ECOWISE HOLDINGS LIMITED
(Company Registration No. 200209835C)

RESPONSE TO NOTICE OF COMPLIANCE

The board of directors (the "**Board**" or the "**Directors**") of ecoWise Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the notice of compliance issued by the Singapore Exchange Regulation ("**SGX RegCo**") on 25 June 2021 ("**Notice**"). Shareholders are advised to refer to the Notice for details of the directives issued by SGX RegCo.

Unless otherwise defined, all capitalised terms used in this announcement shall have the meanings ascribed to them in the Notice.

SGX RegCo has reminded the Board that it must act in the best interest of the Company and the Company's shareholders ("**Shareholders**"), and render full co-operation to manage the affairs of the Company and address concerns resulting in the issuance of the Notice. This should be conducted with a view to ensuring that the Group's operations are not affected whilst the Company concurrently works on fulfilling the requirements under the Notice.

Having considered the above, Mr Er Kwong Wah ("**Mr Er**") (Lead Independent Director) and the Sponsor (ZICO Capital Pte. Ltd. ("**Sponsor**")) are of the view that Mr Lee Thiam Seng ("**Mr Lee**") (Executive Director and CEO) and Mr Cao Shixuan ("**Mr Cao**") (Executive Director and Deputy CEO) should remain in their executive positions in the Company respectively, in order to (a) provide assistance and continuity in managing the day-to-day operations of the Company; (b) ensure that the Company's interests are protected; and (c) maintain confidence of the Company's stakeholders.

Given the above, the Board wishes to assure Shareholders that Mr Lee and Mr Cao shall remain in their executive positions as the CEO and the Deputy CEO of the Company respectively, as both are familiar with the operational issues of the Group. The Company's Audit Committee (including in the interim, Mr Er and thereafter, members of the New AC) will have direct oversight of the duties of the CEO and the Deputy CEO. In addition, as at the date of this announcement, the Company has reinstated the duties of all suspended staff, including Mr Cao (who was put on a leave of absence), who is a key executive managing the day-to-day operations of the Company.

The aforesaid is necessary to ensure continued operations of the Group's business and allows Mr Lee, Mr Cao and Mr Er to provide full support and co-operation to the Company's statutory auditors (RSM Chio Lim LLP ("**RSM**")) and the internal auditors to be appointed pursuant to the Notice, to fulfil the requirements under the Notice.

In addition, the Company will implement additional safeguards as follows:

1. To enable the Group to continue its ongoing operations and not be in breach of its payment obligations, the following safeguards will be implemented by the Company in respect of disbursement of funds:

    (a) All payments to be made by the Group must be approved by the entire Board (comprising Mr Lee, Mr Cao and Mr Er), after reviewing such payments against relevant supporting documents. For avoidance of doubt, upon appointment of the new independent directors pursuant to the Notice, approval from these new independent directors must also be obtained prior to payments being made.

(b) In the event of disagreements on payments to be made, or where there are unusual payments not in the normal course of the Group's business, such payments must be reviewed by the Sponsor, stating clearly reasons for the disagreement and providing the Sponsor with all relevant supporting documents.

(c) Mr Er, being the Lead Independent Director, and thereafter, together with the members of the New AC, will be the final arbiter, after obtaining inputs from the Sponsor's review of the payments in paragraph (b) above.

(d) On an ex-post basis, all payments by the Group shall be validated by RSM as the Company's statutory auditor, to ensure that such payments are made in the normal course of the Group's business and for intended purposes, with proper supporting documents and approvals obtained.

2. In executing the requirements of the Notice, the Board shall clear the following with SGX RegCo:

   (a) the appointment of at least two (2) new independent directors; and

   (b) the appointment of the internal auditor and the scope of the internal audit.

The above safeguards shall remain until all directives in the Notice have been satisfactorily completed and material findings, if any, have been adequately addressed.

In the meantime, trading in the Company's securities shall remain suspended and fundraising activities, if any, shall be put on hold until there is clarity on the matters under review and material findings, if any, have been adequately addressed.

The Company will make further announcements as and when there are any material updates in relation to the above.

The shares in the Company have been suspended from trading on the Singapore Exchange Securities Trading Limited since 18 June 2021. Shareholders and potential investors of the Company are advised to read this announcement and further announcements by the Company carefully. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

ER KWONG WAH
Lead Independent Director
29 June 2021

This announcement has been prepared by ecoWise Holdings Limited ("**Company**") and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. ("**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist.

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 Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd., at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.