



IEV HOLDINGS LIMITED
(Company Registration 201117734-D)

ANNOUNCEMENT

For Immediate Release

**IEV GROUP TO CONDUCT BUSINESS IN INDIA THROUGH IEV ENGINEERING
(INDIA) PVT LTD**

1. Introduction

The board of directors ("**Directors**") of IEV Holdings Limited ("**Company**", and together with its subsidiaries, "**IEV**" or the "**Group**") wish to inform that the Company's wholly-owned subsidiary, IEV Group Sdn Bhd ("**IEV Malaysia**") has, on 23 August 2018, concurrently, entered into a Sales and Purchase Agreement ("**SPA**") as well as a Shareholders' Agreement ("**SHA**") with G&T Oilfield and Offshore Services Initiatives LLP ("**GTO**") and IEV Engineering (India) Private Limited ("**IEV India**") (collectively, the "**Parties**").

2. Terms of the SPA

2.1 IEV India was incorporated on 25 June 2018 in New Delhi, India with an initial issued and paid-up share capital of INR99,990 (approximately RM5,900) comprising 9,999 ordinary shares with a par value of INR10 per share. It is currently wholly-owned by GTO.

IEV India will be primarily involved in the business of providing installation and maintenance services of equipment in relation to the oil and gas industry. More details of the business of IEV India can be found under the terms of the SHA in paragraph 3.1 below.

As at the date of this announcement, IEV India has not commenced operations. The net tangible asset value of IEV India is RM5,900 as at 23 August 2018.

2.2 As IEV India is a newly incorporated company and has not commenced operation, IEV will be subscribing to 10,001 new shares at the price equivalent to the par value of INR 10 per share for a total consideration of INR100,010 (approximately RM5,900). The consideration will be satisfied by way of cash. (the "**Subscription**")

Following the Subscription, IEV India will have an issued and paid-up capital of INR200,000 (approximately RM11,800) comprising 20,000 ordinary shares with a par value of INR10 per share. The shareholdings of IEV Malaysia and GTO in IEV India will be as follows:-

Party	No. of Shares	Percentage of Shareholding (%)
IEV Group Sdn Bhd.	10,001	51%
GTO	9,999	49%
Total	20,000	100%

Accordingly, IEV India will become a subsidiary of the Group.

- 2.3 The rationale for the subscription of shares in IEV India is to jointly develop IEV's Asset Integrity Management business (AIMS) in partnership with GTO. Further information of the business of IEV India can be found under the terms of the SHA.
- 2.4 The relative figures in relation to the Subscription computed pursuant to the bases set out in Rule 1006 of the Catalist Rules, based on the latest consolidated financial results for the half year ended 30 June 2018 does not exceed 5%, the Subscription constitutes a non-disclosable transaction under Chapter 10 of the Catalist Rules.

3. Terms of the SHA

3.1 Pursuant to the terms of the SHA, IEV Malaysia and GTO will co-operate to conduct the business of IEV India, which shall be:-

- (a) Installation, inspection and maintenance of "ocean-powered" Marine Growth Control Products ("**MGP**") for existing and new built offshore platforms and marine structures provided that if MGP installation work is done outside India, the participation of IEV India is subject to local labour laws and economic considerations based on location of installation work;
- (b) Sales and marketing, installation, inspection and maintenance of Vertical Tensioned Anodes ("**VTA**") corrosion protection for existing offshore platforms and marine structures;
- (c) Sales and marketing, application of Oxifree anti-corrosion thermoplastic coating ("**OXIFREE**") for offshore and onshore industrial plants and installations;
- (d) Installation and maintenance of Trizashield, a corrosion-under-insulation protection system ("**Trizashield**") for barrier and galvanic protection of high-temperature insulated piping system of process plants and installations;
- (e) Installation and maintenance of concrete corrosion technology and solutions; and
- (f) Any other products and services as may be mutually agreed between GTO and IEV

3.2 Salient terms of the SHA

- a) The board of directors of IEV India shall comprise of four (4) directors, of which two (2) are appointed by IEV Group Sdn. Bhd. and two (2) by GTO. The Chairman position will be held by GTO's representative, Mr. Rajiv Savara (director of GTO), and the CEO position will be held by IEV's representative, Mr. Christopher Do (president and chief executive officer of IEV). The day-to-day management of IEV India will be left with the CEO.
- b) Board meetings shall be held on a quarterly basis, to which at least 1 IEV Director and 1 GTO Director must be present physically or through a video or audio conference.
- c) In the event of a deadlock for any Board decision, the Chairman of the Board will not have a casting vote. Instead an IEV Director shall have a casting vote for any deadlock, except for Reserved Matters which amongst others include the following:
 - i) Corporate matters including changing memorandum and articles of association and reorganization of the Company;
 - ii) Change in paid up capital;
 - iii) Obtaining debt facilities or capital expenditure exceeding US\$ 100,000;
 - iv) Remuneration policies for directors and staff;

- v) Appointment and dismissal of auditors;
 - vi) Any change in the scope of Company's business;
 - vii) Approval of annual budget or business plan of the Company; and
 - viii) Entry into any agreement, transaction or arrangement with affiliates of the Company.
- d) Reserved Matters shall require the approval of both GTO and IEV in a general meeting of shareholders.
- e) GTO and IEV Malaysia agree that any equity funding to be provided to IEV India shall be in the ratio of their then shareholding in IEV India. Rights to new shares of IEV India will be issued in respect of such required funding and the price of such shares will be based on the fair market value of IEV India as determined by both GTO and IEV Malaysia through mutual agreement.
- f) IEV Malaysia and GTO has a right of first offer with respect to any proposed sale of shares of IEV India by the other shareholder.
- g) Both parties agree not undertake any similar business in India except through IEV India.

4. Financial Effects

The SPA and the SHA 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 2018.

5. Interest of Directors and Controlling Shareholders

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 SPA and the SHA. The Directors are also not aware of any substantial shareholders that have any interest, direct or indirect, in the SPA, SHA or IEV India.

6. Details of any service contract

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

7. Document for Inspection

The SPA and SHA 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.

By the order of the Board

Christopher Do
President and CEO
24 August 2018

MEDIA CONTACT

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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 "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.

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