



IEV HOLDINGS LIMITED

(Company Registration Number 201117734D)

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

PROPOSED SUBSCRIPTIONS OF UP TO 76,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.050 PER SHARE

1. INTRODUCTION

1.1. 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, on 23 December 2019, the Company had entered into three separate subscription agreements (the "**Subscription Agreements**") with Dato' Willy Chan Foo Weng ("**Dato' Chan**"), Ng Lee Eng ("**Ms Ng**") and The Rain Maker Mgmt Sdn. Bhd. ("**TRM**") (collectively, the "**Subscribers**").

1.2. Pursuant to the Subscription Agreements, the Subscribers have agreed to subscribe for an aggregate of 76,000,000 new ordinary shares ("**Shares**") in the capital of the Company (the "**Subscription Shares**") at an issue price of S\$0.050 (the "**Issue Price**") for each Subscription Share amounting to an aggregate cash consideration of S\$3.8 million (the "**Aggregate Consideration**"), subject to and upon the terms and conditions of the Subscription Agreements (the "**Proposed Subscriptions**"). Please refer to paragraph 3 of this announcement for more information on the Proposed Subscriptions.

1.3. Additional Listing Application

The Company will apply to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") through its sponsor, SAC Capital Private Limited ("**Sponsor**"), for the dealing in, listing of and quotation for the Subscription Shares on the Catalist board of the SGX-ST (the "**Catalist**"). The Company will make the necessary announcement upon receipt of the listing and quotation notice ("**LQN**") from the SGX-ST.

1.4. Exemption from Prospectus Requirement

The Proposed Subscriptions are not underwritten and there is no placement agent appointed for the purpose of the Proposed Subscriptions. The offer and allotment and issue of the Subscription Shares is made pursuant to the exemption under Section 272B of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Subscriptions.

2. INFORMATION RELATING TO THE SUBSCRIBERS

*Shareholders of the Company ("**Shareholders**") should note that information relating to the Subscribers and the Introducer (as defined below) in this paragraph and elsewhere in this announcement was provided by the Subscribers and the Introducer, respectively. The Company and the Directors have not independently verified the accuracy and correctness of such information herein.*

2.1. Details on the Subscribers are as set out in the table below.

Name of Subscriber	Background of Subscriber
Dato' Chan	Dato' Chan is a private investor has experience in financial investment in private and public companies in various countries including Malaysia and Singapore. His subscription is for investment purposes.
Ms Ng	Ms Ng is a private investor who has experience in financial investment in private and public companies in Singapore. Her subscription is for investment purposes.
TRM	TRM is a company incorporated in Malaysia and its principal business is providing management consultancy services. The directors of TRM are Andi Azrina Binti Andi Anwar and Benny Chua Kok Meng. TRM is wholly-owned by The Rain Maker Mgmt Pte Ltd which is wholly-owned by Benny Chua Kok Meng.

- 2.2 As at the date of this announcement, save for Dato' Chan who currently holds 307,300 Shares in the capital of the Company which he acquired from the open market, the Subscribers do not hold, directly or indirectly, any Shares in the capital of the Company.
- 2.3 Dato' Chan and TRM were introduced to the Company by Dato' Low Koon Poh ("**Dato' Low**"), the Company's Executive Director, while Ms Ng was introduced to the Company by the Sponsor. Each Subscriber had expressed interest to invest in the Company. Dato' Chan is a business partner of Dato' Low. Dato' Low was the company secretary of TRM when he was executive director of KLM Corporate Services (M) Sdn Bhd. He has resigned from KLM Corporate Services (M) Sdn Bhd in March 2019 prior to being appointed as Executive Director of the Company.
- 2.4 The Subscribers have confirmed that they are subscribing purely for investment and solely for their own respective beneficial interest, and are not subscribing for any of the Subscription Shares as an agent for or otherwise on behalf of any other person.
- 2.5 Each of the Subscribers has represented and warranted to the Company that there is no agreement, arrangement or understanding between any of the other Subscribers or with any Director and Shareholder to acquire Shares to obtain or consolidate effective control of the Company, and each of the Subscribers is not a party acting in concert with any Director and Shareholder, as defined in The Singapore Code on Take-overs and Mergers. No share borrowing arrangement has been entered into to facilitate the Proposed Subscriptions.
- 2.6 No introducer fee or commission is paid or payable by the Company in connection with the Proposed Subscriptions.
- 2.7 To the best of knowledge of the Directors and save as disclosed above, the Subscribers do not have any other connections (including business relationships) with the Company, its Directors and substantial shareholders. The Subscribers do not fall into the class of restricted persons as specified under Rule 812(1) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**").

3. SALIENT TERMS OF THE SUBSCRIPTION AGREEMENTS

3.1. Subscription Shares

Pursuant to the terms of the Subscription Agreements, the Subscribers shall subscribe for such number of Subscription Shares at the Issue Price per Subscription Share in such manner and in such proportions as set out against each Subscriber's name in the table below:

Subscriber	Number of Subscription Shares	Percentage of Enlarged Share Capital¹	Proportion of Aggregate Consideration (S\$) payable on Completion
Dato' Chan	22,000,000	4.51%	S\$1,100,000
Ms Ng	4,000,000	0.82%	S\$200,000
TRM	50,000,000	10.25%	S\$2,500,000
TOTAL	76,000,000	15.58%	S\$3,800,000

Note:

- (1) Based on the enlarged issued and paid-up share capital of the Company comprising 487,674,594 Shares (excluding 200,000 treasury shares) subsequent to the completion of the Proposed Subscriptions.

The Subscription Shares shall be issued free from any and all claims, charges, liens, mortgages, securities, pledges, equities, encumbrances or other interests whatsoever and shall rank *pari passu* with and shall carry all rights similar to the existing Shares except that the Subscription Shares will not rank for any dividends, rights, allotments, or other distributions, the record date for which falls on or before the date of the allotment and issue of the Subscription Shares.

The Subscription Shares represent approximately 18.46% of the existing issued and paid-up share capital (excluding treasury shares and subsidiary holdings) of the Company as at the date of this announcement and approximately 15.58% of the enlarged share capital (excluding treasury shares and subsidiary holdings) of the Company following the completion of the Proposed Subscriptions, assuming there are no changes to the number of Shares (excluding treasury shares and subsidiary holdings) of the Company before the completion of the Proposed Placement.

3.2. Issue Price

The Issue Price of S\$0.050 per Subscription Share represents a discount of approximately 1.19% to the volume weighted average price ("VWAP") of S\$0.0506 per Share for trades done on the SGX-ST on 20 December 2019, being the last full market day on which the Shares were traded prior to the Company's trading halt on 20 December 2019 and prior to the date of the Subscription Agreements.

The Issue Price was commercially agreed between the Company and the Subscribers after arm's length negotiations and taking into account historical trading performance of the Company, prevailing market conditions and future prospects of the Group.

3.3. General Mandate

The Subscription Shares will be allotted and issued pursuant to the general share issue mandate granted by the shareholders of the Company ("**Shareholders**") by way of an ordinary resolution ("**General Mandate**") at the annual general meeting of the Company held on 29 April 2019 ("**2019 AGM**"). The General Mandate authorises the Directors to allot and issue new Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares

and subsidiary holdings) as at the date of the 2019 AGM, of which the aggregate number of new Shares of the Company to be issued other than on a *pro-rata* basis to all existing Shareholders shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings). As at the date of the 2019 AGM, the Company had 285,512,632 Shares in issue (excluding 200,000 treasury shares) and accordingly, the Company had 142,756,316 Shares available for issuance under the General Mandate on a non-*pro-rata* basis.

On 17 December 2019, the Company had issued and allotted 46,161,962 Shares as consideration shares for its acquisition of Lady Paradise (M) Sdn Bhd. Hence, the maximum number of Shares that may be issued other than on a *pro-rata* basis pursuant to the General Mandate is 96,594,354. Accordingly, the proposed allotment and issue of the Subscription Shares falls within the limit of the General Mandate.

3.4. Compliance with Catalist Rules

The Subscription Shares (i) will not be placed to any person who is a director or a substantial shareholder of the Company or any other person in the categories set out in Rule 812(1) of the Catalist Rules, and (ii) will not result in any transfer of controlling interest in the Company.

3.5. Conditions Precedent

Under the Subscription Agreements, the completion of the Proposed Subscriptions is conditional upon the satisfaction or waiver of, *inter alia*, the following conditions ("**Conditions**"):

- (a) the LQN being obtained from the SGX-ST and not having been revoked or amended and, where the LQN is subject to conditions, to the extent that any conditions of the LQN are required to be fulfilled on or before the Completion Date (as defined below), they are so fulfilled;
- (b) the exemption under Section 272B of the SFA being applicable to the allotment and issue of Subscription Shares under the Subscription Agreements;
- (c) the allotment and issue of Subscription Shares to the Subscribers not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreements by any legislative, executive or regulatory body or authority of Singapore or elsewhere which is applicable to the Company or the Subscribers;
- (d) there not having occurred, in the opinion of the Subscribers, any material adverse change, or any development reasonably likely to involve a prospective material adverse change, whether or not arising from transactions in the ordinary course of business, subsequent to the date of the Subscription Agreements which, in the opinion of the Subscribers, is or is reasonably likely to be materially adverse in the context of the Proposed Subscriptions or is reasonably likely to prejudice materially the success of the Proposed Subscriptions or dealings in the Subscription Shares; and
- (e) the representations warranties and undertakings set out in the Subscription Agreements remaining true and correct in all material respects as at the Completion Date and the Company having performed all of its obligations under the Subscription Agreements to be performed on or before the Completion Date.

3.6. Long-Stop Date

Under the Subscription Agreements, if the Conditions Precedent are not satisfied on the date falling four (4) weeks after the date of the Subscription Agreements (i.e. on or before 18 January 2020) (or such later date as the parties may mutually agree) (the "**Long-Stop Date**"), the Subscription Agreements shall terminate and be of no further effect and no party shall be under any liability to the other in respect of the Subscription Agreements save that the Company shall remain liable for indemnities against the Subscribers.

3.7. Completion

Completion of the Proposed Subscriptions under the Subscription Agreements shall take place on the date falling three (3) business days after the date on which the SGX-ST issues the LQN (or other such date as the Company and the Subscribers may agree) ("**Completion Date**").

4. **RATIONALE FOR THE PROPOSED SUBSCRIPTIONS AND USE OF PROCEEDS**

Subsequent to the receipt of Shareholders' approval at the extraordinary general meeting held on 18 October 2019 in respect of the Group's diversification into the healthcare, postpartum care and wellness business as well as the completion of the acquisition of Lady Paradise (M) Sdn. Bhd. by HealthPro Pte. Ltd., a subsidiary of the Company on 18 December 2019, the Group will be focusing on renovation and refurbishment of its postpartum centre as well as on marketing efforts for its new business segment.

The Proposed Subscriptions will allow the Company to strengthen its financial position by raising net cash proceeds (after deducting estimates expenses of approximately S\$12,000) of approximately S\$3.788 million ("**Net Proceeds**"), which is intended to be utilised by the Company in the following manner:

Use of net proceeds	Proportion (%)	Amount of net proceeds
Renovation and refurbishment of existing postpartum centres in Singapore and Malaysia	79.2%	S\$3.000 million
Working Capital including, <i>inter alia</i> , marketing expenses	20.8%	S\$0.788 million
Total	100%	S\$3.788 million

Pending the deployment of the Net Proceeds, the Net Proceeds may be deposited with banks and/or financial institutions and/or invested in short-term money market instruments and/or marketable securities, and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. As the Net Proceeds will be used for working capital purposes, the Company will disclose a breakdown with specific details on how the Net Proceeds have been applied. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation. The Company will also provide a status report on the use of Net Proceeds in the Company's quarterly and full year financial statements issued under Rule 705 of the Catalist Rules and its annual report(s).

5. DIRECTOR'S CONFIRMATION

The Directors are of the opinion that, (i) after taking into consideration the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and (ii) after taking into consideration the Group's present bank facilities, and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the above, the Directors are of the opinion that the Net Proceeds will further strengthen and supplement the Group's financial position and capital base.

6. FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTIONS

6.1. Bases and assumptions

The financial effects of the Proposed Subscriptions on (a) the consolidated net tangible assets ("NTA") per Share and (b) the consolidated loss per Share ("LPS") of the Group, have been prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2018 ("FY2018"). The *pro forma* financial effects of the Proposed Subscriptions are for illustration only and do not reflect the actual financial effects or the future financial performance and condition of the Group after the Proposed Subscriptions.

The financial effects are based on the following assumptions:

- (a) the financial effects of the Proposed Subscriptions on the NTA per Share of the Group are computed based on the assumption that the Proposed Subscriptions had taken place on 31 December 2018;
- (b) the financial effects of the Proposed Subscriptions on the LPS is computed based on the assumption that the Proposed Subscriptions were completed on 1 January 2018;
- (c) the expenses incurred in connection with the Proposed Subscriptions amount to approximately S\$12,000; and
- (d) an exchange rate of S\$1.00 to RM3.056.

6.2. Share Capital

	Before the Proposed Subscriptions	After the Proposed Subscriptions
Issued and paid-up share capital (S\$)	43,597,074	47,397,074
Total number of issued Shares (excluding treasury shares) ⁽¹⁾	411,674,594 ⁽²⁾	487,674,594

Note:

- (1) As at the date of this announcement, the Company has 200,000 treasury shares.
- (2) The total number of issued Shares has been adjusted for the issuance of 46,161,962 Shares pursuant to the acquisition of Lady Paradise (M) Sdn. Bhd. that was completed on 17 December 2019.

6.3. NTA per Share

The illustrative financial effects of the Proposed Subscriptions on the NTA per Share of the Group as at 31 December 2018 are as follows:

	Before the Proposed Subscriptions	After the Proposed Subscriptions
NTA ⁽¹⁾ attributable to the owners of the Company (RM)	(10,263,048)	1,313,080
Number of Shares	411,674,594 ⁽²⁾	487,674,594
NTA per Share (Malaysian sen)	(2.5)	0.27

Note:

- (1) NTA means total assets less the sum of total liabilities, non-controlling interests and intangible assets
(2) The total number of issued Shares has been adjusted for the issuance of 46,161,962 Shares pursuant to the acquisition of Lady Paradise (M) Sdn. Bhd. that was completed on 17 December 2019.

6.4. EPS/LPS

The illustrative financial effects of the Proposed Subscriptions on the EPS of the Group for FY2018 are as follows:

	Before the Proposed Subscriptions	After the Proposed Subscriptions
Loss from continuing operations (RM'000)	(8,806)	(8,806)
Loss from discontinued operations (RM'000)	(8,246)	(8,246)
Net Loss attributable to owners of the Company (RM'000)	(17,052)	(17,052)
Weighted average number of Shares	411,674,594 ⁽¹⁾	487,674,594
Loss per Share (Malaysian sen)	(4.1)	(3.5)

Note:

- (1) The total number of issued Shares has been adjusted for the issuance of 46,161,962 Shares pursuant to the acquisition of Lady Paradise (M) Sdn. Bhd. that was completed on 17 December 2019.

7. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Subscriptions, other than in their capacity as Director or Shareholder of the Company.

8. DOCUMENT AVAILABLE FOR INSPECTION

Copies of the Subscription Agreements are available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 80 Robinson Road #02-00 Singapore 068898 for three (3) months from the date of this announcement.

9. DIRECTOR'S 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 Subscriptions, and 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 this 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.

10. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Subscriptions are subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Subscriptions will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Christopher Do
President & CEO
23 December 2019

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This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited ("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.

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