



IEV HOLDINGS LIMITED
(Company Registration No. 201117734D)
(Incorporated in the Republic of Singapore)

ACQUISITION OF 460,000 SHARES OF IEV VIETNAM JOINT STOCK COMPANY IN CONSIDERATION FOR 1,912,632 SHARES OF THE COMPANY AS CONSIDERATION

1. Introduction

The board of directors (the “**Board**” or “**Directors**”) of IEV Holdings Limited (the “**Company**”, and together with its subsidiaries, “**IEV**” or the “**Group**”) wishes to announce that the Company and IEV Energy Sdn. Bhd. (an indirect wholly-owned subsidiary of the Company) (“**IEV Energy**”) had, on 28 July 2017, entered into two share transfer contracts respectively with Nguyen Quang Kim and Vo Dinh Ngan (collectively, the “**Vendors**”), whereby IEV Energy will acquire from the Vendors, 230,000 ordinary shares each in IEV Vietnam Joint Stock Company (“**IEV Vietnam**”). The aggregate amount of 460,000 ordinary shares represents a total 9.73% equity interest of IEV Vietnam, for a total consideration of VND3,355,966,800 (“**Consideration Price**”) (“**Proposed Acquisition**”). Upon completion of the Proposed Acquisition, IEV Vietnam will be an indirect wholly-owned subsidiary of the Company.

2. Consideration

2.1 The Consideration Price is determined based on arm’s length negotiations between the Company and the Vendors, and arrived at after taking into account, inter alia, IEV Vietnam’s net asset value per share as at 31 March 2017 of VND7,295.58 (approximately SGD0.4467 based on an exchange rate of SGD1.00:VND16,331.0985). The issue price per Consideration Share is determined based on the Company’s net asset value per share of approximately SGD0.1074 as at 31 March 2017 (based on an exchange rate of SGD1.00:RM3.1666).

It will be satisfied by the allotment and issuance to the Vendors of an aggregate of 1,912,632 new ordinary shares in the capital of the Company (“**Consideration Shares**”) at an issue price of approximately SGD0.1074 per Consideration Share (“**Issue Price**”), as follows:

| Vendors | No. of Consideration Shares to be allotted | Consideration (SGD) |
|------------------|---|----------------------------|
| Nguyen Quang Kim | 956,316 | 102,747.78 |
| Vo Dinh Ngan | 956,316 | 102,747.78 |
| | 1,912,632 | 205,495.56 |

2.2 The Issue Price represents a premium of 59.88% to the volume weighted average price of SGD0.0672 of the Company’s shares for trades done on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on the date the share transfer contracts were signed.

2.3 The Consideration Shares represents 0.51% of the Company’s current issued and paid up share capital and the 0.51% of enlarged share capital upon completion of the Proposed Acquisition.

2.4 The Consideration Shares when allotted and issued, will rank *pari passu* in all respects with the Company’s existing issued shares, save for any dividends, rights, allotments or any distribution, the record date of which falls before the date of allotment and issuance of the Consideration Shares.

2.5 The Consideration Shares will be issued pursuant to the share issue mandate approved by the shareholders of the Company at the Annual General Meeting held on 28 April 2017.

2.6 The Company will be making an application to the SGX-ST through SAC Advisors Private Limited, the sponsor of the Company, for the listing and quotation of the Consideration Shares.

3. Information on IEV Vietnam and the Vendors

3.1 IEV Vietnam is a company incorporated in Socialist Republic of Vietnam on 28 August 2013 with its principal activity relating to the production of renewable energy. As at the date of this announcement, IEV Vietnam has an issued and paid-up share capital of VND47,282,240,000 comprising 4,728,224 ordinary shares. The shareholdings in IEV Vietnam is as follows:

| Shareholder | Number of shares in IEV Vietnam | Shareholding percentage (%) |
|------------------|---------------------------------|-----------------------------|
| IEV Energy | 4,268,224 | 90.2712% |
| Nguyen Quang Kim | 230,000 | 4.8644% |
| Vo Dinh Ngan | 230,000 | 4.8644% |

3.2 The Vendors are independent third parties and are not related, whether directly or indirectly, to the Company, its Directors, controlling shareholders or their respective associates.

4. Rationale for the Proposed Acquisition

The Vendors have expressed their desire to exit from IEV Vietnam's core business of rice-husk based briquette production from the MK-1 Biomass Plant ("MK-1 Plant") due to challenging market conditions. By making IEV Vietnam a wholly-owned subsidiary, the Group has the flexibility to utilise the MK-1 Plant owned by IEV Vietnam for the business of producing silica-based materials derived from rice husks and negotiate collaboration with other interested parties in the future. This is in line with the Group's plans of making an entry into the production of advanced materials.

5. Relative Figures under Rule 1006 of the Listing Manual Section B: Rules of Catalyst of the SGX-ST ("Catalist Rules")

Based on the Company's latest announced financial results for financial period ended 31 March 2017 ("1Q2017"), the relative figures of the Proposed Acquisition under Rule of the Catalyst Rules are as follows:-

| | |
|--|----------------------|
| Rule 1006(a) | |
| Net asset value of the assets to be disposed of, compared with the Group's net asset value | Not applicable |
| Rule 1006(b) | |
| Net profits ⁽¹⁾ attributable to the asset acquired compared to the Group's net profits ⁽¹⁾ | 0.80% ⁽²⁾ |
| Rule 1006(c) | |
| Aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares | 1.02% ⁽³⁾ |
| Rule 1006(d) | |
| Number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue | 0.67% |
| Rule 1006(e) | |
| Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves | Not applicable |

Notes:

(1) Under Rule 1002(3)(b) of the Catalyst Rules, "net profits" means profit or loss before income tax, minority interests and extraordinary items.

(2) IEV Vietnam incurred a loss of RM299,878 while the Group incurred a loss of RM3,644,000 for 1Q2017. Loss attributable to Vendor shares is RM29,178.

(3) Consideration Price is S\$205,495.56. The Company's market capitalisation of S\$20.1 million is determined by multiplying the number of issued ordinary shares (excluding treasury shares) of 283,600,000 shares by the weighted average price of the Company's shares on 27 July 2017 of SGD0.0708.

Having regard to the above, the relative figures computed on the bases set out in Rule 1006 amount to 5% or less. However, as the Consideration Price is satisfied wholly in securities for which listing is being sought, the Proposed Acquisition constitutes a "disclosable transaction" under Rule 1009 of the Catalist Rules.

6. Other Financial Information

IEV Vietnam's net tangible asset value as at 31 December 2016 and 31 March 2017 is VND30,339,555,977 and VND28,809,571,415 respectively. For financial year ended 31 December 2016, IEV Vietnam recorded a loss before tax of VND8,324,643,088. For the first quarter ended 31 March 2017, IEV Vietnam recorded a loss before tax of VND1,529,984,559.

7. Financial Effects of the Proposed Acquisition

The proforma financial effects of the Proposed Acquisition on the net tangible assets ("**NTA**") per share and earnings per share ("**EPS**") of the Group as set out below are purely for illustrative purposes only and do not reflect the actual financial performance or position of the Group after the Proposed Acquisition. The financial effects of the Proposed Acquisition set out below have been prepared based on the Group's audited consolidated financial statements for the full year ended 31 December 2016 ("**FY2016**") and IEV Vietnam's audited financial statements for the full year ended 31 December 2016.

EPS

The proforma financial effects of the Proposed Acquisition on the EPS of the Group for FY2016, assuming that the Proposed Acquisition had been effected at the beginning of FY2016, are summarized below:

| EPS | Before the Proposed Acquisition | After the Proposed Acquisition |
|--|--|---------------------------------------|
| Loss attributable to owners of the Company | RM33,565,837 | RM33,415,827 |
| Weighted average number of issued shares | 283,691,803 | 285,604,435 |
| Basic and diluted EPS (Malaysian sen) | (11.83) | (11.70) |

NTA per share

The proforma financial effects of the Proposed Acquisition on the NTA per share of the Group for FY2016, assuming that the Proposed Acquisition had been effected as at 31 December 2016, are summarized below:

| NTA | Before the Proposed Acquisition | After the Proposed Acquisition |
|---|--|---------------------------------------|
| Consolidated NTA | RM89,439,513 | RM89,986,231 |
| Number of issued shares (excluding treasury shares) | 283,600,000 | 285,512,632 |
| Consolidated NTA per share (Malaysian sen) | 31.54 | 31.52 |

8. Interest of Directors and Controlling Shareholders

None of the Directors and to the best of the Directors' knowledge, none of the controlling shareholders of the Company or their respective associates has an interest, directly or indirectly, in the Proposed Acquisition, save through their respective shareholdings (if any) in the Company.

9. Details of any service contracts

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

By Order of the Board

Christopher Nghia Do
President and Chief Executive Officer
1 August 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Advisors Private Limited (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

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

The contact person for the Sponsor is Mr. Sebastian Jones, at 1 Robinson Road, #21-02 Singapore 048542, telephone (65) 6532 3829. SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.