

ADDENDUM DATED 12 April 2016

THIS ADDENDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Unless otherwise stated, capitalised terms on this cover are defined in this Addendum under the Section entitled "DEFINITIONS".

This Addendum is circulated to shareholders ("**Shareholders**") of IEV Holdings Limited (the "**Company**") together with the Company's annual report for the financial year ended 31 December 2015 (the "**Annual Report**"). Its purpose is to provide Shareholders with the relevant information relating to, and seek Shareholders' approval for, the proposed renewal of the Share Purchase Mandate to be tabled at the Annual General Meeting of the Company to be held on 27 April 2016 at 10.30 a.m. or at any adjournment thereof at Veranda 3, Level 2, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663.

The Notice of Annual General Meeting and the Proxy Form are enclosed with the Annual Report.

If you have sold or transferred all of your ordinary shares in the capital of the Company held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Addendum with the Annual Report and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Addendum with the Annual Report and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all of your ordinary shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Addendum, the Annual Report and the attached Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or the transfer was effected, for onward transmission to the purchaser or transferee.

*This Addendum has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Addendum, including the correctness of any of the statements or opinions made or reports contained in this Addendum.*

*This Addendum has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this Addendum. The contact person for the Sponsor is Mr. Sebastian Jones, Associate Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, Tel: (65) 6854 6160.*



IEV HOLDINGS LIMITED

(Company Registration Number 201117734D)

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

ADDENDUM TO THE ANNUAL REPORT

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

CONTENTS

	PAGE
DEFINITIONS	1
1. INTRODUCTION	3
2. INFORMATION IN RELATION TO THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE	3
3. DIRECTORS' RECOMMENDATION	15
4. APPROVAL AND RESOLUTION	15
5. DIRECTORS' RESPONSIBILITY STATEMENT	15
6. DOCUMENTS FOR INSPECTION	16

DEFINITIONS

For the purposes of this Addendum, the following definitions apply throughout unless the context requires otherwise:-

“2016 AGM”	The annual general meeting of the Company to be convened on 27 April 2016 at 10.30 a.m.
“ACRA”	The Accounting and Corporate Regulatory Authority
“Act” or “Companies Act”	Companies Act (Chapter 50) of Singapore as amended, supplemented or modified from time to time
“Addendum”	This addendum to Shareholders dated 12 April 2016 in relation to the proposed renewal of the Share Purchase Mandate
“Annual General Meeting” or “AGM”	The annual general meeting of the Company
“Board”	The board of Directors of the Company as at the date of this Addendum
“Business Day”	A day ending at 5.00 p.m. (Singapore time), on which the SGX-ST is open for trading
“Catalist”	The Catalist Board of the SGX-ST
“Catalist Rules”	The Listing Manual Section B: Rules of Catalist of the SGX-ST, as the same may be amended, varied or supplemented from time to time
“CDP”	The Central Depository (Pte) Limited
“Company”	IEV Holdings Limited (Company Registration Number 201117734D)
“Constitution”	The memorandum and articles of association of the Company which were in force immediately before the Companies (Amendment) Act 2014 which took effect in phases on 1 July 2015 and 3 January 2016, respectively
“Controlling Shareholders”	A person who:- (a) holds directly or indirectly fifteen per cent. (15%) or more of the total number of issued Shares excluding Treasury Shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the Company
“Director(s)”	The director(s) of the Company as at the date of this Addendum
“EPS”	Earnings per Share
“FY”	Financial year of the Company ended or ending 31 December, as the case may be
“Group”	The Company and its subsidiaries (as defined in Section 5 of the Companies Act)
“Latest Practicable Date”	18 March 2016, being the latest practicable date prior to the printing of this Addendum
“Market Day”	A day on which the SGX-ST is open for trading in securities
“NTA”	Net tangible assets
“Relevant Period”	The period commencing from the date on which the forthcoming AGM is held and the resolution relating to the Share Purchase Mandate is passed and expiring on the date the next AGM is held or is required by law to be held, whichever is earlier, after the date the resolution relating to the Share Purchase Mandate is passed

DEFINITIONS

“RM”	Ringgit Malaysia, the lawful currency of Malaysia
“ROE”	Return on equity
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share Purchase”	The purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate
“Share Purchase Mandate”	A general and unconditional mandate given by Shareholders (including the subsequent renewal thereof if approved by Shareholders) that authorises the Directors to purchase or acquire Shares in accordance with the terms set out in this Addendum as well as the rules and regulations set forth in the Companies Act and the Catalist Rules
“Shares”	Ordinary shares in the capital of the Company
“Shareholders”	Persons (other than CDP) who are for the time being registered as holders of Shares in the register of members maintained by the Company and the Depositors who have Shares entered against their names in the Depository Register
“Sponsor”	Canaccord Genuity Singapore Pte. Ltd.
“Substantial Shareholders”	A person who has an interest in the Shares of which is not less than five per cent. (5%) of all the voting shares
“Take-over Code” or “Code”	The Singapore Code on Take-overs and Mergers
“Treasury Shares”	Shares purchased or otherwise acquired by the Company pursuant to the Share Purchase Mandate and held by the Company in accordance with Section 76H of the Act
“S\$” and “cents”	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
“%” or “per cent.”	Per centum or percentage

The terms “**Depositor**”, “**Depositors**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.

References to persons shall include corporations.

Any reference in this Addendum to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Companies Act, the Take-over Code or the Catalist Rules or any modification thereof and used in this Addendum shall have the same meaning assigned to it under the Companies Act, the Take-over Code or the Catalist Rules or any modification thereof, as the case may be.

Any reference to a time of day or date in this Addendum shall be a reference to Singapore time or date unless otherwise stated. The headings in this Addendum are inserted for convenience only and shall be ignored in construing this Addendum.

Any discrepancies in the tables in this Addendum between the listed amounts and the totals thereof are due to rounding.

IEV HOLDINGS LIMITED
(Company Registration Number 201117734D)
(Incorporated in the Republic of Singapore on 26 July 2011)

Board of Directors:

Tan Sri Dato' Hari N. Govindasamy (Non-Independent Non-Executive Chairman)
Christopher Nghia Do (President and CEO)
Joanne Bruce (Non-Independent Non-Executive Director)
Ng Weng Sui, Harry (Lead Independent Director)
Kesavan Nair (Independent Director)

Registered Office:

80 Robinson Road
#02-00
Singapore 068898

Date: 12 April 2016

To: The Shareholders of IEV Holdings Limited

Dear Sir/Madam,

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1. INTRODUCTION

- 1.1** At the extraordinary general meeting of the Company held on 27 April 2015, approval of the Shareholders was obtained for the Share Purchase Mandate to enable the Company to purchase its Shares from Shareholders. The authority conferred pursuant to the Share Purchase Mandate may be exercised by the Directors at any time during the period commencing from the date of the extraordinary general meeting of the Company, namely 27 April 2015 and expiring on the date when the next AGM is held, or the date by which the next AGM is required by law to be held, whichever is earlier.
- 1.2** The Share Purchase Mandate will expire on the date of the forthcoming 2016 AGM. Accordingly, the Directors of the Company are seeking the approval of the Shareholders for the renewal of the Share Purchase Mandate at the 2016 AGM. The Share Purchase Mandate, if renewed, will expire upon the date of the next AGM of the Company.
- 1.3** The purpose of this Addendum is to provide Shareholders with relevant information relating to and explaining the rationale for the proposed Share Purchase Mandate to be tabled at the 2016 AGM.

Shareholders are advised that the SGX-ST and the Sponsor assume no responsibility for the contents of this Addendum, including the correctness of any of the statements or opinions made or reports contained in this Addendum.

2. INFORMATION IN RELATION TO THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 The Proposed Share Purchase Mandate

The Act allows a Singapore incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under the Constitution. Any purchase or acquisition of Shares by the Company will also have to be made in accordance with, and in the manner prescribed by, the Act and such other laws and regulations as may for the time being be applicable. As the Company is listed on the SGX-ST, it is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition of issued ordinary shares in the capital of a company which is listed on Catalist.

The Constitution provides that the Company may purchase or otherwise acquire its issued Shares subject to and in accordance with the Act on such terms and conditions as the Company may in a general meeting prescribe. The Catalist Rules provide that if the company wishes to purchase or otherwise acquire its own shares, it should obtain the prior specific approval of the company's shareholders in a general meeting. Accordingly, approval is being sought from Shareholders at the 2016 AGM for the renewal of the Share Purchase Mandate to be given for the purchase or acquisition by the Company of its issued Shares. The resolution will be proposed as an ordinary resolution pursuant to which the Share Purchase Mandate will be given to the Directors to exercise all powers on behalf of the Company to purchase or otherwise acquire its issued Shares in accordance with the terms of the Share Purchase Mandate as well as the rules and regulations set forth in the Companies Act and the Catalist Rules.

If approved by Shareholders at the 2016 AGM, the authority conferred by the Share Purchase Mandate will continue in force until the conclusion of the next AGM of the Company or the date by which such AGM is required to be held or when the authority conferred is revoked or varied in any general meeting of the Company, whichever is the earliest. The Share Purchase Mandate may be renewed by the Shareholders in any general meeting.

2.2 Rationale for the Proposed Share Purchase Mandate

The approval of the Share Purchase Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake Share Purchases of not more than ten per cent. (10%) of the total number of issued Shares, as described in paragraph 2.3.1 below, at any time during the period when the Share Purchase Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:-

- (a) In line with international practice, the Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to Shareholders. To the extent that the Company has capital and sufficient funds which are in excess of its working capital needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds (if any) to Shareholders in an expedient, effective and cost-efficient manner.
- (b) In managing the business of the Group, the management of the Group will strive to increase Shareholders' value by improving, amongst others, the ROE of the Company. In addition to growth and expansion of the business, Share Purchases may be considered as one of the ways through which the ROE of the Company may be enhanced.
- (c) The Share Purchase Mandate will provide the Company with the flexibility to undertake Share Purchases or acquisitions at any time, subject to market conditions and compliance with the Catalist Rules, during the period when the Share Purchase Mandate is in force.
- (d) Share purchases may help mitigate short-term market volatility, offset the effects of short-term speculation and bolster Shareholder confidence. The lack of liquidity most times makes it difficult for Shareholders to realise their gains. The Company now offers Shareholders an exit path.
- (e) The Company is also able to protect Shareholders' investments in the Company in a depressed share price situation through judicious purchases of Shares to enhance the EPS. Shares purchased or acquired by the Company may also enhance the net asset value per Share of the Group if the Share Purchases are made at a price below the net asset value per Share of the Group.
- (f) The Share Purchase Mandate will accord greater flexibility to the Company in providing Shares to eligible employees under its existing or future share-based incentive schemes including but not limited to the existing Company's performance share plan namely the "IEV Holdings Performance Share Plan" which was approved by Shareholders in the extraordinary general meeting held on 6 October 2011. Subject to prevailing legislation, the Constitution, the Catalist Rules and the rules of the relevant share-based incentive schemes, the Company has the discretion to either issue new Shares, deemed fully paid upon issuance and allotment, to eligible employees, or transfer existing Shares to such eligible employees (whether held as treasury shares or otherwise). Shares purchased or acquired under the Share Purchase Mandate can be held by the Company as Treasury Shares to satisfy the Company's obligation to furnish Shares to eligible employees under such share-based incentive schemes, thus giving the Company greater flexibility to select the method of providing Shares to eligible employees in a manner most beneficial to the Company and its Shareholders.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the said ten per cent. (10%) limit during the duration referred to in paragraph 2.3.2 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full ten per cent. (10%) limit as authorised. In particular, no purchases or acquisitions of Shares pursuant to the Share Purchase Mandate would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from Catalist. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Purchase Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on Catalist.

2.3 Authority and Limits on the Share Purchase Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the proposed Share Purchase Mandate are summarised below:-

2.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than ten per cent. (10%) of the total number of issued Shares (ascertained as at the date of the forthcoming 2016 AGM at which the Share Purchase Mandate is approved), unless the Company has, at any time during the Relevant Period, effected a reduction of its share capital in accordance with the applicable provisions under the Act, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the capital reduction. Any Shares which are held as Treasury Shares (if any) will be disregarded for purposes of computing the ten per cent. (10%) limit.

For illustrative purposes only, on the basis of 283,800,000 Shares (excluding Treasury Shares) in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the 2016 AGM, not more than 28,380,000 Shares (representing not more than ten per cent. (10%) of the total number of issued Shares as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Purchase Mandate during the duration referred to in paragraph 2.3.2 below.

2.3.2 Duration of authority

Purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate may be made, at any time and from time to time, on and from the date of the forthcoming 2016 AGM, at which the renewal of the Share Purchase Mandate is approved, up to the earlier of:-

- (a) the conclusion of the next AGM;
- (b) the date by which the next AGM is required by law to be held;
- (c) the date on which the purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate are carried out to the full extent mandated; or
- (d) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting.

The authority conferred on the Directors by the Share Purchase Mandate to purchase or acquire Shares may be renewed at the next AGM or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the renewal of the Share Purchase Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate made during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

2.3.3 Manner of purchases or acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:-

- (a) on-market purchase(s) ("**Market Purchase**"), transacted on the SGX-ST through the ready market, through one (1) or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchase(s) ("**Off-Market Purchase**"), effected pursuant to an equal access scheme or schemes as defined in Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are consistent with the Share Purchase Mandate, the Catalist Rules and the Companies Act, as they consider appropriate in the interests of the Company in connection with or in relation to any equal access scheme(s). An Off-Market Purchase must, however, satisfy all the following conditions:-

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; (2) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable); and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, pursuant to the Catalist Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will have to issue an offer document to all Shareholders containing, amongst others, the following information:-

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed purchase or acquisition of Shares;
- (4) the consequences, if any, of the purchase or acquisition of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the purchase or acquisition of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (6) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases; and
- (7) whether the Shares purchased by the Company will be cancelled or, if permitted by the Company's Constitution, held as Treasury Shares.

2.3.4 Purchase price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company under the Share Purchase Mandate. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:-

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Highest Last Dealt Price of the Shares,

(the "**Maximum Price**") in either case, excluding related expenses of the Share Purchase.

For the above purposes:-

"Average Closing Price" means the average of the closing market prices of a Share over the five (5) consecutive Market Days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company and deemed to be adjusted in accordance with the Catalist Rules for any corporate action which occurs after the relevant five (5)-day period.

"Highest Last Dealt Price" means the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase.

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of Purchased Shares

2.4.1 Cancellation

Any Share which is purchased or acquired by the Company shall, unless held as Treasury Shares to the extent permitted under the Act and the Constitution, be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share will expire on cancellation. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Treasury Shares.

All Shares purchased or acquired by the Company (other than Treasury Shares held by the Company to the extent permitted under the Act) will be automatically delisted by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as is reasonably practicable following settlement of any such purchase or acquisition.

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, depending on the needs of the Company and as the Directors deem fit in the interest of the Company at that time.

2.4.2 Treasury Shares

Under the Act, Shares purchased or acquired by the Company may be held or dealt with as Treasury Shares. Some of the provisions on Treasury Shares under the Act are summarised below:-

(i) Maximum Holdings

The number of Shares held as Treasury Shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares (“**Treasury Shares Limit**”). As at the Latest Practicable Date, the Company does not hold any Treasury Shares.

(ii) Voting and Other Rights

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company’s assets may be made to the Company in respect of Treasury Shares. However, the allotment of shares as fully paid bonus shares in respect of Treasury Shares is allowed. A subdivision or consolidation of any treasury share into Treasury Shares of a smaller amount is also allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

(iii) Disposal and Cancellation

Where Shares are held as Treasury Shares, the Company may at any time:-

- (a) sell the Treasury Shares for cash;
- (b) transfer the Treasury Shares for the purposes of or pursuant to an employees’ share scheme;
- (c) transfer the Treasury Shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the Treasury Shares; or
- (e) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance.

Where Shares purchased pursuant to the Share Purchase Mandate are held as Treasury Shares, the number of such Shares to be held as Treasury Shares, when aggregated with the existing Treasury Shares held, shall not, subject to the Act, exceed the Treasury Shares Limit at any time.

Under the Catalist Rules, immediate announcement must be made of any sale, transfer, cancellation and/or use of Treasury Shares (in each case, the “usage”). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of Treasury Shares comprised in the usage, the number of Treasury Shares before and after the usage, and the percentage of the number of Treasury Shares comprised in the usage against the total number of issued shares (of the same class as the Treasury Shares) which are listed on the SGX-ST before and after the usage.

2.5 Reporting Requirements

Within 30 days of the passing of a Shareholders’ resolution to approve the purchases or acquisitions of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA.

Within 30 days of a purchase or acquisition of Shares on the SGX-ST or otherwise, the Company shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including, amongst others, the details of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled, the number of Shares held as Treasury Shares, the Company’s issued ordinary share capital before the purchase and after the purchase of Shares, the amount of consideration paid by the Company for the purchase, and whether the Shares were purchased out of the profits or the capital of the Company.

Within 30 days of the cancellation or disposal of Treasury Shares in accordance with the provisions of the Act, the Company shall lodge with ACRA the notice of cancellation or disposal of Treasury Shares in the prescribed form as required by ACRA.

The Catalist Rules specify that a listed company shall notify the SGX-ST of all purchases or acquisitions of its shares not later than 9.00 a.m.:-

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

2.6 Source of Funds

The Companies Act provides that any purchase or acquisition of Shares by the Company may be made out of the Company’s capital or profits, so long as the Company is solvent (as defined in paragraph 2.7 below). The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such an extent that the working capital position and/or the gearing of the Group would be materially adversely affected.

The Company intends to use internal sources of funds and/or if need be, external borrowings, to finance purchases or acquisitions of its Shares. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from such purchases or acquisitions of the Shares pursuant to the proposed Share Purchase Mandate will depend on, amongst others, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and the amount (if any) borrowed by the Company to fund the purchases or acquisitions.

2.7 Solvency Test

Under the Act in force as at the Latest Practicable Date, we may not purchase Shares if we know that our Company is not solvent. For this purpose, a company is “solvent” if:-

- (a) the company is able to pay its debts in full at the time of the payment for the purchase and will be able to pay its debts as they fall due in the normal course of business during the period of 12 months immediately following the date of the payment; and
- (b) the value of the company’s assets is not less than the value of its liabilities (including contingent liabilities) having regard to the most recent financial statements of the company and all other circumstances that the directors or managers of the company know or ought to know affect, or may affect, such values.

2.8 Financial Effects

It is not possible for the Company to realistically calculate or quantify the financial effects of purchases or acquisitions of Shares that may be made pursuant to the Share Purchase Mandate as it would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases, whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased are held in treasury or cancelled. The purchase price paid by the Company for the Shares, if made out of profits, such consideration (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the Share Purchase is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions.

For illustrative purposes only, the financial effects of the Share Purchase Mandate on the Company and the Group, based on the audited consolidated financial statements of the Group for FY2015, are based on the assumptions set out below:-

- (a) based on 283,800,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the 2016 AGM, not more than 28,380,000 Shares (representing not more than ten per cent. (10%) of the total number of issued Shares as at that date) may be purchased by the Company pursuant to the proposed Share Purchase Mandate;
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 28,380,000 Shares at the Maximum Price of S\$0.110 for one (1) Share (being the price equivalent to five per cent. (5%) above the Average Closing Price of the Shares over the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 28,380,000 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S\$3,121,800 or RM9,494,018 (based on an exchange rate of S\$1: RM3.0412); and
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 28,380,000 Shares at the Maximum Price of S\$0.126 for one (1) Share (being the price equivalent to 20% above the Highest Last Dealt Price on the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 28,380,000 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S\$3,575,880 or RM10,874,966 (based on an exchange rate of S\$1: RM3.0412).

Note:-

- (1) For the purposes of this illustration, the Highest Last Dealt Price is based on the highest price transacted for a Share as recorded on the SGX-ST on the Latest Practicable Date.

For illustrative purposes only, and based on the assumptions set out in sub-paragraphs (a), (b) and (c) above and assuming that (i) the purchase or acquisition of Shares is financed solely by internal sources of funds; (ii) the Share Purchase Mandate had been effective on 1 January 2015; and (iii) the Company had purchased or acquired 28,380,000 Shares (representing the maximum ten per cent. (10%) of the total number of issued Shares at the Latest Practicable Date that the Company can purchase or acquire pursuant to the Share Purchase Mandate) on the Latest Practicable Date, the financial effects of the purchase or acquisition of 28,380,000 Shares by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial statements of the Company and the Group for FY2015 are set out below:-

(i) **Scenario 1: Purchases made entirely out of capital and held as Treasury Shares**

(RM'000)	Group			Company		
	Before Share Purchase	After Share Market Purchase	Off-Market Purchase	Before Share Purchase	After Share Market Purchase	Off-Market Purchase
As at 31 December 2015						
Share capital	97,691	97,691	97,691	97,691	97,691	97,691
Retained earnings / (Accumulated losses)	20,457	20,457	20,457	(2,550)	(2,550)	(2,550)
Currency translation reserve	5,903	5,903	5,903	-	-	-
Capital reserve	(101)	(101)	(101)	-	-	-
Treasury Shares	-	(9,494)	(10,875)	-	(9,494)	(10,875)
Shareholders' equity	123,950	114,456	113,075	95,141	85,647	84,266
Profit after tax	12,574	12,574	12,754	11,354	11,354	11,354
Profit attributable to Shareholders of the Company	12,659	12,659	12,659	11,354	11,354	11,354
NTA	118,185	108,691	107,210	95,141	85,647	84,266
Current assets	91,951	82,457	81,076	74,618 ⁽⁶⁾	65,124	63,743
Current liabilities	63,434	63,434	63,434	11,834	11,834	11,834
Non-current liabilities	16,898	16,898	16,898	-	-	-
Working capital	28,517	19,023	17,642	62,784	53,290	51,909
Total borrowings ⁽¹⁾	7,840	7,840	7,840	-	-	-
Cash and bank balances	20,716	11,222	9,841	605	605	605
Number of Shares excluding Treasury Shares ('000)	283,800	255,420	255,420	283,800	255,420	255,420
Financial Ratios						
NTA per Share (RM) ⁽²⁾	0.416	0.426	0.420	0.3352	0.3353	0.3299
Gearing (times) ⁽³⁾	0.06	0.07	0.07	-	-	-
Current ratio (times)	1.45	1.30	1.28	6.31	5.50	5.39
EPS (RM) ⁽⁴⁾	0.0511	0.0577	0.0577	0.0458	0.0517	0.0517
ROE (%) ⁽⁵⁾	11.94	12.50	12.59	13.99	14.86	15.00

Notes:-

(1) Total borrowings comprise borrowings and finance lease obligations.

(2) NTA per Share equals NTA divided by number of Shares.

(3) Gearing equals total borrowings divided by Shareholders' equity.

(4) EPS (basic and diluted) equals profit after tax divided by the weighted average number of Shares.

(5) ROE equals profit attributable to Shareholders of the Company divided by average Shareholders' equity.

(6) This figure has been adjusted for repayment of loans by the subsidiaries to the Company amounting to approximately RM73,884,871.

(ii) Scenario 2: Purchases made entirely out of capital and cancelled

(RM'000)	Group			Company		
	Before Share Purchase	After Share Market Purchase	Off-Market Purchase	Before Share Purchase	After Share Market Purchase	Off-Market Purchase
As at 31 December 2015						
Share capital	97,691	88,197	86,816	97,691	88,197	86,816
Retained earnings / (Accumulated losses)	20,457	20,457	20,457	(2,550)	(2,550)	(2,550)
Currency translation reserve	5,903	5,903	5,903	-	-	-
Capital reserve	(101)	(101)	(101)	-	-	-
Treasury Shares	-	-	-	-	-	-
Shareholders' equity	123,950	114,456	113,075	95,141	85,647	84,266
Profit after tax	12,574	12,574	12,754	11,354	11,354	11,354
Profit attributable to Shareholders of the Company	12,659	12,659	12,659	11,354	11,354	11,354
NTA	118,185	108,691	107,210	95,141	85,647	84,266
Current assets	91,951	82,457	81,076	74,618 ⁽⁶⁾	65,124	63,743
Current liabilities	63,434	63,434	63,434	11,834	11,834	11,834
Non-current liabilities	16,898	16,898	16,898	-	-	-
Working capital	28,517	19,023	17,642	62,784	53,290	51,909
Total borrowings ⁽¹⁾	7,840	7,840	7,840	-	-	-
Cash and bank balances	20,716	11,222	9,841	605	605	605
Number of Shares excluding Treasury Shares ('000)	283,800	255,420	255,420	283,800	255,420	255,420
Financial Ratios						
NTA per Share (RM) ⁽²⁾	0.416	0.426	0.420	0.3352	0.3353	0.3299
Gearing (times) ⁽³⁾	0.06	0.07	0.07	-	-	-
Current ratio (times)	1.45	1.30	1.28	6.31	5.50	5.39
EPS (RM) ⁽⁴⁾	0.0511	0.0577	0.0577	0.0458	0.0517	0.0517
ROE (%) ⁽⁵⁾	11.94	12.50	12.59	13.99	14.86	15.00

Notes:-

(1) Total borrowings comprise borrowings and finance lease obligations.

(2) NTA per Share equals NTA divided by number of Shares.

(3) Gearing equals total borrowings divided by Shareholders' equity.

(4) EPS (basic and diluted) equals profit after tax divided by the weighted average number of Shares.

(5) ROE equals profit attributable to Shareholders of the Company divided by average Shareholders' equity.

(6) This figure has been adjusted for repayment of loans by the subsidiaries to the Company amounting to approximately RM73,884,871.

The financial effects presented herein are solely based on (i) purchases made entirely out of capital and held as Treasury Shares and (ii) purchases made entirely out of capital and cancelled. As the Company has accumulated losses for FY2015, it is unlikely that the Company will purchase or acquire Shares entirely out of its profits pursuant to the Share Purchase Mandate. Accordingly, financial effects based on (i) purchases made entirely out of profits and held as Treasury Shares and (ii) purchases made entirely out of profits and cancelled, are not presented.

Shareholders should note that the financial effects set out herein are purely for illustrative purposes only. In particular, it is important to note that the analysis herein is based on the audited consolidated financial statements of the Company and the Group for FY2015 and is not necessarily representative of future financial performance.

Although the proposed Share Purchase Mandate would authorise the Company to purchase or acquire up to ten per cent. (10%) of its total number of issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten per cent. (10%) of its total number of issued Shares. In addition, the Company may cancel, or hold as Treasury Shares, all or part of the Shares purchased or acquired.

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the proposed Share Purchase Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

2.9 Take-over Implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.9.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

2.9.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of the company.

Unless the contrary is established, the following persons, amongst others, will be presumed to be acting in concert, namely:-

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts; and
- (c) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least twenty per cent. (20%) but not more than fifty per cent. (50%) of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its own Shares, the voting rights of such Directors and their concert parties would increase to thirty per cent. (30%) or more, or in the event that such Directors and their concert parties hold between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) in any period of six (6) months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its own Shares, the voting rights of such Shareholder would increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Based on the shareholdings of the Directors in the Company as at the Latest Practicable Date, none of the Directors will become obligated to make a mandatory offer by reason only of the purchase or acquisition of ten per cent. (10%) of the Shares by the Company pursuant to the Share Purchase Mandate.

The Directors are not aware of any Shareholder or group of Shareholders acting in concert who may become obligated to make a mandatory offer in the event that the Directors exercise the power to purchase or acquire Shares pursuant to the Share Purchase Mandate.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory takeover offer under the Take-over Code as a result of any Share Purchases by the Company are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity.

2.10 The Catalyst Rules

While the Catalyst Rules do not expressly prohibit the purchase of shares by a listed company during any particular time or times, the listed company would be considered an "insider" in relation to any proposed purchase or acquisition of its issued shares. In this regard, the Company will not purchase any Shares pursuant to the Share Purchase Mandate after a price-sensitive development has occurred or has been the subject of a consideration and/or a decision of the Board until such time as the price-sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares during the following period and at all times in compliance with Rule 1204(19) of the Catalyst Rules:-

- (a) one (1) month immediately preceding the announcement of the Company's annual results; and
- (b) two (2) weeks immediately preceding the announcement of the Company's results for each of the first three (3) quarters of its financial year.

The Company does not have any individual shareholding limit or foreign shareholding limit. However, the Company is required under Rule 723 of the Catalyst Rules to ensure that at least ten per cent. (10%) of its Shares are in the hands of the public. The "public", as defined under the Catalyst Rules, are persons other than the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the associates of such persons.

As at the Latest Practicable Date, approximately 139,095,350 Shares, representing 49.01% of the total number of issued Shares, are in the hands of the public. Assuming that the Company purchases its Shares through Market Purchases up to the full ten per cent. (10%) limit pursuant to the Share Purchase Mandate, the number of Shares in the hands of the public would be reduced to 110,715,350 Shares, representing 43.35% of the reduced total number of issued Shares of the Company. Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full ten per cent. (10%) limit pursuant to the proposed Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity

In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

2.11 Previous Share Purchases

The Company has not purchased any Shares during the 12-month period preceding the Latest Practicable Date.

2.12 Interested Persons

The Company is prohibited from knowingly buying Shares on the SGX-ST from an interested person, that is, a Director, the chief executive officer of the Company or Substantial Shareholders of the Company or any of their associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

2.13 Tax Implications

Shareholders who are in doubt as to their respective tax positions or tax implications of a Share Purchase by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.14 Directors' and Substantial Shareholders' Interests

2.14.1 Directors' Interests

As at the Latest Practicable Date, the interests of the Directors in the Shares before and after the Share Purchase pursuant to the Share Purchase Mandate, assuming (i) the Company purchases up to the maximum amount of ten per cent. (10%) of the total number of issued Shares and (ii) there is no change in the number of Shares (whether direct or deemed) held by the Directors, are set out below:-

Director	Before the Share Purchase (as at the Latest Practicable Date)		After the Share Purchase	
	Number of Shares		Total Percentage Interest (%) ⁽¹⁾	Total Percentage Interest (%) ⁽¹⁾
	Direct	Deemed		
Tan Sri Dato' Hari N. Govindasamy	-	54,856,500 ⁽²⁾	19.33	21.48
Christopher Nghia Do	37,229,258	10,673,392 ⁽³⁾	16.88	18.75
Joanne Bruce	-	1,925,000 ⁽⁴⁾	0.68	0.75
Ng Weng Sui, Harry	300,000	-	0.11	0.12
Kesavan Nair	-	-	-	-

Notes:-

- (1) Based on 283,800,000 Shares before the Share Purchase and 255,420,000 Shares after the Share Purchase.
- (2) The 54,856,500 Shares are held jointly with his spouse, Vimala J. Govindasamy through a joint account in HSBC (Singapore) Nominees Pte. Ltd.
- (3) The deemed interest in 10,673,392 Shares include:-
 - (i) 8,937,392 Shares held by Majestic Megamax Sdn. Bhd. (99% owned by Christopher Nghia Do); and
 - (ii) 1,736,000 Shares held by his spouse, Tran Thi Mai Thao.
- (4) The 1,925,000 Shares are held by Joanne Bruce through UOB Kay Hian Pte. Ltd.

2.14.2 Substantial Shareholders' Interest

As at the Latest Practicable Date, the interests of the Substantial Shareholders (other than Directors) in the Shares before and after the Share Purchase pursuant to the Share Purchase Mandate, assuming (i) the Company purchases up to the maximum amount of ten per cent. (10%) of the total number issued Shares and (ii) there is no change in the number of Shares (whether direct or deemed) held by the Substantial Shareholders, are set out below:-

Substantial Shareholder (other than Directors)	Before the Share Purchase (as at the Latest Practicable Date)		After the Share Purchase	
	Number of Shares		Total Percentage Interest (%) ⁽¹⁾	Total Percentage Interest (%) ⁽¹⁾
	Direct	Deemed		
Vimala J. Govindasamy	-	54,856,500 ⁽²⁾	19.33	21.48
Janice Crawford	-	21,984,000 ⁽³⁾	7.75	8.61
Christine Munro	-	21,984,000 ⁽⁴⁾	7.75	8.61

Notes:-

- (1) Based on 283,800,000 Shares before the Share Purchase and 255,420,000 Shares after the Share Purchase.
- (2) The 54,856,500 Shares are held jointly with her spouse, Tan Sri Dato' Hari N. Govindasamy, through a joint account in HSBC (Singapore) Nominees Pte. Ltd.
- (3) Janice Crawford is one of the beneficial owners of each of the following companies and is therefore deemed to be interested in:-
 - (i) 7,524,000 Shares held by Permbrook Pty Limited;
 - (ii) 7,230,000 Shares held by Crogar Pty Limited; and
 - (iii) 7,230,000 Shares held by Muvusi Pty Limited.
- (4) Christine Munro is one of the beneficial owners of each of the following companies and is therefore deemed to be interested in:-
 - (i) 7,524,000 Shares held by Permbrook Pty Limited;
 - (ii) 7,230,000 Shares held by Crogar Pty Limited; and
 - (iii) 7,230,000 Shares held by Muwori Pty Limited.

3. DIRECTORS' RECOMMENDATION

Having fully considered the rationale set out under paragraph 2.2 of this Addendum for the proposed renewal of the Share Purchase Mandate, the Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the Share Purchase Mandate at the 2016 AGM.

4. APPROVAL AND RESOLUTION

Shareholders' approval for the proposed renewal of the Share Purchase Mandate will be sought at the AGM. The resolution relating to the proposed renewal of the Share Purchase Mandate is contained in the Notice of AGM as Ordinary Resolution 6.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading.

Where information in this Addendum 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 Addendum in its proper form and context.

6. DOCUMENTS FOR INSPECTION

The following documents 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 Addendum:-

- (a) the annual report of the Company for FY2015; and
- (b) the Constitution of the Company.

Yours faithfully

For and on behalf of the Board of Directors of
IEV HOLDINGS LIMITED

Christopher Nghia Do
President and CEO