



IEV HOLDINGS LIMITED
(Company Registration No.: 201117734D)
(Incorporated in the Republic of Singapore on 26 July 2011)

THE PROPOSED DISPOSAL OF THE ENTIRE SHAREHOLDING INTEREST HELD BY IEV HOLDINGS LIMITED IN CNG VIETNAM JOINT STOCK COMPANY

1. INTRODUCTION

The board of directors (the "**Board**") of IEV Holdings Limited (the "**Company**", together with its subsidiaries, referred to as the "**Group**") wishes to announce that IEV Group Sdn Bhd ("**IEV Group**") and IEV Energy Sdn Bhd ("**IEV Energy**") (collectively, the "**Vendors**"), two wholly owned subsidiaries of the Company, intend to dispose of their entire shareholding interests of 19.18%, comprising 5,178,759 shares (the "**Sale Shares**") in the capital of CNG Vietnam Joint Stock Company ("**CNG Vietnam**") (the "**Proposed Disposal**").

The Proposed Disposal constitutes a major transaction under Chapter 10 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**") and is subject to and conditional upon the approval of the shareholders of the Company ("**Shareholders**") at the forth coming annual general meeting.

2. DEPOSIT AGREEMENT AND SALE AND PURCHASE AGREEMENTS

2.1 The Board wishes to announce that the Vendors have entered into:

- (a) a deposit agreement dated 23 March 2014 (the "**Deposit Agreement**") with Mr. Pham Quang Vinh ("**Mr. Vinh**"), Ms. Le Thi Anh Dao ("**Ms. Anh Dao**"), Mr. Doan Hong Quang ("**Mr. Quang**"), Ms. Tran Thi Doan Nghiem ("**Ms. Nghiem**") and Ms. Nguyen Thi Thu Trang ("**Ms. Thu Trang**") (collectively, the "**Purchasers**" and each a "**Purchaser**"), pursuant to which the Vendors have agreed to sell and the Purchasers have agreed to purchase the Sale Shares subject to the terms of the Deposit Agreement and the SPAs (as defined below);
- (b) a sale and purchase agreement dated 23 March 2014 with Mr. Vinh, whereby the Vendors have agreed to sell and Mr. Vinh has agreed to purchase 900,000 Sale Shares pursuant to the first phase of the Proposed Disposal ("**Phase 1**");
- (c) a sale and purchase agreement dated 23 March 2014 with Ms. Anh Dao, whereby the Vendors have agreed to sell and Ms. Anh Dao has agreed to purchase 905,966 Sale Shares pursuant to the second phase of the Proposed Disposal ("**Phase 2**");
- (d) a sale and purchase agreement dated 23 March 2014 with Mr. Quang, whereby the Vendors have agreed to sell and Mr. Quang has agreed to purchase 1,100,000 Sale Shares pursuant to the third phase of the Proposed Disposal ("**Phase 3**");
- (e) a sale and purchase agreement dated 23 March 2014 with Ms. Nghiem, whereby the Vendors have agreed to sell and Ms. Nghiem has agreed to purchase 1,100,000 Sale Shares pursuant to the fourth phase of the Proposed Disposal ("**Phase 4**"); and
- (f) a sale and purchase agreement dated 23 March 2014 with Ms. Thu Trang, whereby the Vendors have agreed to sell and Ms. Thu Trang has agreed to purchase 1,172,793 Sale Shares pursuant to the fifth phase of the Proposed Disposal ("**Phase 5**")

(collectively, the "**SPAs**").

- 2.2 The Deposit Agreement has been entered into between the Vendors and the Purchasers, for the purpose of securing commitments from (i) the Purchasers, in their satisfaction of the cash proceeds pursuant to the disposal of the Sale Shares by the Vendors on the day the relevant Sale Shares are transferred to the respective Purchasers for the applicable Phase (as defined in Paragraph 4.2 below) ("**Trading Day**"); and (ii) the Vendors, in their satisfaction of the Dividend Refund (as defined in Paragraph 4.7 below). Save for the identity of each Purchaser and the number of Sale Shares to be transferred from the Vendor to each Purchaser, each of the SPAs have identical terms and are entered into in order to implement and give effect to the Deposit Agreement.
- 2.3 The terms of the Proposed Disposal are subject to the Deposit Agreement and the SPAs, and in the event of any discrepancy between the provisions of the Deposit Agreement and any of the SPAs, the provisions of the Deposit Agreement shall prevail.

3. INFORMATION ON THE SALE SHARES

3.1 Information on the Sale Shares

As at the date of this announcement, IEV Group and IEV Energy hold 12.49% and 6.69% of the shareholding interests in CNG Vietnam respectively, comprising an aggregate of 5,178,759 shares in the capital of CNG Vietnam. CNG Vietnam is currently one of the two companies in Vietnam distributing compressed natural gas ("**CNG**").

IEV Group co-founded CNG Vietnam in May 2007, together with Petrovietnam Drilling Mud Joint Stock Company, a subsidiary of Petrovietnam Oil and Gas Group, to build its first CNG supply chain in Vietnam. CNG Vietnam has been listed on the Ho Chi Minh Stock Exchange ("**HOSE**") since 23 November 2011. CNG Vietnam operates a CNG plant in Phu My Industrial Zone, supplying approximately 7,000 MMBTU (million British Thermal Unit) of CNG per day to more than 20 customers without pipeline access in South Vietnam.

3.2 Information on the Purchasers

The Purchasers are individuals who are unrelated third parties. None of the Purchasers is a Director or controlling shareholder of the Company, or any of their Associates. As such, the Proposed Disposal will not be an interested person transaction as defined in Chapter 9 of the Catalist Rules.

4. SALIENT TERMS OF THE PROPOSED DISPOSAL

4.1 Sale Shares

The Sale Shares comprise 5,178,759 shares in the capital of CNG Vietnam, of which:

- (a) 3,372,793 shares are held by IEV Group; and
- (b) 1,805,966 shares are held by IEV Energy.

The Sale Shares are ordinary shares with a par value of VND 10,000 per share.

4.2 Transfer Schedule

The Proposed Disposal shall take place in five phases (each a "**Phase**") as follows:

Phase	Number of Sale Shares	Vendor
Phase 1	900,000	IEV Energy
Phase 2	905,966	IEV Energy
Phase 3	1,100,000	IEV Group
Phase 4	1,100,000	IEV Group
Phase 5	1,172,793	IEV Group

("Transfer Schedule").

Phase 1 will take place on a day after 28 April 2014 and before 9 May 2014, to be followed thereon by the remaining Phases consecutively, which each Phase taking place only upon the satisfaction of the relevant terms as set out in each of the Deposit Agreement and SPAs.

4.3 Effective Consideration

The effective consideration for the Proposed Disposal is VND 34,566 per Sale Share, after taking into account brokerage fees, any adjustments, commissions and tax charges per Sale Share ("**Effective Consideration**"). This represents an aggregate return of approximately 345.7% over CNG Vietnam's price per share of VND 10,000 as at 28 May 2007, being the date of incorporation of CNG Vietnam. Based on the Effective Consideration, the Vendors will receive an aggregate amount of VND 179.0 billion or S\$10.7 million based on an exchange rate of VND1: S\$0.00005992.

The Effective Consideration was arrived at after arms' length negotiations between the Company and the Purchasers on a willing buyer-willing seller basis, after taking into account *inter alia*, the 30-day average trading price of CNG Vietnam's shares on the HOSE, the past dividend payments of CNG Vietnam, and the liquidity of the Sale Shares.

4.4 Completion

The completion of each Phase of the Proposed Disposal ("**Completion Date**") shall occur on the date when all of the following have been satisfied:

- (a) the Sale Shares transferred in that Phase have been properly registered under the name of the respective Purchaser by Vietnam Securities Depository;
- (b) the proceeds from Sale Shares pursuant to each Phase being credited into the bank account of the relevant Vendor; and
- (c) the Purchaser has received the Dividend Refund (as defined below) for that Phase.

4.5 Conditions Precedent

The Proposed Disposal is conditional upon the satisfaction or waiver of the following conditions precedent ("**Conditions Precedent**"):

- (a) approval of the Proposed Disposal by the Shareholders having been obtained and delivered to the Purchasers not later than 6 May 2014; and
- (b) written consents from any applicable banks having been obtained and delivered to the Purchasers prior to the transfer of the Sale Shares from the Vendors to the Purchasers.

Each of the SPAs will become effective only upon the satisfaction or waiver of the Conditions Precedent, whichever is earlier.

4.6 Dividend

As at the date of the Deposit Agreement ("**Deposit Agreement Signing Date**"), CNG Vietnam has declared but has not yet paid a cash dividend of VND 2,000 per share for fiscal year 2013 (the "**Declared but Unpaid Dividend**"). The Purchasers shall be entitled to the Declared but Unpaid Dividend, as well as any other sum of cash dividend to be distributed to CNG Vietnam's shareholders, to be paid on or after the Deposit Agreement Signing Date. Any part of the Declared but Unpaid Dividend which is paid to the Vendor on or after the Deposit

Agreement Signing Date shall be returned to the Purchaser within 3 days from the date of receipt by the Vendor (the "**Dividend Refund**").

4.7 **Right of First Refusal**

If the Conditions Precedent are not satisfied by the completion of Phase 5, before any Sale Shares held by the Vendors may be sold or otherwise transferred, the Purchasers shall have a right of first refusal (the "**Right of First Refusal**") to purchase the Sale Shares from the Vendors on the same terms and conditions as are offered by a third party (the "**Third Party**") to the Vendors for such Sale Shares. The Purchasers have 30 days during which to exercise their right of first refusal; failing which, the Vendors shall be free to accept the Third Party's offer.

If the Vendors do not enter into an agreement with the Third Party on the said terms and conditions and close the transaction within 90 days, the Vendors' right to sell the shares to the Third Party shall expire and the Right of First Refusal will again be applicable.

The Right of First Refusal will expire after 25 October 2014.

4.8 **Termination**

The Deposit Agreement may be terminated prior to the Completion Date upon, *inter alia*, the occurrence of any of the following events:

- (a) upon written agreement of termination between both Parties;
- (b) by the Purchasers if:
 - (i) during the period prior to the Completion Date of Phase 5:
 - (a) the Vendors have provided the Purchasers with a resolution which states that the Shareholders voted not to approve the Proposed Disposal;
 - (b) a general shareholders' meeting of the Company has approved the sale of all or part of the Sale Shares to any third party; or
 - (c) no resolution passed by the Shareholders in relation to the Proposed Disposal has been provided to the Purchasers by 6 May 2014 or an extended period as agreed by the Purchasers;
 - (ii) the Vendors do not perform all necessary actions to proceed and complete the Proposed Disposal in accordance with the Transfer Schedule; or
 - (iii) the Vendors fail to perform any of their obligations with regards to payment of the Dividend Refund;
- (c) by the Vendors in the event that the Proposed Disposal or any part of the Proposed Disposal is not completed in accordance with the Transfer Schedule due to the fault of any of the Purchasers in not completing the buy order on the Trading Day for each Phase; or
- (d) by either Party by way of a 15-day written notice to the other Party in case of an event of force majeure which prevents the performance of any or all of the terms and conditions of the Deposit Agreement for a period of not less than three (3) months.

4.9 Exclusivity

The Purchasers have the exclusive right to buy the Sale Shares at the Effective Consideration on the terms and conditions set out in the Deposit Agreement within 150 days from the Deposit Agreement Signing Date.

5. RATIONALE FOR THE PROPOSED DISPOSAL

The Board is of the view that the Proposed Disposal is in the best interests of the Company and Shareholders, considering the following:

- (a) The return on investment of the Sale Shares is 546%, after taking into account investment cost and expenses related to the disposal. The price differential between the closing price as at 26 March 2014 (VND43,500) and the effective consideration for the Sale Shares (VND34,566) is due mainly to the relatively illiquid market for the large block of CNG Vietnam's Sale Shares and hence, the relative difficulties in securing the requisite investors for the Proposed Disposal. Accordingly, the Board is of the view that this is an appropriate juncture for the Vendors to realise the investment in CNG Vietnam; and
- (b) the Board intends to redeploy the Company's capital efficiently, by utilising the net proceeds from the Proposed Disposal for the funding of the Group's various projects in the petroleum and renewable energy sectors, including but not limited to the work-over and drilling program in the Pabuaran KSO onshore block in West Java, Indonesia.

6. USE OF PROCEEDS

- 6.1 The net proceeds from the Proposed Disposal, after deducting other incidental expenses of approximately VND 517.4 million or S\$31,000, is approximately VND 178.5 billion or approximately S\$10.7 million ("**Net Proceeds**"). The Net Proceeds will be utilised by the Company as follows:

Purpose	Amount allocated (SGD'000)	% of net proceeds
Work-over and drilling program in the Pabuaran KSO onshore block	7,486	70.0
Repayment of debt	2,567	24.0
Working capital	642	6.0
Total	10,695	100.0

- 6.2 Pending the use of the Net Proceeds as aforesaid, such proceeds may be deposited with banks and/or financial institutions or used for any other purpose on a short-term basis, as the Directors may deem fit.

7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

As at 31 December 2013, the net tangible asset ("**NTA**") of CNG Vietnam was approximately VND 443.5 billion or S\$26.6 million. As such, the NTA of the Sale Shares was approximately VND 85.1 billion or S\$5.1 million as at 31 December 2013. Based on the audited financial statements of the Group as at 31 December 2013, the book value of the Sale Shares was approximately RM18.0 million or S\$6.9 million (based on an exchange rate of RM1:

S\$0.3856). As such, the excess of the Net Proceeds over the book value is approximately S\$3.8 million.

The net profit attributable to the Sale Shares and the net gain on disposal of Sale Shares are both approximately S\$3.8 million.

The financial effects of the Proposed Disposal on the Group set out below are purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after the completion of the Proposed Disposal. There will not be any change in the share capital of the Company as a result of the Proposed Disposal.

7.1 **NTA per Share:**

Assuming that the Proposed Disposal had taken place on 31 December 2013, being the end of the most recently completed financial year for which financial results are available and based on the audited consolidated financial statements of the Group as at 31 December 2013, the financial effects of the Proposed Disposal on the Group's NTA is as follows:-

For FY2013	Before Proposed Disposal	After Proposed Disposal⁽¹⁾
NTA (S\$ million)	30.81	34.20
NTA per share (cents)	16.29	18.08

Note:

⁽¹⁾ After accounting for foreign exchange effects

7.2 **EPS**

(a) Assuming that the Proposed Disposal had been completed on 1 January 2013, being the beginning of the most recently completed financial year for which financial results are available and based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2013, the financial effect of the Proposed Disposal on the Group's loss per Share and earnings per share ("**EPS**") is as follows:-

For FY2013	Before Proposed Disposal	After Proposed Disposal
Group (loss)/profit after tax (S\$'000)	(1,414)	804
Weighted Average Number of shares ('000)	181,613,151	181,613,151
(Loss per Share)/ EPS (cents) :		
Basic	(0.78)	0.22
Fully Diluted	(0.75)	0.21

Note:

(1) Fully diluted (loss)/earnings per Share have been computed based on the weighted average number of Shares in issue of 181,613,151 shares subsequent to the private placement of 17,200,000 new Shares on 10 June 2013.

8. RELATIVE FIGURES UNDER RULE 1006 OF THE CATALIST RULES

8.1 The relative figures for the Proposed Disposal as computed on the bases set out in the Rule 1006 of the Catalist Rules and the latest announced consolidated financial statements of the Group for FY2013 are as follows:-

Rule 1006(a) – The net asset value of the assets to be disposed of, compared with the Group's net asset value.	22.5%
Rule 1006(b) – The net profits attributable to the assets disposed, compared with Group's net profits.	-481.0%
Rule 1006(c) – The aggregate value of the consideration received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	20.3%
Rule 1006(d) – The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
Rule 1006(e) – Aggregate volume or amount of proven and probable reserves to be disposed of, compared with aggregate of the group's proven and probable reserves.	Not applicable as the Company is not a mineral, oil and gas company.

Notes:

1. The net asset value attributable to the Sale Shares for the 12-month period ended 31 December 2013 is S\$5.1 million. The Group's net asset for the 12-month period ended 31 December 2013 is S\$30.8 million.
2. The net profits attributable to the Sale Shares for the 12-month period ended 31 December 2013 is S\$3.8 million. The Group's net loss before tax for 12-month period ended 31 December 2013 is S\$0.79 million.
3. The Company's market capitalisation of S\$52,976,000 was computed based on the Company's existing issued share capital of 189,200,000 shares and the volume weighted average price of the Company's shares of S\$0.28 traded on 21 March 2014, being the latest trading day prior to the Deposit Agreement Signing Date.

8.2 Major Transaction

As the relative figures under Rule 1006(b) of the Catalist Rules exceed 50%, albeit a negative number, the Proposed Disposal constitutes a major transaction under Rule 1014 of the Catalist Rules. Accordingly, the Proposed Disposal is subject to the approval of Shareholders being obtained.

9. ANNUAL GENERAL MEETING AND CIRCULAR

The Company intends to seek Shareholders' approval for the Proposed Disposal at the annual general meeting to be held on 25 April 2014 at Canary Room, Level 4, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663 ("**Annual General Meeting**").

The circular to Shareholders setting out information on the Proposed Disposal will be appended to the Company's annual report for the year ended 31 December 2013 ("**Annual Report**") in the form of an Appendix to the Annual Report. The Annual Report together with the Appendix will be dispatched to Shareholders on 10 April 2014.

10. INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial Shareholders of the Company or their Associates has any interest, direct or indirect, in the Proposed Disposal other than through their respective shareholdings in the Company.

11. NO SERVICE AGREEMENT

No person is proposed to be appointed as a Director of the Company or any of its subsidiaries in connection with the Proposed Disposal.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

13. INSPECTION OF DOCUMENTS

The Deposit Agreement and the SPAs are 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.

Shareholders and potential investors are advised to exercise caution when dealing with the shares of the Company in relation to this announcement, as the Proposed Disposal is conditional upon the satisfaction or waiver of the above-mentioned Conditions Precedent.

By Order of the Board

CHRISTOPHER DO
PRESIDENT & CEO

27 March 2014

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"). CanaccordGenuity 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.

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