



IEV HOLDINGS LIMITED

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

(Company Registration Number 201117734-D)

CLARIFICATION AND CORRIGENDUM TO THE ANNOUNCEMENT IN RELATION TO THE PROPOSED DISPOSAL OF 95% SHAREHOLDING INTEREST IN PT. IEV GAS

Capitalised terms used herein shall have the definitions ascribed to them in the Announcement (defined below) unless otherwise stated or the context otherwise requires.

The board of directors (the “**Board**” or the “**Directors**”) of IEV Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the announcement dated 16 October 2018 in relation to the proposed disposal of 95% shareholding interest in PT. IEV Gas (“**Announcement**”).

For clarity purposes, paragraphs 1 (Introduction), 5.1.1 (The CSPA) and 5.1.2 (Payment of Purchase Price) in the Announcement shall be replaced with the following:

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of IEV Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, IEV Energy Sdn. Bhd. (“**IEV Energy**”) had entered into a conditional sale and purchase agreement dated 15 October 2018 (the “**CSPA**”) in respect of the proposed disposal of 630,910 ordinary shares, representing 95% of the total issued and paid-up share capital of PT. IEV Gas (“**IEV Gas**”) to PT. Digas Energi Semesta (the “**Purchaser**”) for a total consideration of IDR960,000,000 (approximately S\$87,000 and MYR262,300 based on the exchange rates of SGD1:IDR11,039.71 and MYR1:IDR3,659.89 respectively as at 12 October 2018), and on the terms and subject to the conditions set out in the CSPA (the “**Proposed Transaction**”).

5.1.1 The CSPA

IEV Energy has agreed to dispose of all their Sale Shares to the Purchaser for a cash consideration of IDR960,000,000 (the “**Net Price**”).

5.1.2 Payment of Net Price

The Net Price was arrived at based on arm’s length negotiations and on a willing-buyer and willing-seller basis, taking into 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;
- 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 lower business activities of IEV Gas resulting in potential contractual take-or-pay liabilities to the feed gas supplier;
- h. The lower 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 Net Price will be paid in cash by the Purchaser to IEV Energy but held in trust by a law firm within 30 (thirty) business days from the signing of the CSPA. The funds will only be released to IEV Energy upon completion of the Proposed Transaction.

Separately, there was an inadvertent typographical error in paragraph 6 (Use of Proceeds and Loss on Disposal) wherein the amount of inter-company payables should read MYR5,252,092 instead of MYR4,372,092.

By Order of the Board
IEV HOLDINGS LIMITED

Christopher Nghia Do
President and Group Chief Executive Officer

18 October 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").*

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

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