

CIRCULAR DATED 30 OCTOBER 2018

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

This Circular is issued by IEV Holdings Limited (the “Company”). If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular with the Notice of Extraordinary General Meeting (“**EGM**”) (as defined herein) and the attached Proxy Form (as defined herein) to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of EGM and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should at once hand this Circular with the Notice of EGM and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Circular 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 Circular. This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr. Ong Hwee Li (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.



IEV HOLDINGS LIMITED

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO

THE PROPOSED DISPOSAL OF 95% SHAREHOLDING INTEREST IN PT. IEV GAS

Important Dates and Times:

Last date and time for lodgement of Proxy Form	:	12 November 2018 at 10:30 a.m.
Date and time of Extraordinary General Meeting	:	14 November 2018 at 10:30 a.m.
Place of Extraordinary General Meeting	:	Falcon Room, Level 3, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663

TABLE OF CONTENTS

	Page
DEFINITIONS	2
LETTER TO SHAREHOLDERS	6
1. INTRODUCTION	6
2. THE PROPOSED TRANSACTION	6
3. INFORMATION ON IEV GAS	6
4. INFORMATION ON THE PURCHASER	7
5. RATIONALE FOR THE PROPOSED TRANSACTION	8
6. KEY TERMS OF THE PROPOSED TRANSACTION	9
7. USE OF PROCEEDS AND LOSS ON DISPOSAL	11
8. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION	11
9. RELATIVE BASES UNDER RULE 1006 OF THE CATALIST RULES	13
10. EXTRAORDINARY GENERAL MEETING	13
11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	14
12. INTERESTS IN PROPOSED TRANSACTION	14
13. RECOMMENDATIONS OF DIRECTORS	15
14. DIRECTORS' SERVICE CONTRACTS	15
15. DOCUMENTS AVAILABLE FOR INSPECTION	15
16. ACTION TO BE TAKEN BY SHAREHOLDERS	15
17. DIRECTORS' RESPONSIBILITY STATEMENT	15
NOTICE OF EXTRAORDINARY GENERAL MEETING	N-1
PROXY FORM	

DEFINITIONS

The following definitions apply throughout in this Circular except where the context otherwise requires:-

- “Associate”** : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- i. his immediate family;
 - ii. the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - iii. any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more,
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Board”** : The board of Directors of the Company as at the date of this Circular
- “Business Day”** : A day other than Saturday or Sunday, on which banks are open in Singapore to the general public for business
- “Catalist”** : The sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules”** : Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 30 October 2018
- “CNG”** : Compressed natural gas
- “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
- “Company”** : IEV Holdings Limited
- “Completion”** : The completion of the Proposed Transaction as set out in Paragraph 6.8 of this Circular
- “Completion Date”** : The date on which Completion occurs as set out in Paragraph 6.8 of this Circular
- “Conditions Precedent”** : The conditions precedent to Completion as set out in Paragraph 6.7 of this Circular
- “Constitution”** : The constitution of the Company, as amended, modified or supplemented from time to time

DEFINITIONS

“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in the Company. Notwithstanding, 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
“CSPA”	:	The conditional sale and purchase agreement dated 15 October 2018 between IEV Energy and the Purchaser in respect of the Proposed Transaction
“Director(s)”	:	The director(s) of the Company as at the date of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be convened and held at Falcon Room, Level 3, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663 on Wednesday, 14 November 2018 at 10:30 a.m., the notice of which is set out on page N-1 of this Circular
“EPS”	:	Earnings per Share
“FY”	:	A financial year ended or ending 31 December
“Group”	:	The Company and its subsidiaries
“HY”	:	A 6-month financial period ended or ending 30 June
“IEV Energy”	:	IEV Energy Sdn. Bhd. (a wholly-owned subsidiary of IEV Group Sdn. Bhd., which is in turn wholly-owned by the Company), the seller of the Sale Shares
“IEV Gas”	:	PT. IEV Gas
“IDR”	:	Indonesian rupiah
“Latest Practicable Date”	:	12 October 2018, being the latest practicable date prior to the printing of this Circular
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“MNGS”	:	Mobile natural gas sector
“MYR”	:	Malaysian ringgit
“Net Proceeds”	:	Has the meaning given in Section 7 of this Circular
“Notice of EGM”	:	The notice of the EGM which is set out on page N-1 of this Circular
“NTA”	:	Net tangible assets
“Parties”	:	The parties to the CSPA, namely IEV Energy and the Purchaser
“Proposed Transaction”	:	Has the meaning given in Section 2 of this Circular

DEFINITIONS

“Proxy Form”	:	The proxy form in respect of the EGM as set out in this Circular
“PT IPP”	:	PT. Indonesia Pelita Pratama
“Purchase Price”	:	The total consideration of the Proposed Transaction amounting to IDR960,000,000
“Purchaser”	:	PT. Digas Energi Semesta
“Sale Shares”	:	630,910 shares representing 95% of the entire issued and paid-up share capital of IEV Gas held by IEV Energy
“SGD”	:	Singapore dollars
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Persons (not being Depositors) who are registered as holders of the Shares in the Register of Members of the Company and Depositors, who have Shares entered against their names in the Depository Register, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors whose securities accounts are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Substantial Shareholder”	:	A person who has an interest or interests in one or more voting Shares in the Company, and the votes attached to that Share, or those Shares, is not less than 5.0% of the total votes attached to all the voting Shares in the Company
“VAT”	:	Value-added tax
“S\$” and “cents”	:	Dollars and cents respectively of the currency of Singapore
“%” or “per cent.”	:	Per centum or percentage

Unless otherwise specifically provided, the following exchange rate is used throughout this Circular:

SGD:IDR	:	Exchange rate of SGD1 : IDR11,039.71 as at the Latest Practicable Date
SGD:MYR	:	Exchange rate of SGD1 : MYR3.0164 as at the Latest Practicable Date
MYR:IDR	:	Exchange rate of MYR1 : IDR3,659.89 as at the Latest Practicable Date

The terms “*Depositor*”, “*Depository Agent*” and “*Depository Register*” shall have the meanings ascribed to them, respectively, in section 81SF of the Securities and Futures Act (the “**SFA**”).

The term “*treasury shares*” shall have the meaning ascribed to it in Section 4 of the Companies Act. The term “*subsidiary*” shall have the meaning ascribed to it in Section 5 of the Companies Act.

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

DEFINITIONS

Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA or the Catalist Rules or any modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and date shall be a reference to Singapore time and date unless otherwise stated.

Any discrepancy in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

IEV HOLDINGS LIMITED

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

Directors:

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

Registered Office:

80 Robinson Road
#02-00
Singapore 068898

Date: 30 October 2018

To: The Shareholders of the Company

THE PROPOSED DISPOSAL OF 95% SHAREHOLDING INTEREST IN PT. IEV GAS

1. INTRODUCTION

The Directors are convening the EGM to be held at 10:30 a.m. on Wednesday, 14 November 2018 at Falcon Room, Level 3, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663 to seek Shareholders' approval for the Proposed Transaction. The Notice of EGM is set out on page N-1 of this Circular.

The purpose of this Circular is to provide Shareholders with information relating to and the rationale for the Proposed Transaction, to ensure that Shareholders will be in a position to make an informed decision in respect of the Proposed Transaction at the EGM.

2. THE PROPOSED TRANSACTION

On 16 October 2018, the Company announced that its indirect wholly-owned subsidiary, IEV Energy had entered into a CSPA in relation to the proposed disposal of 630,910 ordinary shares representing 95% of the entire issued and paid-up share capital of IEV Gas to the Purchaser for a total consideration of IDR960,000,000 (the "**Proposed Transaction**").

Upon completion of the Proposed Transaction, IEV Gas will cease to be a subsidiary of the Group.

As the relative figure calculated pursuant to Rule 1006(a) of the Catalist Rules in respect of the Proposed Transaction exceeds 50%, the Proposed Transaction is classified as a "major transaction" within the meaning of Rule 1014 of the Catalist Rules, and will be subject to the approval of the Shareholders.

3. INFORMATION ON IEV GAS

IEV Gas is a company incorporated in Indonesia on 5 December 2006 and is an indirect subsidiary of the Company. It is primarily engaged in the business of the sale and delivery of CNG in Indonesia.

IEV Gas has an issued and paid-up share capital of IDR66,412,000,000 comprising 664,120 ordinary shares. The Company, through its indirect wholly-owned subsidiary, IEV Energy, holds 630,910 ordinary shares representing 95% of the total issued and paid-up share capital of IEV Gas.

LETTER TO SHAREHOLDERS

IEV Energy is a wholly-owned subsidiary of IEV Group Sdn. Bhd., which is in turn a wholly-owned subsidiary of the Company. As at the Latest Practicable Date, the shares of IEV Gas are held by the following shareholders in the following proportions:-

IEV Gas Shareholders	Number of IEV Gas Shares	Percentage of IEV Gas Shares
IEV Energy	630,910	95.0%
Achwan Widiyanto	33,210	5.0%
Total	664,120	100.0%

Based on the audited financial statements of IEV Gas for FY2017, the net asset value and net tangible asset value attributable to IEV Gas amounted to approximately MYR879,000 and MYR876,000 respectively. The net loss attributable to IEV Gas for FY2017 was MYR12,167,280.

Based on the latest unaudited management accounts of IEV Gas for HY2018, the net liability value attributable to IEV Gas amounted to approximately MYR440,000. The net loss attributable to IEV Gas for HY2018 was MYR1,285,594.

4. INFORMATION ON THE PURCHASER

The Purchaser is an investment holding company duly established and existing under the laws of the Republic of Indonesia since 12 October 2018 and was incorporated for the purposes of being the corporate vehicle to be used for the Proposed Transaction. The Purchaser has an issued and paid-up share capital of IDR250,000,000 comprising 2,500 shares.

The shareholdings of the Purchaser are as follows:-

Name	No. Shares	Value of Shares (IDR'000,000)	Percentage
Achwan Widiyanto	1,800	180	72.0%
Atang Susanto	700	70	28.0%
Total	2,500	250	100.0%

Mr. Achwan Widiyanto (“**Mr. Achwan**”) is the director of the Purchaser while Mr. Atang Susanto (“**Mr. Atang**”) is the commissioner of the Purchaser.

Mr. Achwan currently holds the remaining 5.0% of the total issued and paid-up share capital of IEV Gas and is a director of IEV Gas.

Save as disclosed, there are no other relationships between the Purchaser and its shareholders with the Company, the Directors, Controlling Shareholders or Substantial Shareholders and their respective Associates.

LETTER TO SHAREHOLDERS

5. RATIONALE FOR THE PROPOSED TRANSACTION

5.1 Exit from loss-making business segment

Due to lower world energy prices and a challenging mobile natural gas business landscape in Indonesia, the Group's MNGS have been reporting losses since the financial year ended 31 December 2015. The Proposed Transaction would allow the Company to dispose of its major loss-making subsidiary and eventually exit from the mobile natural gas business in Indonesia.

Loss Before Tax	FY2015 MYR'000	FY2016 MYR'000	FY2017 MYR'000
IEV Gas	(5,448)	(2,809)	(9,164)
Others*	(1,768)	(1,526)	(582)
MNGS	(7,216)	(4,335)	(9,746)

Notes:

*Under 'Others', losses before tax from Gas Malaysia Sdn. Bhd. ("**Gas Malaysia**") and IEV Energy were recorded. Gas Malaysia was an associate company of the Group until it disposed of its 25% interest as announced on 3 November 2017. IEV Energy is not in operations but had incurred administrative losses being the vehicle holding the Group's interest in its MNGS companies.

5.2 Challenges to MNGS business landscape

The performance of the Group's MNGS was worsened by the recent changes to the Indonesian Oil & Gas regulations (Minister of Energy and Mineral Resources Regulation No. 4 of 2018 concerning Exploitation of Natural Gas in Downstream Oil and Gas Business Activities), which was effective 25 January 2018. The Minister of Energy and Mineral Resources had issued a new regulation mandating that only state-owned entities are allowed to undertake the provision and distribution of natural gas, including CNG, through gas distribution networks to households. The current transition period which gas traders and CNG suppliers are allowed to continue to operate has created industry-wide restrictions and uncertainties in feed gas supply. With prevailing low energy prices coupled with heightened risks from a changed business landscape, the Group's mobile natural gas business is expected to continue to operate at a loss. The Board is of the view that there are little prospects for a business turnaround and had previously indicated its intention to exit from the mobile natural gas business in Indonesia and to focus on its core engineering business.

5.3 Lack of interest from third parties

In light of the Group's intention to exit the mobile natural gas business, the Company had sought for a valuation of the assets of IEV Gas which mainly comprised of prime movers, tube skids, gas compressors, pressure reduction units, diesel generation sets, containers and ancillary equipment. An independent appraisal was conducted by a certified public appraiser, Ruky, Safrudin & Rekan ("**Appraiser**") in accordance with the market approach, whereby the assets of IEV Gas were valued using transaction or offer data on comparable and similar assets based on a comparison and adjustment process. Based on the Property Appraisal Report dated 28 September 2018 ("**Appraisal Report**"), the Appraiser arrived at a market value⁽¹⁾ of IDR32,182,000,000 (approximately MYR8,793,160) and a liquidation value⁽²⁾ of IDR16,091,100,000 (approximately MYR4,396,608).

Notes:

- (1) "**Market value**" is the estimated amount for which the assets should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably and prudently without compulsion.
- (2) "**Liquidation value**" is the amount which may reasonably be received from the sale of assets within the marketing period that do not meet all the criteria of a normal market transaction. Liquidation sale or in other terms, a forced sale involves a price which arises from deposition under extraordinary or atypical circumstances, usually reflecting an inappropriate mode of sale and sometimes reflecting an unwilling seller condition, and/or disposal under compulsion or duress.

LETTER TO SHAREHOLDERS

The Group had also mandated Hadromi and Partners to canvas the Indonesian market and there were no interested parties who had provided a firm offer to acquire IEV Gas apart from what Mr Achwan has offered currently, in light of the regulatory changes resulting in an uncertain business landscape for the mobile natural gas business and several other Indonesian companies in the CNG business putting up their CNG equipment up for sale. IEV Gas had received only one (1) offer in respect of a single CNG equipment piece.

5.4 Operational losses

Further, if IEV Gas continues to operate, it potentially faces the following issues:-

- (a) IEV Gas has an existing feed gas supply contract whereby it has committed to procure a minimum offtake amount of gas from the supplier and there is a material risk that due to lower operating activities, IEV Gas may not meet that minimum gas offtake thereby facing a potential contractual liability to the feed gas supplier.
- (b) The lease agreement for the land on which the EJ-2 CNG compression mother station is situated is due to expire in July 2019 and the Company will need to incur cost to relocate the mother station should it continue to operate IEV Gas.
- (c) The lower business activities and poor operating margins of IEV Gas has resulted in a monthly working capital shortfall which would need to be funded by the Group.
- (d) IEV Gas is awaiting a decision from the Tax Court of Indonesia on its appeal in respect of a VAT dispute with the tax authorities. Whilst the Group is confident it has a good case to win the appeal, the potential VAT bill including penalties, less any tax collections to date by the tax authorities, could reach approximately IDR11,300,000,000.

IEV Gas is expected to continue to operate at a loss and will significantly drain the financial resources of the Group if the Group chooses to continue with the operations of IEV Gas. The Group has thus decided to stem the continuing losses by disposing of its entire equity interest in IEV Gas to the Purchaser. Should the disposal of IEV Gas eventuate, the Group will discontinue operations of the MNGS.

6. KEY TERMS OF THE PROPOSED TRANSACTION

6.1 The CSPA

IEV Energy has agreed to dispose of all their Sale Shares to the Purchaser for a consideration of IDR960,000,000 (equivalent to approximately S\$87,000 and MYR262,300).

6.2 Payment of the Purchase Price

The Purchase Price was arrived at based on arm's length negotiations and on a willing-buyer and willing-seller, after taking in to consideration the following:-

- (a) The liquidation value of the assets of IEV Gas based on the valuation study commissioned by the Company amounting to IDR16,091,100,000;
- (b) The contingent liabilities of IEV Gas in relation to a VAT tax dispute with the tax authorities amounting to IDR11,300,000,000;
- (c) Potential employment severance liabilities in the event employees of IEV Gas would have to be retrenched estimated at IDR6,520,000,000 computed as function of employees' last drawn salary and number of years of service;
- (d) Having conducted an invitation-to-bid tender to acquire IEV Gas during the financial year ended 2017, in which three (3) bids were received but sale and purchase terms could not be reached;

LETTER TO SHAREHOLDERS

- (e) The continuing operating losses of IEV Gas in view of prevailing low energy prices and the changed regulatory framework resulting in feed gas supply restriction and uncertainties and thus heightened risk profile for the CNG industry in Indonesia;
- (f) The Indonesian market was canvassed for the potential sale of assets of IEV Gas to which scant buying interest was garnered;
- (g) The low business activities of IEV Gas resulting in potential contractual take-or-pay liabilities to the feed gas supplier;
- (h) The low business activities of IEV Gas resulting in working capital funding requirements in order to continue to operate the business of IEV Gas; and
- (i) The willingness of the Purchaser to bear all potential contingent and contractual liabilities including employee severance packages.

The Purchase Price will be paid in cash by the Purchaser to IEV Energy but held in trust by a law firm within thirty (30) business days from the signing of the CSPA. The funds will only be released to IEV Energy upon completion of the Proposed Transaction.

6.3 Post-Completion Conditions

- (a) The management of the on-going litigation against PT IPP by IEV Gas in relation to losses and damages suffered by IEV Gas arising from PT IPP unilaterally erecting a barrier closing the only accessible common road between the industrial area where IEV Gas' mother station is located and the main exit road, will be the responsibility of the Purchaser.
- (b) IEV Gas' on-going VAT dispute with the Indonesia tax authority will be the responsibility of IEV Gas and IEV Energy need not provide any indemnity in this regard.

6.4 Transition Period Obligations

Mr. Justin Yong, the Company's Vice President (Operations and Commercial) will be appointed as Country Head Officer to assist the new management team of IEV Gas for a period of no more than one (1) month after the date of approval of Shareholders for the Proposed Transaction.

6.5 Employee Severance

The severance payment for employees amounting to approximately IDR6,520,000,000 will be borne by the Purchaser should the Purchaser decide, at its discretion to terminate IEV Gas employees.

6.6 Termination

If any of the Conditions Precedent set out in paragraph 6.7 below is not fulfilled by IEV Energy or is not waived by the Purchaser in three (3) months after the date of the CSPA, then the parties shall use their best endeavours to extend in writing the period for fulfilment of the Conditions Precedent. The parties have agreed that the CSPA shall not be terminated by either party without prior written approval of the other, except if Shareholder's approval as required under the Catalist Rules is not obtained for the Proposed Transaction.

6.7 Conditions Precedent

Completion is conditional upon the satisfaction or waiver of, among others, the following conditions:-

- (a) IEV Energy having passed a written resolution of its shareholders for the transfer of the Sale Shares;

LETTER TO SHAREHOLDERS

- (b) Shareholders' approval from the parent company of IEV Energy, being the Company, having been obtained;
- (c) IEV Gas shall have announced the Purchaser's acquisition plan of the Sale Shares in one (1) Indonesian newspaper and in writing to its employees, at the latest thirty (30) days prior to IEV Gas' general meeting of shareholders, as required by Article 127 of Indonesian Law No. 40 / 2007 on Limited Liability Company; and
- (d) All the shareholders of IEV Gas shall have executed a unanimous written resolution of shareholders approving the sale and transfer of the Sale Shares, as well as the amendment of the articles of association of IEV Gas in relation to the matters thereto.

6.8. Completion

Completion shall occur on a date ("**Completion Date**") which falls within thirty (30) business days after all the Conditions Precedent have been fulfilled or waived by the Purchaser (where applicable).

7. USE OF PROCEEDS AND LOSS ON DISPOSAL

Based on the Purchase Price of approximately MYR262,300, the unaudited net liability value of IEV Gas as at 30 June 2018 of approximately MYR440,000 and inter-company payables of MYR5,252,092, the loss on disposal arising from the Proposed Transaction is MYR4,549,792.

The estimated net proceeds from the Proposed Transaction is approximately, MYR115,000 or S\$38,000 after taking into account the professional fees and other costs incurred in relation to the Proposed Transaction ("**Net Proceeds**"). It is the present intention of the Board to utilise the entire Net Proceeds for general working capital purposes.

8. FINANCIAL EFFECTS OF THE PROPOSED TRANSACTION

8.1 Bases and assumptions

The financial effects of the Proposed Transaction on (a) the consolidated NTA per Share and (b) the consolidated EPS of the Group, have been prepared based on the audited consolidated financial statements of the Group for FY2017. The *pro forma* financial effects of the Proposed Transaction 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 Transaction.

The financial effects below were prepared based on the following assumptions:-

- (a) the financial effects of the Proposed Transaction on the NTA per Share of the Group are computed assuming that the Proposed Transaction had taken place on 31 December 2017;
- (b) the financial effects of the Proposed Transaction on the EPS of the Group are computed assuming that the Proposed Transaction had been completed on 1 January 2017;
- (c) the expenses in connection with the Proposed Transaction are disregarded for the purposes of calculating the financial effects as they are immaterial; and
- (d) MYR:IDR exchange rate of 1:3,340.13 as at 31 December 2017.

LETTER TO SHAREHOLDERS

8.2 NTA per Share

The illustrative financial effects of the Proposed Transaction on the NTA per Share of the Group as at 31 December 2017 are as follows:-

	Before the Proposed Transaction	After the Proposed Transaction
NTA ⁽¹⁾ attributable to the owners of the Company (MYR)	5,309,508	759,716
Number of issued ordinary shares in the capital of the Company (“Shares”)	285,512,632	285,512,632
NTA per Share (Malaysian sen)	1.86	0.27

Note:

(1) NTA means total assets less the sum of total liabilities, non-controlling interests and intangible assets.

8.3 EPS

The illustrative financial effects of the Proposed Transaction on the EPS of the Group for FY2017 are as follows:-

	Before the Proposed Transaction	After the Proposed Transaction
Loss from continuing operations (MYR)	(19,541,199)	(24,090,991)
Loss from discontinued operations (MYR)	(60,317,393)	(60,317,393)
Net loss attributable to owners of the Company for FY2017 (MYR)	(79,858,592)	(84,408,384) ⁽¹⁾
Weighted average number of Shares ⁽²⁾	284,312,652	284,312,652
Loss per share (Malaysian sen)	(28.09)	(29.69)

Notes:

(1) Loss on disposal of IEV Gas is estimated at MYR4,549,792.

(2) The weighted average number of ordinary shares has been adjusted for the financial year ended 2017 to take into effect the new issuance of share capital of 1,912,632 issued in August 2017.

LETTER TO SHAREHOLDERS

9. RELATIVE BASES UNDER RULE 1006 OF THE CATALIST RULES

Based on the unaudited financial statements of the Group for HY2018 and the unaudited management accounts of IEV Gas for HY2018, the relative figures of the Proposed Transaction computed on the bases set out in Rule 1006 of the Catalist Rules are set out below:-

Rule 1006	Bases of Calculation	Relative Figure (%)
(a)	Net asset value of the assets to be disposed of compared with the Group's net asset value	52.91% ⁽¹⁾
(b)	The net profits ⁽²⁾ attributable to the assets disposed of, compared with Group's net profits	20.13% ⁽³⁾
(c)	Aggregate value of the consideration to be received, compared with the Company's market capitalisation ⁽⁴⁾	0.71% ⁽⁵⁾
(d)	The number of consideration shares issued by the Company, compared with the number of Shares (excluding treasury shares) previously in issue	N.A. ⁽⁶⁾
(e)	The aggregate volume of proved and probable reserves to be disposed of compared with the Group's probable and proved reserves	N.A. ⁽⁷⁾

Notes:

- (1) Computed based on the unaudited net liability value of the Group as at 30 June 2018 of MYR831,700 and the unaudited net liability value of IEV Gas as at 30 June 2018 of approximately MYR440,000.
- (2) Under Rule 1002(3) of the Catalist Rules, "net profits" means profit or loss before income tax, minority interests and extraordinary items.
- (3) Computed based on the unaudited net loss before tax of the Group for HY2018 of approximately MYR6,385,000 and the unaudited net loss before tax of IEV Gas for HY2018 of approximately MYR1,286,000.
- (4) The market capitalisation of the Company was determined by multiplying the total number of Shares, being 285,512,632 Shares (excluding treasury shares) by S\$0.043 (being the volume-weighted average traded price of such Shares on 12 October 2018, being the last market day immediately preceding the date of the CSPAs).
- (5) Computed based on the Purchase Price of approximately S\$87,000 that will be paid to IEV Energy and market capitalisation of approximately S\$12,277,043.
- (6) This is not applicable as the Proposed Transaction does not involve issuance of consideration shares.
- (7) This is not applicable as the Company is not a mineral, oil and gas company.

As the relative figure computed based on Rule 1006(b) of the Catalist Rules exceeds 50%, the Proposed Transaction constitutes a "major transaction" under Rule 1014 of the Catalist Rules. Accordingly, the Proposed Transaction is conditional upon the approval of Shareholders in the EGM to be convened.

10. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page N-1 of this Circular, will be held at Falcon Room, Level 3, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663, on Wednesday, 14 November 2018 at 10:30 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the ordinary resolution set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors and the Substantial Shareholders of the Company in the issued and paid-up share capital of the Company as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders are as follows:-

	Number of Shares			Total Percentage Interest (%) ⁽¹⁾
	Direct	Deemed	Total	
Directors				
Tan Sri Dato' Hari N. Govindasamy	–	54,856,500 ⁽²⁾	54,856,500	19.21
Christopher Nghia Do	36,428,158	1,736,000 ⁽³⁾	38,164,158	13.37
Joanne Bruce	–	1,725,000 ⁽⁴⁾	1,725,000	0.60
Ng Weng Sui, Harry	300,000	–	300,000	0.11
Kesavan Nair	–	–	–	–
Substantial Shareholders				
Vimala J. Govindasamy	–	54,856,500 ⁽²⁾	54,856,500	19.21
Janice Crawford	–	21,984,000 ⁽⁵⁾	21,984,000	7.70
Christine Munro	–	21,984,000 ⁽⁶⁾	21,984,000	7.70

Notes:

- (1) The percentage of shareholdings is computed based on the issued and paid up share capital of the Company comprising 285,512,632 Shares (excluding treasury shares).
- (2) The deemed interest in 54,856,500 shares are held by Tan Sri Dato' Hari N. Govindasamy and Vimala J. Govindasamy through a joint account in Citibank Nominees Singapore Pte. Ltd.
- (3) Christopher Nghia Do is deemed to be interested in 1,736,000 shares held by his spouse, Tran Thi Mai Thao.
- (4) The 1,725,000 shares are held by Joanne Bruce through UOB Kay Hian Private Limited.
- (5) Janice Crawford is one of the beneficial owners of each of the following corporations and is therefore deemed to be interested in:-
 - (a) 7,524,000 shares held by Permbrook Pty Limited;
 - (b) 7,230,000 shares held by Crogar Pty Limited; and
 - (c) 7,230,000 shares held by Muvusi Pty Limited.
- (6) Christine Munro is one of the beneficial owners of each of the following corporations and is therefore deemed to be interested in:-
 - (a) 7,524,000 shares held by Permbrook Pty Limited;
 - (b) 7,230,000 shares held by Crogar Pty Limited; and
 - (c) 7,230,000 shares held by Muwori Pty Limited.

12. INTERESTS IN PROPOSED TRANSACTION

Save as disclosed above, none of the Directors, the Controlling Shareholders and Substantial Shareholders of the Company or their respective Associates has any interest, whether direct or indirect, in the Proposed Transaction.

LETTER TO SHAREHOLDERS

13. RECOMMENDATIONS OF DIRECTORS

Having considered and reviewed, amongst others, the terms of the CSPA, the rationale for and the financial effects of the Proposed Transaction, and all other relevant facts set out in this Circular, the Directors are of the opinion that the Proposed Transaction is in the best interest of the Company, and accordingly, they recommend that Shareholders vote in favour thereof.

14. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Transaction. Accordingly, no service contract is proposed to be entered into by the Company in connection with the Proposed Transaction.

15. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the CSPA and the Appraisal Report will be made available for inspection by Shareholders 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 a period of three (3) months from the date of this Circular.

16. ACTION TO BE TAKEN BY SHAREHOLDERS

A Shareholder who is unable to attend the EGM and who wishes to appoint a proxy to attend and vote on his behalf should complete, sign and return the proxy form enclosed with this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, not less than forty eight (48) hours before the time appointed for holding the EGM. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM in place of his proxy should he subsequently wish to do so. A proxy need not be a member of the Company.

A Depositor with Shares credited to his Securities Account shall not be entitled to attend the EGM and to speak and vote there at or appoint a proxy unless his name appears on the Depository Register maintained by the CDP as at seventy two (72) hours before the time appointed for holding the EGM.

17. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transaction, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

Yours faithfully

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

Christopher Nghia Do
President and Group Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

IEV HOLDINGS LIMITED

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

Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meaning as used in the circular to the Shareholders dated 30 October 2018 (the “Circular”).

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of IEV Holdings Limited (the “**Company**”) will be held at Falcon Room, Level 3, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663 on Wednesday, 14 November 2018 at 10:30 a.m., for the purpose of considering and, if thought fit, passing (with or without modifications) the following as ordinary resolution:-

ORDINARY RESOLUTION:-

THE PROPOSED TRANSACTION

That:

- (a) approval be and is hereby given for the Company to carry out and implement the Proposed Transaction, as well as any other transactions contemplated thereunder; and
- (b) the Directors and each of them be and are hereby authorised to do all acts and things as they or each of them deem desirable, necessary or expedient to give effect to the matters referred to in this resolution as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Group.

BY ORDER OF THE BOARD
IEV HOLDINGS LIMITED

Christopher Nghia Do
President and Group Chief Executive Officer

30 October 2018

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act (Chapter 50) (the “**Companies Act**”), a member is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM. A proxy need not be a member of the Company. Where a member appoints more than one (1) proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form (expressed as a percentage of the whole). If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry one hundred per cent (100%) of the shareholdings of his/its appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.
2. Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney duly authorised or in such manner as appropriate under applicable laws.
4. A corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the EGM, in accordance with the Company’s Constitution and Section 179 of the Companies Act.
5. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the office of the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, not less than forty eight (48) hours before the time appointed for holding the EGM.
6. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as at seventy two (72) hours before the time appointed for holding the EGM.

PERSONAL DATA PRIVACY

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the shareholder discloses the personal data of the shareholder’s proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder’s breach of warranty.

PROXY FORM

IEV HOLDINGS LIMITED

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

EXTRAORDINARY GENERAL MEETING PROXY FORM

IMPORTANT:

1. A Relevant Intermediary (as defined in Section 181 of the Companies Act (Chapter 50)) may appoint more than two (2) proxies to attend, speak and vote at the Extraordinary General Meeting.
2. For CPF/SRS investors who have used their CPF monies to buy IEV Holdings Limited shares, this form of proxy is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks if they have queries regarding their appointment as proxies.

*I/We, _____ (name) _____ (NRIC/Passport No./Company No.)

of _____ (address)

being a *member/members of IEV Holdings Limited (the “**Company**”), hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Share	%

*and/or

Name	Address	NRIC/ Passport No.	Proportion of Shareholdings	
			No. of Share	%

or failing which, the chairman of the extraordinary general meeting of the Company (the “**EGM**”), as *my/our proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the EGM to be convened at 10:30 a.m. on Wednesday, 14 November 2018 at Falcon Room, Level 3, Grand Copthorne Waterfront Hotel, 392 Havelock Road, Singapore 169663, and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the ordinary resolution to be proposed at the EGM as indicated hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the EGM.

* Delete accordingly

Ordinary Resolution	No. of votes for ⁽¹⁾	No. of votes against ⁽¹⁾
To approve the Proposed Transaction		

Note:

- (1) If you wish to exercise all your votes “For” or “Against”, please indicate with a tick within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2018.

Total Number of Shares held (Note 1)

Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF



PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member is entitled to appoint not more than two (2) proxies to attend, speak and vote at the EGM. A proxy need not be a member of the Company. Where a member appoints more than one (1) proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form (expressed as a percentage of the whole). If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry one hundred per cent (100%) of the shareholdings of his/its appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.
3. Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
4. An investor who buy shares using CPF monies (“**CPF Investor**”) and/or SRS monies (“**SRS Investor**”) (as may be applicable) may attend and cast his vote(s) at the EGM in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and SRS Approved Nominees to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney duly authorised or in such manner as appropriate under applicable laws.
6. A corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the EGM, in accordance with the Company’s Constitution and Section 179 of the Companies Act.
7. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the EGM.
8. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notorially certified copy thereof, must be deposited at the office of the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, not less than forty eight (48) hours before the time appointed for holding the EGM.
9. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote there at unless his name appears on the Depository Register as at seventy two (72) hours before the time appointed for holding the EGM.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register as at seventy two (72) hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 30 October 2018.