
23 October 2019

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## MEDIA CONTACT

For media queries, please contact;

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*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("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. Ong Hwee Li, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210.*