ECOWISE HOLDINGS LIMITED
(Company Registration No. 200209835C)

AMENDMENT TO THE SCHEME OF ARRANGEMENT OF HIVERN INVESTMENTS PTE LTD ("HIVERN")

1. **INTRODUCTION**

1.1 The Board of Directors (the "**Board**") of ecoWise Holdings Limited (the "**Company**") refers to the announcements released by the Company on 21 December 2012 and 10 April 2013 (the "**Earlier Announcements**") in relation to a scheme of arrangement (the "**Scheme**") entered into by Hivern, an indirect wholly-owned subsidiary of the Company, under Section 210(3) of the Companies Act (Chapter 50 of Singapore), which was approved by the Scheme Creditors on 19 February 2013 and sanctioned by the High Court of Singapore on 14 March 2013.

1.2 Unless otherwise defined, all capitalized terms used in this announcement shall bear the same meanings and construction as ascribed to them in the Earlier Announcements.

2. **AMENDMENT TO THE SCHEME OF ARRANGEMENT OF HIVERN**

2.1 The Board wishes to inform the shareholders of the Company that the Scheme Creditors had on 11 November 2014 approved certain amendments to the terms of the Scheme ("**Amendments**"), and the Amendments have been sanctioned by the Court on 18 December 2014. Salient terms of the Amendments is set out in paragraph 3 of this Announcement.

2.2 Under the terms of the Scheme, the Hivern Liabilities shall be deemed to be released and discharged by the Scheme Creditors on the terms of the Scheme if, *inter alia*:

(a) the Scheme Creditors receives the full amount of the Final Recovery Amount;

(b) the Purchaser/ CEBEC is unable to reach a settlement with Hua Dian on the final amount of the Hua Dian Liability on or prior to 31 December 2015 (the "**Final Settlement Date**"); or

(c) the Purchaser/ CEBEC is unable to conclude legal proceedings against Hua Dian on or prior to the Final Settlement Date.

2.3 Notwithstanding that the Final Settlement Date has not been reached, the Company is of the view that under the current circumstances, it would be difficult to reach a settlement with Hua Dian to the requirement of CEBEC, nor is it practical from a commercial and financial perspective to commence legal proceedings against Hua Dian.

2.4 In this regard, rather than needlessly protracting the Scheme, the Company has proposed the payment of a settlement amount of S$200,000 to, *inter alia*, the Scheme Creditors as full and final settlement of the Hivern Liabilities (the "**Settlement Amount**"). The proposal and corresponding Amendments have been considered and approved by the Scheme Creditors as outlined in paragraph 2.1.

2.5 The Settlement Amount will be satisfied in cash.

3. **SALIENT TERMS OF THE AMENDMENTS**

3.1 As an alternative to the Purchaser procuring CEBEC to commence legal proceedings against Hua Dian to determine the Final Recovery Amount, the Purchaser may make a payment of the Settlement Amount of S$200,000 to Hivern, which shall be used to settle the outstanding preferential claims and the remaining sum (the "**Balance Settlement Amount**") thereafter be distributed to the Scheme Creditors (on a *pari-passu* basis). The Scheme Creditors will receive the Balance Settlement Amount from the Company no later than 31 December 2015.

3.2 In the event the Purchaser makes payment of the Settlement Amount, Hivern's obligations to pay interest upon and to repay the Scheme Creditors shall be deemed released and discharged by the Scheme Creditors with effect from the receipt of the Settlement Amount or 31 December 2015, whichever the earlier.

4. Management has taken into account the Hivern Liabilities waiver when preparing the consolidated financial statements and factored into the consolidated net tangible asset and earnings per share of the Company for the 3rd Quarter period ended 31 July 2014. The Amendments have resulted in a waiver of Hivern Liabilities of approximately S$7.2 million (Singapore Dollars equivalent Recovery Amount of RMB 38 million ie approximately S$7,416,700 less Settlement Amount S$200,000), notwithstanding that the Hua Dian Liability has not been resolved.The finalization of the above is not expected to have any further incremental material effect on the consolidated financial statements, net tangible asset and earnings per share of the Company for the 4th Quarter period ended 31 October 2014.

5. None of the directors or controlling shareholders of the Company has an interest, direct or indirect, in the above investment other than through their shareholdings in the Company.

BY ORDER OF THE BOARD

LOW KIAN BENG
Executive Director
19 December 2014