CIRCULAR DATED 29 DECEMBER 2017

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

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 adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of Ziwo Holdings Ltd. (the "**Company**"), you should immediately forward this Circular, the enclosed Notice of Extraordinary General Meeting and the accompanying proxy form to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular. Approval in-principle has been obtained from the SGX-ST for the listing of and quotation for the Warrants (as defined herein) and the Warrant Shares (as defined herein) pursuant to the Rights Issue of Warrants (as defined herein) on the Main Board of the SGX-ST. The Warrants (as defined herein) and the Warrant Shares (as defined herein) will be admitted to the Official List of the SGX-ST and official quotation will commence after all conditions imposed by the SGX-ST are satisfied, including all certificates relating thereto having been issued and the notification letters from The Central Depository (Pte) Limited ("**CDP**") having been despatched. The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue of Warrants, the Warrants, the Warrant Shares, the Company and/or its subsidiaries.

Pursuant to the Listing Manual, the SGX-ST normally requires a sufficient spread of holdings to provide an orderly market in the securities and as a guide, the SGX-ST expects at least 100 warrantholders for a class of company warrants. Shareholders should note that in the event permission is not granted by the SGX-ST for the listing and quotation of the Warrants on the SGX-ST due to an inadequate spread of holdings to provide for an orderly market in the trading of the Warrants, Warrantholders (as defined herein) will not be able to trade their Warrants on the SGX-ST but the Company shall, nevertheless, proceed with and complete the Rights Issue of Warrants (as defined herein) in such event.

This document shall not constitute an offer to sell or a solicitation of an offer to buy shares or warrants nor shall there be any sale of any shares or warrants in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. This document is issued to Shareholders solely for the purpose of convening the EGM (as defined herein) and seeking their approval for the resolution to be considered at such meeting. Shareholders are authorised to use this document solely for the purpose of considering the approval sought. Persons to whom a copy of this document has been issued shall not circulate to any other person, reproduce or otherwise distribute this document or any information herein for any purpose whatsoever nor permit or cause the same to occur.

The distribution of this document and/or the transfer of the provisional allotment of Warrants and the Warrants into jurisdictions other than Singapore may be prohibited or restricted by law. Persons into whose possession this Circular comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

ZIWO HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200800853Z)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

(1) THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 935,853,464 WARRANTS AT AN ISSUE PRICE OF S$0.0033 FOR EACH WARRANT, WITH EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) WARRANT SHARE (AS DEFINED HEREIN) IN THE COMPANY AT THE EXERCISE PRICE OF S$0.010 FOR EACH WARRANT SHARE (AS DEFINED HEREIN), ON THE BASIS OF TWO (2) WARRANTS FOR EVERY ONE (1) EXISTING ORDINARY SHARE OF THE COMPANY HELD BY SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED; AND

(2) THE POTENTIAL TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO MR. TAY WEE KWANG AND MR. KOO AH SEANG PURSUANT TO THE RIGHTS ISSUE OF WARRANTS (AS DEFINED HEREIN).

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	13 January 2018 at 3.00 p.m.
Date and time of Extraordinary General Meeting	:	15 January 2018 at 3.00 p.m.
Place of Extraordinary General Meeting	:	10 Anson Road #36-05A International Plaza Singapore 079903

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In this Circular, the following definitions apply throughout unless the context otherwise requires or is otherwise stated:-

"**Announcement**"	:	The announcement made by the Company on 29 September 2017 in relation to the Rights Issue of Warrants
"**ATM**"	:	Automated teller machine of a Participating Bank
"**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 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 companies taken together (directly or indirectly) have an interest of 30% or more
"**Authority**"	:	The Monetary Authority of Singapore
"**Beijing E-Star**"	:	Beijing E-Star Electric Technology Co. Ltd., further information of which is set out in Section 2.6.3 of this Circular
"**Board**"	:	The board of Directors of the Company as at the date of this Circular
"**Books Closure Date**"	:	The time and date to be determined by the Directors on which the Register of Members and Share Transfer Books will be closed to determine the provisional allotments of Warrants of Entitled Shareholders under the Rights Issue of Warrants
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This circular to Shareholders dated 29 December 2017
"**Closing Date**"	:	The time and date to be determined by the Directors, being the last time and date for acceptance and/or excess application and payment, for renunciation of and payment for the Warrants and (if applicable) application and payment for Excess Warrants under the Rights Issue of Warrants
"**Code**" or "**Take-over Code**"	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
"**Companies Act**"	:	Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
"**Company**"	:	Ziwo Holdings Ltd.

"**Constitution**"	:	The constitution of the Company, including the memorandum of association of the Company and the articles of association of the Company, as amended or modified from time to time
"**Controlling Interest**"	:	The interest of the Controlling Shareholder
"**Controlling Shareholder**"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies the above is not a Controlling Shareholder; or (b) in fact exercises control over the Company
"**CPF**"	:	Central Provident Fund
"**Deed Poll**"	:	The deed poll to be executed by the Company for the purpose of constituting the Warrants (as the same may be amended or supplemented from time to time) and containing, amongst others, provisions for the protection of the rights and interests of Warrantholders
"**Directors**"	:	The directors of the Company at the date of this Circular
"**Entitled Depositors**"	:	Shareholders with Shares entered against their own names in the Depository Register maintained with CDP as at the Book Closure Date and whose addresses with CDP are in Singapore as at the Book Closure Date or who had, at least three (3) Market Days prior to the Books Closure Date, provided CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, with addresses in Singapore for the service of notices and documents
"**Entitled Scripholders**"	:	Shareholders whose share certificates have not been deposited with CDP and who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
"**Entitled Shareholders**"	:	Entitled Depositors and Entitled Scripholders collectively
"**EPS**" or "**LPS**"	:	Earnings / (loss) per Share
"**EStar**"	:	EStar Investments Pte. Ltd., further information of which is set out in Section 2.6.1 of this Circular
"**Excess Warrants**"	:	The Warrants represented by provisional allotments: (a) to: (i) Entitled Shareholders who decline, do not accept or elect not to renounce or sell their provisionally allotted or Warrants during the Rights Trading Period prescribed by the SGX-ST; or

(ii) Shareholders who are not entitled to participate in the Rights Issue of Warrants which have not been sold during the Rights Trading Period; or

(b) that have not been validly taken up by the original allottees, renouncees of the provisional allotments or the purchasers

"**Exercise Period**"	:	The period during which the Warrants may be exercised, being the period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding 36 months from the date of issue of the Warrants, unless such date is a date on which the Register of Members and the Register of Warrantholders is closed and/or is not a Market Day, in which event, the last day of the Exercise Period shall be the immediate preceding Market Day on which the Register of Members and the Register of Warrantholders remain open or the immediate preceding Market Day, as the case may be, subject to the terms and conditions of the Warrants as set out in the Deed Poll
"**Exercise Price**"	:	The sum payable in respect of each Warrant Share to which the Warrantholder will be entitled to subscribe for upon the exercise of a Warrant, which shall be S$0.010, subject to certain adjustments in accordance with the terms and conditions of the Warrants as set out in the Deed Poll
"**Existing Share Capital**"	:	The existing issued and paid-up share capital of the Company as of the Latest Practicable Date, comprising 467,926,732 Shares
"**Extraordinary General Meeting**" or "**EGM**"	:	The extraordinary general meeting of the Company to be convened at 10 Anson Road #36-05A International Plaza Singapore 079903 on 15 January 2018 at 3.00 p.m., notice of which is set out on page 47 of this Circular
"**Foreign Shareholders**"	:	Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior to the Books Closure Date, provided to the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents
"**Group**"	:	The Company and its subsidiaries
"**Issue Price**"	:	The issue price of each Warrant, being S$0.0033
"**Latest Practicable Date**"	:	21 December 2017, being the latest practicable date prior to the printing of this Circular
"**Listing Manual**"	:	The Listing Manual of the SGX-ST, as amended or modified from time to time
"**Main Board**"	:	The Official List of the Main Board of the SGX-ST
"**Market Day**"	:	A day on which SGX-ST is open for trading in securities and a day (other than a Saturday, Sunday or public holiday) on which banks, CDP, the Share Registrar and Warrant Agent are open for business in Singapore

"**Maximum Subscription Scenario**"	:	The issuance of 935,853,464 Warrants based on the Existing Share Capital of the Company and assuming all Warrants are subscribed in full by the Entitled Shareholders pursuant to the Rights Issue of Warrants
"**Mr. Koo**"	:	Mr. Koo Ah Seang
"**Mr. Tay**"	:	Mr. Tay Wee Kwang
"**NAV**"	:	Net asset value
"**Notice of EGM**"	:	The notice of EGM set out on pages 47 to 49 of this Circular
"**Offer Information Statement**"	:	The offer information statement referred to in Section 277 of the SFA, together with the PAL, the WAF, the WEWAF and all other accompanying documents including, where the context so admits, any supplementary or replacement document to be issued by the Company in connection with the Rights Issue of Warrants
"**PAL**"	:	The provisional allotment letter to be issued to Entitled Scripholders, setting out the provisional allotment of Warrants with Warrants under the Rights Issue of Warrants
"**Participating Banks**"	:	The banks that will be participating in the Rights Issue of Warrants by making available their ATMs to Entitled Depositors and persons purchasing provisional allotments of Warrants through the book-entry (scripless) settlement system whose registered addresses with CDP are in Singapore, for acceptances of the Warrants and applications for Excess Warrants, as the case may be, to be made under the Rights Issue of Warrants
"**Potential Transfer of Controlling Interest Resolution**"	:	The resolution proposed to approve the potential transfer of a Controlling Interest in the Company to Mr. Tay and Mr. Koo pursuant to the Rights Issue of Warrants, as set out in the Notice of EGM
"**Potential Transfer of Controlling Interest**"	:	The potential transfer of a Controlling Interest in the Company to Mr. Tay and Mr. Koo resulting from the Rights Issue of Warrants
"**PPE**"	:	Property, plant and equipment
"**Proposed Resolutions**"	:	Collectively, the Rights Issue of Warrants Resolution and the Potential Transfer of Controlling Interest Resolution
"**Record Date**"	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or the CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
"**Register of Members**"	:	Register of members of the Company
"**Register of Warrantholders**"	:	Register of warrantholders of the Company

"**Relevant Subscription Scenario**"	:	The issuance of 133,170,000 Warrants assuming Mr. Tay and Mr. Koo subscribe for their respective entitlements for the Warrants in full and exercise all such Warrants into Warrants Shares, and all other Entitled Shareholders do not subscribe for any Warrants under the Rights Issue of Warrants
"**Rights**"	:	The "nil-paid" rights to subscribe for two (2) Warrants for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded, on the terms and conditions of the Offer Information Statement
"**Rights Issue of Warrants**"	:	The proposed renounceable non-underwritten rights issue of up to 935,853,464 warrants at an issue price of S$0.0033 for each Warrant, with each Warrant carrying the right to subscribe for one (1) Warrant Share in the Company at the exercise price of S$0.010 for each Warrant Share, on the basis of two (2) Warrants for every one (1) existing ordinary share of the Company held by Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
"**Rights Issue of Warrants Resolution**"	:	The resolution proposed to approve the issue of Warrants pursuant to the Rights Issue of Warrants, as set out in the Notice of EGM
"**Rights Trading Period**"	:	The trading period of the Rights on a "nil-paid" basis, the time and date to be determined by the Directors
"**RMB**"	:	Renminbi, the lawful currency of China
"**R&D**"	:	Research and development
"**SBR**"	:	Styrene Butadiene Rubber
"**Securities Account**"	:	Securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
"**SFA**"	:	Securities and Futures Act (Chapter 289) of Singapore, as may be amended or modified from time to time
"**Scaling Provisions**"	:	The scaling down of acceptances of the provisional allotments of Warrants and/or applications for Excess Warrants pursuant to the Rights Issue of Warrants, based on the level of acceptances of the provisional allotments of Warrants and/or applications for Excess Warrants, the Company will, if necessary, and upon approval of the SGX-ST, scale down acceptances of the provisional allotments of Warrants and/or applications for Excess Warrants pursuant to the Rights Issue of Warrants to avoid placing the relevant Shareholder and parties acting in concert with it (as defined in the Code) in the position of incurring a mandatory general offer obligation under the Code as a result of inter alia other Entitled Shareholders not taking up their Warrants entitlements fully
"**SGXNET**"	:	The SGXNET Corporate Announcement System
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited

"**Shareholder(s)**"	:	The registered holders of the Shares, except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose securities accounts with CDP are credited with those Shares
"**Shares**"	:	Ordinary shares in the share capital of the Company
"**Share Registrar**" or "**Warrant Agent**"	:	B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544
"**Share Transfer Books**"	:	The share transfer books of the Company
"**Substantial Shareholder**"	:	In relation to the Company, a person who has an interest in one or more voting Shares (excluding treasury shares) in the Company and the total votes attached to that Share, or those Shares, is not less than 5.0% of the total votes attached to all the voting Shares (excluding treasury shares) of the Company
"**WAF**"	:	Application and acceptance form for Warrants to be issued to purchasers of the provisional allotments of Warrants traded on Main Board through the book-entry (scripless) settlement system
"**Warrant Share**"	:	Up to 935,853,464 new Shares to be allotted and issued by the Company, credited as fully paid, upon the exercise of the Warrants, subject to and in accordance with the terms and conditions of the Warrants as set out in the Deed Poll
"**Warrantholders**"	:	Registered holders of Warrants, except that where the registered holder is CDP, the term "**Warrantholders**" shall, in relation to such Warrants and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Warrants
"**Warrants**"	:	Up to 935,853,464 warrants in registered form to be allotted and issued by the Company pursuant to the Rights Issue of Warrants and (where the context admits) such additional warrants as may be required or permitted to be allotted and issued by the Company pursuant to the terms and conditions of the Warrants as set out in the Deed Poll (any such additional Warrants to rank equally and without preference with the Warrants to be issued and for all purposes to form part of the same series of Warrants constituted by the Deed Poll), each Warrant entitling the holder thereof to subscribe for one (1) Warrant Share at the Exercise Price, subject to the terms and conditions of the Warrants as set out in the Deed Poll
"**WEWAF**"	:	Application and acceptance form for Warrants and Excess Warrants to be issued to an Entitled Depositor in respect of the provisional allotments of Warrants of such Entitled Depositor under the Rights Issue of Warrants
"**WIP**"	:	Work-in-progress
"**%**" or "**per cent**"	:	Per centum of percentage
"**S$**" and "**cents**"	:	Singapore dollars and cents, respectively

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in the SFA.

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

Any reference in this Circular 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 or the Listing Manual, or any modification thereof and not otherwise defined in this Circular, shall have the same meaning assigned to it under the Companies Act or the Listing Manual or any modification thereof, as the case may be.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancy within the tables in this Circular between the listed amounts and the totals thereof is due to rounding.

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "if", "would", "should", "could", "may" and "might". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company assumes no obligation to update publicly or revise any forward-looking statement.

ZIWO HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200800853Z)

Board of Directors:

Soh Beng Keng (Lead Independent Director)
Loh Ji Kin (Independent Director)
Ting Chun Yuen (Non-Executive Director)
Tay Wee Kwang (Non-Executive Director)
Koo Ah Seang (Non-Executive Director)

Registered Office:

8 Robinson Road
#13-00 ASO Building
Singapore 048544

29 December 2017

To: The Shareholders of Ziwo Holdings Ltd.

Dear Sir / Madam

(1) THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 935,853,464 WARRANTS AT AN ISSUE PRICE OF S$0.0033 FOR EACH WARRANT, WITH EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) WARRANT SHARE IN THE COMPANY AT THE EXERCISE PRICE OF S$0.010 FOR EACH WARRANT SHARE, ON THE BASIS OF TWO (2) WARRANTS FOR EVERY ONE (1) EXISTING ORDINARY SHARE OF THE COMPANY HELD BY SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED; AND

(2) THE POTENTIAL TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO MR. TAY AND MR. KOO PURSUANT TO THE RIGHTS ISSUE OF WARRANTS.

1. INTRODUCTION

1.1 **EGM.** The Directors are convening an EGM to be held at 10 Anson Road #36-05A International Plaza Singapore 079903 on 15 January 2018 at 3.00 p.m. to seek Shareholders' approval for:

(a) the Rights Issue of Warrants Resolution[1] ("**Resolution 1**");

(b) the Potential Transfer of Controlling Interest Resolution[2] ("**Resolution 2**");

(collectively, the "**Proposed Resolutions**").

Shareholders should note that Resolution 1 and Resolution 2 are inter-conditional, and if any one of Resolution 1 or Resolution 2 is not approved, the other inter-conditional resolution will not be carried.

1.2 **Purpose of this Circular.** The purpose of this Circular is to explain the reasons for, and to provide Shareholders with information relating to, the Proposed Resolutions to be tabled at the EGM.

1.3 **SGX-ST.** The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Circular.

This Circular has been prepared solely for the purposes set out herein and may not be relied upon by any person (other than the Shareholders to whom this Circular is dispatched by the Company) or for any other purpose. If any Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

1 Please refer to Section 2 *(The Rights Issue of Warrants)* of this Circular for further information

2 Please refer to Section 3 (*Potential Transfer of Controlling Interest*) of this Circular for further information

2. THE RIGHTS ISSUE OF WARRANTS

2.1 Basis of the Rights Issue of Warrants

Based on the issued share capital of the Company comprising 467,926,732 Shares as at the Latest Practicable Date, up to 935,853,464 Warrants are proposed to be offered on a renounceable and non-underwritten basis to the Entitled Shareholders at the Issue Price of S$0.0033 for each Warrant, on the basis of two (2) Warrants for every one (1) Share held by the Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

Based on the Issue Price and the Exercise Price, the aggregate cost of subscribing for each Warrant Share upon the exercise of a Warrant is S$0.0133, which represents a discount of approximately 39.55% to the closing price of S$0.022 per Share on 28 September 2017 (being the latest full Market Day on which there were trades in the Shares immediately preceding the date of the Announcement and a discount of approximately 36.67% to the closing price of S$0.021 per Share on the Latest Practicable Date.

The Warrants are payable in full upon acceptance and/or application. The Warrant Shares when allotted and issued upon the exercise of the Warrants shall be fully paid and shall rank equally and without preference in all respects with the then existing Shares save for any dividends, rights, allotments and other distributions that may be declared or paid, the Record Date for which falls before the date of exercise of the Warrants.

Entitled Shareholders will be at liberty to accept (in full or in part), decline or otherwise renounce or trade their provisional allotments of Warrants during the provisional allotment trading period prescribed by the SGX-ST and will be eligible to apply for Excess Warrants under the Rights Issue of Warrants.

Provisional allotments of Warrants which would otherwise have been made to Foreign Shareholders will be dealt with in the manner described in Section 2.4.2 entitled "Foreign Shareholders" of this Circular. In the allotment of Excess Warrants, preference will be given to the rounding of odd lots and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or have representation (direct or through a nominee) on the Board, will rank last in priority.

No underwriting commitment has been arranged with any financial institution for the Rights Issue of Warrants. The Company has decided to proceed with the Rights Issue of Warrants on a non-underwritten basis as the Company believes that the Issue Price for each Warrant and the Exercise Price for each Warrant Share is sufficiently attractive. Further, the Board is of the opinion that there is no minimum amount which must be raised from the Rights Issue of Warrants. Hence, in view of the above and the savings enjoyed for not having to bear underwriting fees, the Company has decided to proceed with the Rights Issue of Warrants on a non-underwritten basis. Pursuant to Rule 820(1) of the Listing Manual, the Rights Issue of Warrants will not be withdrawn after the Warrants have commenced ex-rights trading.

2.2 Principal Terms of the Rights Issue of Warrants

The salient terms of the Rights Issue of Warrants are set out below:

Number of Warrants	:	Up to 935,853,464 Warrants will be issued.
Issue Price	:	S$0.0033 for each Warrant, payable in full on acceptance and/or application.
Basis of provisional allotment	:	Two (2) Warrants for every one (1) existing Shares standing to the credit of the Securities Accounts of Entitled Depositors or held by Entitled Scripholders, as the case may be, as at the Books Closure Date, fractional entitlements to be disregarded.

Form and subscription rights of the Warrants	:	The Warrants will be constituted by the Deed Poll and will be issued in registered form. The Deed Poll sets out, among others, the terms and conditions of the Warrants and may from time to time be amended, supplemented or modified. The Warrants are payable in full on acceptance and/or application by Entitled Shareholders. Each Warrant will, subject to the terms and conditions in the Deed Poll, carry the right to subscribe for one (1) Warrant Share at the Exercise Price within the Exercise Period. The Warrants which remain unexercised on the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.
Size of the Rights Issue of Warrants	:	As at the Latest Practicable Date, the Company has an issued and paid-up share capital comprising 467,926,732 Shares (the "**Existing Share Capital**"). The Company does not have any outstanding convertibles or treasury shares. Based on the Existing Share Capital, up to 935,853,464 Warrants may be issued pursuant to the Rights Issue of Warrants. Assuming that all the 935,853,464 Warrants have been fully subscribed and exercised, the enlarged share capital of the Company will comprise 1,403,780,196 new Shares ("**Enlarged Share Capital**"), in which case, the Warrant Shares will represent 200% of the Existing Share Capital and 66.67% of the Enlarged Share Capital respectively.
Trading of the Warrants and the Warrant Shares	:	Approval in-principle has been obtained from SGX-ST for the listing and quotation of the Warrants and Warrant Shares on the Official List of the Main Board of the SGX-ST on 26 December 2017. Subject to, among others, there being a sufficient spread of holdings of the Warrants, upon listing of and quotation for the Warrants and the Warrant Shares on the Main Board, the Warrants and the Warrant Shares will respectively be traded under the book-entry (scripless) settlement system. Accordingly, the provisional allotment letters to be issued to Entitled Scripholders (as defined below) will not be valid for delivery pursuant to trades done on the SGX-ST. Each board lot of Warrants or Shares (as the case may be) will consist of 100 Warrants or 100 Shares respectively. Shareholders should note that in the event of an insufficient spread of holdings for the Warrants to provide for an orderly market in the trading of the Warrants, the Warrants may not be listed and quoted on the Main Board. As a guide, the SGX-ST expects at least 100 warrantholders for a class of company warrants. Shareholders should note that in the event that permission is not granted by the SGX-ST due to an insufficient spread of holdings for the Warrants to provide for an orderly market in the trading of the Warrants, Warrantholders will not be able to trade their Warrants on the SGX-ST. In such event the Company shall nevertheless proceed with and complete the Rights Issue of Warrants.

Exercise Price	:	The sum payable in respect of each Warrant Share to which the Warrantholder will be entitled to subscribe for upon the exercise of a Warrant, which shall be S$0.010, subject to certain adjustments in accordance with the terms and conditions of the Warrants as set out in the Deed Poll.
Exercise Period	:	The period during which the Warrants may be exercised, being the period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding 36 months from the date of issue of the Warrants, unless such date is a date on which the Register of Members and the Register of Warrantholders is closed and/or is not a Market Day, in which event, the last day of the Exercise Period shall be the immediate preceding Market Day on which the Register of Members and the Register of Warrantholders remain open or the immediate preceding Market Day, as the case may be, subject to the terms and conditions of the Warrants as set out in the Deed Poll. The Warrants which remain unexercised on the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.
Fractional Entitlements	:	Fractional entitlements to the Warrants, if any, will be disregarded in arriving at Entitled Shareholders' entitlements and will, together with the provisional allotments of Warrants which are not taken up or allotted for any reason, be aggregated and used to satisfy Entitled Shareholders' application for Excess Warrants, or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.
Excess Warrants	:	Entitled Shareholders are at liberty to accept, decline or renounce their Rights and will be eligible to apply for the Excess Warrants. In addition, Entitled Depositors will also be eligible to trade their Rights (in full or in part) on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST. Provisional allotments which are not taken up for any reason shall be used to satisfy applications for Excess Warrants or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, subject to applicable laws and the Listing Manual. For the avoidance of doubt, only Entitled Shareholders (and not the purchasers of the Rights or the renouncees) shall be entitled to apply for Excess Warrants.
Scaling down of subscriptions and excess applications ("**Scaling Provisions**")	:	Depending on the level of subscription for the Warrants, the Company will, if necessary, scale down the subscription and/or excess applications for the Warrants by any of the Substantial Shareholders (if such Substantial Shareholder chooses to subscribe for its pro-rata Warrants and/or apply for Excess Warrants) to avoid placing the relevant Substantial Shareholder and parties acting in concert with it (as defined in the Code)) in the position of incurring a mandatory general offer obligation under the Code (when the Warrants are exercised into Warrant Shares) as a result of other Shareholders not taking up their Rights Issue of Warrants entitlement.

Adjustments : The Exercise Price and/or the number of Warrants shall from time to time be adjusted in accordance with the terms and conditions of the Warrants as set out in the Deed Poll. Capitalised terms used herein below shall have the meanings ascribed to them in the Deed Poll:

(i) any consolidation, subdivision (including a subdivision by way of a bonus issue by the Company of Shares credited as fully paid without capitalisation of profits or reserves) or conversion of the Shares; or

(ii) an issue by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature) to its Shareholders (but excluding any issue of Shares made where the Shareholders had an option to receive Shares in lieu of cash or other dividend); or

(iii) a Capital Distribution made by the Company to its Shareholders whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets); or

(iv) an offer or invitation made by the Company to its Shareholders under which they may acquire or subscribe for Shares by way of rights; or

(v) an issue (otherwise than pursuant to an offer or invitation made by the Company to its Shareholders under which they may acquire or subscribe for Shares by way of rights, requiring an adjustment under Condition 3.1(a)(iv), and excluding any issue of Shares made where the Shareholders had an option to receive Shares in lieu of cash or other dividend) by the Company of Shares, if the Total Effective Consideration for each Share is less than ninety per cent. (90%) of the Last Dealt Price for each Share (calculated as provided below).

Any such adjustments will be announced by the Company via an announcement on SGXNET in compliance with the Listing Manual.

Winding up : If a resolution is passed during the Exercise Period for a members' voluntary winding-up of the Company then:

(i) if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warrantholders or some person designated by them for such purpose by special resolution shall be party and shall have approved or assented to by way of a special resolution, the terms of such scheme of arrangement shall be binding on all the Warrantholders and all persons having an interest in the Warrants; and

(ii) in any other case every Warrantholder shall be entitled upon and subject to the terms and conditions of the Deed Poll, at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of the Company by irrevocable surrender of such Warrantholder's or CDP's Warrant Certificate as the case may be to the Company with the exercise form(s) duly completed, together with payment of the relevant Exercise Price, to elect to be treated as if such Warrantholder had immediately prior to the commencement of such winding-up exercised the Warrants to the extent specified in the exercise form(s) and had on such date been the holder of the Warrant Shares to which the Warrantholder would have become entitled pursuant to such exercise and the liquidator of the Company shall, if permitted by law, give effect to such election accordingly.

The Company shall give notice to each Warrantholder in accordance with the terms and conditions to be set out in the Deed Poll of the passing of any such resolution.

Notice of Expiry : The Company shall, no later than one (1) month before the expiry of the Exercise Period, announce the expiry of the Exercise Period on SGXNET. In addition, the Company shall also, no later than one (1) month before the expiry of the Exercise Period, take reasonable steps to notify the Warrantholders in writing of the expiry of the Exercise Period, and such notice shall be delivered by post to the registered address of the Warrantholder as maintained in the Register of Warrantholders.

Transfer and transmission : The Warrants shall be transferable in lots of 100 Warrants or more. A Warrant may only be transferred in the manner prescribed in the terms and conditions of the Warrants as set out in the Deed Poll including, amongst others, the following:

(i) lodgement during normal business hours on any Market Day at the specified office of the Warrant Agent of the relevant Warrant Certificate(s) registered in the name of the Warrantholder together with an instrument of transfer in respect thereof (the "**Transfer Form**"), in the form approved by the Company, duly completed and signed by or on behalf of the Warrantholder and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty provided that the Company and the Warrant Agent may dispense with requiring CDP to sign as transferee any Transfer Form for the transfer of Warrants to it;

(ii) the executors or administrators (or trustees) of the estate of a deceased registered Warrantholder (not being one of several joint holders) and, in the case of the death of one or more of several joint holders, the survivor or survivors of such joint holders shall be the only person(s) recognised by the Company as having any title to the Warrants registered in the name of the deceased Warrantholder. Such persons shall, on producing to the Warrant Agent such evidence as may be required by the Warrant Agent to prove their title, and on the completion of a Transfer Form and payment of the relevant fees and expenses be entitled to be registered as a holder of the Warrants or to make such transfer as the deceased Warrantholder could have made;

(iii) where the Warrants are registered in the name of CDP and the Warrants are to be transferred between Depositors, such Warrants must be transferred in the Depository Register by CDP by way of book-entry; and

(iv) a transferor or Depositor, as the case may be, shall be deemed to remain a Warrantholder until the name of the transferee is entered in the Register of Warrantholders by the Warrant Agent or the Depository Register by CDP, as the case may be.

Further Issues : Subject to the terms and conditions of the Warrants as set out in the Deed Poll, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and to issue further subscription rights, upon such terms and conditions as the Company sees fit but the Warrantholders shall not have any participating rights in such further issues of Shares or subscription rights unless otherwise resolved by the Company in general meeting.

Number of Warrant Shares : Up to 935,853,464 Warrant Shares will be issued upon the full exercise of the Warrants.

Status of Warrant Shares : The Warrant Shares will, upon allotment and issuance, rank equally and without preference in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions that may be declared or paid, the Record Date for which falls before the date of exercise of the Warrants.

Modification of terms of Warrants : The Company may, without the consent of the Warrantholders but in accordance with the terms and conditions of the Warrants as set out in the Deed Poll, effect any modification(s) to the terms and conditions of the Warrants which, in the opinion of the Company:

(i) is not materially prejudicial to the interests of the Warrantholders or is of a formal, technical or minor nature; or

(ii) is to correct a manifest error or to comply with mandatory provisions of Singapore law or the rules and regulations of the SGX-ST; or

(iii) is to vary or replace provisions relating to the transfer or exercise of the Warrants, including the issue of Warrant Shares arising from the exercise thereof or meetings of Warrantholders in order to facilitate trading in or the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on the SGX-ST.

Any such modification shall be binding on the Warrantholders and all persons having an interest in the Warrants and shall be notified to them, as soon as practicable, in accordance with the terms and conditions of the Warrants as set out in the Deed Poll.

Without prejudice to any provision in the Deed Poll, any material alteration to the terms and conditions of the Warrants after the Rights Issue of Warrants to the advantage of Warrantholders and prejudicial to Shareholders must be approved by Shareholders in general meeting, except where the alterations are made pursuant to the terms and conditions of the Warrants as set out in the Deed Poll.

Underwriting	:	The Rights Issue of Warrants is non-underwritten.
Warrant Agent	:	B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544.
Risk Factors	:	Investing in the provisional allotment of Warrants, the Warrants and the Warrant Shares involves risks. Please refer to the "Risk Factors" section of the Offer Information Statement for details on such risks.
Governing Law	:	The terms of the Warrants are governed by the Laws of the Republic of Singapore.

2.3 **Conditions for the Rights Issue of Warrants**

Shareholders should note that the Rights Issue of Warrants is subject to, amongst others, the following conditions:

(a) the receipt of the approval in-principle of the SGX-ST for the dealing in, the listing of and quotation for the Warrants and the Warrant Shares (to be allotted and issued by the Company upon the exercise of the Warrants) on the Main Board and such approval in-principle not having been withdrawn or revoked as at the date of completion of the Rights Issue of Warrants;

(b) the Rights Issue of Warrants being approved by the Shareholders at the EGM; and

(c) the lodgement of the Offer Information Statement in respect of the Rights Issue of Warrants and its accompanying documents with the Authority in accordance with the provisions of the SFA.

On 26 December 2017, the Company received approval in-principle from the SGX-ST for the listing of and quotation for the Warrants and the Warrant Shares on the Official List of the SGX-ST, subject to:

(a) compliance with the SGX-ST's listing requirements;

(b) Shareholders' approval for the Rights Issue of Warrants;

(c) a written undertaking from the Company that it will comply with Listing Rules 704(3), 815 and 1207(20) in relation to the use of the proceeds from the Rights Issue and exercise of Warrants and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;

(d) a written confirmation from the Company that there is a satisfactory spread of Warrant holders (at least 100) to provide an orderly market for the Warrants in compliance with Listing Rule 826;

(e) a written confirmation from the Company that the terms of the Warrant issue do not permit revision of the exercise price/ratio in any form, other than in compliance with Listing Rule 829(1);

(f) a written confirmation from the Company that Listing Rule 877(10) will be complied with in relation to the allotment of any Excess Warrants; and

(g) a written undertaking from the Company that Listing Rules 820, 830 and 831 will be complied with.

The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Issue of Warrants, the Warrants, the Warrant Shares, the Company and/or its subsidiaries.

2.4 **Eligibility of Shareholders to Participate in the Rights Issue of Warrants**

2.4.1 **Entitled Shareholders**

Entitled Shareholders are entitled to participate in the Rights Issue of Warrants and to receive the Offer Information Statement together with the PAL and WAF or WEWAF, as the case may be, and other accompanying documents at their respective Singapore addresses. Entitled Shareholders will be provisionally allotted the Warrants on the basis of their shareholdings as at the Books Closure Date, Fractional Entitlements to be disregarded.

Entitled Depositors who do not receive the Offer Information Statement and the WAF or WEWAF may obtain them from CDP, the Share Registrar or any stockbroking firm during the period from the date the Rights Issue of Warrants commences up to the Closing Date. Entitled Scripholders who do not receive the Offer Information Statement and the PAL may obtain them from the Share Registrar during the period from the date the Rights Issue of Warrants commences up to the Closing Date.

Entitled Shareholders will be provisionally allotted the Warrants under the Rights Issue of Warrants on the basis of their shareholdings as at the Books Closure Date. Entitled Shareholders are at liberty to accept (in full or in part), decline, renounce or, in the case of Entitled Depositors only, trade on Main Board during the provisional allotment trading period prescribed by the SGX-ST their provisional allotments of Warrants, and are eligible to apply for additional Warrants in excess of their provisional allotments.

All dealings in, and transactions of, the provisional allotments of Warrants through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs which are issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the SGX-ST.

Entitled Depositors should note that all correspondence and notices will be sent to their last registered addresses with CDP. Entitled Depositors are reminded that any request to CDP to update their records or to effect any change in address must reach CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, at least three (3) Market Days before the Books Closure Date.

Entitled Scripholders should note that all correspondence and notices will be sent to their last registered addresses with the Company. Entitled Scripholders are reminded that any request to the Company to update their records or effect any change in address must reach the Company c/o the Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, not later than three (3) Market Days before the Books Closure Date. Entitled Scripholders are encouraged to open Securities Accounts if they have not already done so and to deposit such share certificates with CDP prior to the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and their provisional allotments of Warrants. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the 12th Market Day from the date of lodgement of the share certificates with CDP or such other date as CDP may determine.

All Fractional Entitlements to the Warrants will be disregarded in arriving at the entitlements of the Entitled Shareholders and will, together with the entitlements not allotted or taken up for any reason, be aggregated and issued to satisfy applications, if any, for Excess Warrants, or dealt with in such manner as the Directors in their absolute discretion deem fit. In the allotment of Excess Warrants, preference will be given to the rounding of odd lots and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company, or have representation (direct or through a nominee) on the Board, will rank last in priority.

2.4.2 **Foreign Shareholders**

The Offer Information Statement and its accompanying documents will not be lodged, registered or filed in any jurisdiction other than Singapore. The Offer Information Statement and the accompanying documents may be prohibited or restricted (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of relevant securities legislation applicable in countries other than in Singapore, the Offer Information Statement and the accompanying documents will not be despatched to Foreign Shareholders, or to any jurisdictions outside Singapore.

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue of Warrants. No provisional allotment of Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application therefor by Foreign Shareholders will be valid.

The Company reserves the right to treat as invalid any WAF, WEWAF or PAL which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction; (b) provides an address outside Singapore for the receipt of the warrant certificates(s) for the Warrants or which requires the Company to despatch the warrant certificate(s) to an address in any jurisdiction outside Singapore; or (c) purports to exclude any deemed representation or warranty. The Company further reserves the right to reject any acceptances of the Warrants and/or applications for Excess Warrants where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction. Shareholders (not being Depositors) who do not presently have an address in Singapore for the service of notices and documents and who wish to be eligible to participate in the Rights Issue of Warrants should provide such an address in Singapore not later than three (3) Market Days before the Books Closure Date by notifying the Company c/o the Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO

Building, Singapore 048544. Depositors whose registered addresses with CDP are not in Singapore and who wish to be eligible to participate in the Rights Issue of Warrants should provide an address in Singapore for the service of notices and documents not later than three (3) Market Days before the Books Closure Date by notifying CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.

If it is practicable to do so, arrangements may, at the sole discretion of the Company, be made for the provisional allotment of Warrants which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold "nil-paid" on the SGX-ST as soon as practicable after dealings in the provisional allotment of Warrants commence. Such sales will, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by means of a crossed cheque drawn on a bank in Singapore by ordinary post, where the amount of net proceeds to be distributed to any single Foreign Shareholder is not less than S$20.00. In the event the amount is less than S$20.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, CDP or the Share Registrar and their respective officers in connection therewith.

Where such provisional allotment of Warrants are sold "nil-paid" on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, CDP or the Share Registrar and their respective officers in respect of such sales or the proceeds thereof, the provisional allotment of Warrants or the Warrants represented by such provisional allotments.

If such provisional allotment of Warrants cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotment of Warrants, the Warrants represented by such provisional allotment will be allotted and issued to satisfy excess applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, CDP or the Share Registrar and their respective officers in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

Notwithstanding the above, Shareholders and any other person having possession of the Offer Information Statement and its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. **No person in any jurisdiction outside Singapore receiving the Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Warrants unless such offer, invitation or solicitation could lawfully be made without violating any regulatory or legal requirements in those jurisdictions.**

2.5 **Placement**

Placement Agreement

As disclosed in the announcement dated 22 May 2017 ("**May 2017 Announcement**"), pursuant to a conditional placement agreement dated 22 May 2017 ("**Placement Agreement**") entered into between the Company and Asia Hausse Investments Pte. Ltd. ("**Subscriber**") the Company agreed to allot and issue up to 87,503,436 Shares ("**Aggregate Placement Shares**" and each a "**Placement Share**") in tranches for an aggregate of up to S$4.0 million (but subject to a minimum of S$1.0 million), upon the terms and subject to the conditions of the Placement Agreement ("**Placement**").

The Company may, in its sole discretion, at any time and from time to time during the 12-month period commencing from the date of the Placement Agreement (being 22 May 2017), issue any number of written notices ("**Placement Requests**") to the Subscriber requesting the Subscriber to subscribe for, and upon receipt of such Placement Requests the Subscriber shall subscribe for, such number of Placement Shares set out in the Placement Requests PROVIDED THAT:

(a) each Placement Request shall be for no more than S$200,000 or such other amount as the parties may mutually agree in writing;

(b) the aggregate number of Placement Shares issued and allotted by the Company to the Subscriber pursuant to all Placement Requests shall not exceed the Aggregate Placement Shares;

(c) the aggregate subscription moneys paid by the Subscriber for the Placement of the Placement Shares pursuant to all Placement Requests shall not exceed S$4.0 million; and

(d) in the event the Subscriber has paid an aggregate of S$1.0 million of subscription moneys to the Company pursuant to the Placement, the Subscriber shall have the right to refuse to subscribe for any further Placement Shares when requested.

Issue Price

The issue price of the Placement Shares shall be at a discount of 10% to: (a) the volume weighted average price for trades done on the Shares on the SGX-ST for the full market day on which a Placement Request is issued by the Company; or (b) if trading in the Shares on the SGX-ST is not available for a full market day on which a Placement Request is issued by the Company, the volume weighted average price for trades done on the Shares on the SGX-ST on the full market day preceding the date a Placement Request is issued by the Company.

Placement Shares

As disclosed in the May 2017 Announcement, the Aggregate Placement Shares (if allotted and issued fully) will represent 20.00% of the issued and paid-up share capital of the Company as at the date of the entry of the Placement Agreement, comprising 437,517,184 Shares. To clarify, the Aggregate Placement Shares (if allotted and issued fully), will constitute approximately 16.67% of the enlarged issued and paid-up share capital of the Company following full allotment and issue of the Aggregate Placement Shares, comprising 525,020,620 Shares.

The Subscriber

The Subscriber is a business management and investment holding company, with investments in Southeast Asia, China and Korea. Its sole director and shareholder is Mr. Lin Sin Hoe ("**Mr. Lin**"). Mr. Lin presently also serves as an Executive Director of East Asia Holdings Investment Limited, a KOSDAQ-listed company. Mr. Lin was formerly the Executive Director of two other SGX-listed companies: See Hup Seng Limited (September 2002 to March 2004) and Japan Asia Limited (December 2001 to May 2004). There is no relationship between the Subscriber, its director or shareholder, with the Company's directors or substantial shareholders or their respective associates. Please refer to the May 2017 Announcement for further details relating to the Subscriber.

Use of Proceeds from the Placement

As at the Latest Practicable Date, the Company has issued and allotted 30,409,548 Placement Shares to the Subscriber, such Placement Shares constitutes approximately 6.50% of the Existing Share Capital. The Company has raised an amount of S$800,000 (approximately RMB3,935,000) from the allotment and issue of such 30,409,548 Placement Shares, in the following manner:

Date of Placement Requests	Total Placement Shares allotted	Issue Price per Placement Share	Total Subscription Amount
22 May 2017 (comprising 2 Placement Requests)	14,814,814	S$0.0270	S$400,000
23 June 2017	7,824,726	S$0.02556	S$200,000
25 July 2017	7,770,008	S$0.02574	S$200,000
Total	**30,409,548**	**–**	**S$800,000**

As disclosed in the May 2017 Announcement, the gross proceeds raised pursuant to the Placement will be used for working capital and general corporate purposes. As of the Latest Practicable Date, the proceeds raised from the Placement amounting to S$800,000 (approximately RMB3,935,000) has been utilised in the following manner:

Description[1]	Amount (RMB'000)
Total Subscription Amount to-date	**3,935**
Use of Proceeds	
Listing Fees	(378)
Operating Expenses[2]	(1,384)
Legal and other fees	(68)
General corporate expenses[3]	(1,026)
Balance (Unutilised)	**1,079**

Notes:

(1) The use of proceeds disclosed herein is consistent with the Company's announcements dated 14 August 2017 and 14 November 2017 respectively relating to the unaudited financial statement for (i) the second quarter and the six months ended 30 June 2017 (paragraph 8(v)); and (ii) the third quarter and nine months ended 30 September 2017 (paragraph 8(v)).

(2) Comprising professional fees, administrative expenses, and salaries etc.

(3) RMB1,026,000 was utilised to make partial payment to the vendors (comprising Mr. Koo, Mr. Tay and Eesti Global Pte. Ltd.) for the Company's acquisition of 20.0% shareholding interest in EStar. The Board is of the view that such utilisation is for general corporate purposes which enabled the Company to partially fulfil its obligation relating to the acquisition of a controlling interest in EStar.

Outstanding Placement Shares

The Company has confirmed that from the Latest Practicable Date until the Books Closure Date, the Company will not issue any Placement Requests to the Subscriber.

2.6 Rationale and Use of Proceeds

2.6.1 Rationale

The Directors believe that the Rights Issue of Warrants will provide the Warrantholders with the opportunity to further participate in the equity of the Company by subscribing for Warrant Shares through the exercise of the Warrants. In addition, the Directors believe that the proceeds arising from the Rights Issue of Warrants and through the exercise of the Warrants (as and when exercised), will (i) expand and strengthen the capital base of

the Company, (ii) provide additional resources for business expansion and diversification of income streams, and (iii) confer additional financial flexibility on the Company and enable it to respond proactively to strategic business opportunities and working capital requirements, as necessary.

Further, the Warrant Shares, when issued, are expected to improve the liquidity in the trading of the Company's Shares.

As at the Latest Practicable Date, the total number of Shares held in public hands constitutes approximately 66.34% of the Existing Share Capital, the details of which are as set out below:

Number of Shares held by Directors	**Total Shares**	**Deemed Interest**	**Direct Interest**	**Total Shareholding (%)[1]**
Directors				
Ting Chun Yuen		40,079,920[2]	850,000	8.75%
Tay Wee Kwang		–	35,101,000	7.50%
Koo Ah Seang		–	31,484,000	6.73%
Soh Beng Keng		–	200,000	0.04%
Substantial Shareholder (other than Directors)				
Hoi Cheng Pan[3]		49,802,864[3]		10.64%
Total	**157,517,784**			**33.66%**
No. of Shares held by Public	**310,408,948**			**66.34%**
TOTAL	**467,926,732**			**100.00%**

Notes:

(1) The percentage of the Shares is computed based on the Existing Share Capital.

(2) The 40,079,920 Shares are directly held by Sky Upright Holdings Limited ("**Sky Upright**"), an investment company incorporated in the British Virgin Islands and wholly-owned by Mr. Ting Chun Yuen. Mr. Ting Chun Yuen is deemed to be interested in all Shares held by Sky Upright by virtue of Section 7 of the Companies Act.

(3) Mr. Hoi Cheng Pan is deemed interested in 49,802,864 Shares held under the name of Philip Securities Pte. Ltd.

In addition, following the allotment and issue of 30,409,548 Placement Shares under the Placement Agreement, a total subscription amount of RMB1.079 million ("**Balance Subscription Proceeds**") remains available for utilisation as of the Latest Practicable Date (see Section 2.5 of this Circular for further information). The Board anticipates that the Balance Subscription Proceeds will be utilised to fund the working capital and general corporate purposes (as disclosed by the Company in its announcement dated 22 May 2017). The Company will make periodic announcements on the utilisation of such Balance Subscription Proceeds, after such proceeds are materially disbursed.

Further, the Company is entitled to request that the Subscriber subscribes for up to 57,093,888 of the remaining Placement Shares under the Placement Agreement at the issue price to be determined based on the terms of the Placement Agreement[3], provided that the Placement Requests issued by the Company in respect of any subscription amount exceeding S$1.0 million is not refused by the Subscriber in accordance with its rights under the Placement Agreement.

3 Please refer to Section 2.5 of the Circular for information.

Notwithstanding the above, taking into account (i) the listing fees[4] and professional expenses associated with each round of Placement Shares subscription following the issue of Placement Request(s) by the Company; and (ii) the lack of certainty as to whether the Subscriber will elect to refuse to subscribe for additional Placement Shares pursuant to the Placement Request(s) issued by the Company in respect of any subscription amount exceeding S$1.0 million (the Company has already issued Placement Requests for an amount of S$800,000 as of the Latest Practicable Date), the Directors believe that the Rights Issue of Warrants accords the Company with a feasible fund raising option and is in the best interests of the Company.

2.6.2 **Funds to be Raised**

In the Maximum Subscription Scenario, the net proceeds from the subscription of the Warrants ("**Net Proceeds**") will amount to approximately S$2.94 million after deducting professional fees as well as related expenses of approximately S$150,000.

Assuming that all Warrants subscribed are exercised, the Company will raise additional proceeds ("**Exercise Proceeds**") of approximately S$9.36 million in the Maximum Subscription Scenario.

There is no minimum amount to be raised from the Rights Issue of Warrants.

2.6.3 **Use of Proceeds**

The Company intends to use the Net Proceeds and the Exercise Proceeds in the following manner[5]:

Proceeds	Utilisation	Percentage
Net Proceeds	To fund the Group's pursuit of strategic business opportunities or general corporate purposes (including any business expansion, investments, acquisition opportunities, entering into strategic alliances and/or joint ventures, as and when such opportunities arise).(1)(2)	70%
	To fund the Group's general working capital purposes.	30%
Exercise Proceeds	To fund the Group's pursuit of strategic business opportunities or general corporate purposes (including any business expansion, investments, acquisition opportunities, entering into strategic alliances and/or joint ventures, as and when such opportunities arise).(2)	70%
	To fund the Group's general working capital purposes.	30%

Notes:

In respect of the intended use of Net Proceeds and Exercise Proceeds to fund the Group's pursuit of strategic business opportunities or general corporate purposes, please note the following:

(1) As of the Latest Practicable Date, the Company had acquired 65.0% shareholding interest in EStar in two (2) tranches. In respect of the acquisition of 20% shareholding interest in the second tranche from the three vendors (comprising Mr. Tay, Mr. Koo and Eesti Global Pte. Ltd.), the shares constituting 20.0% shareholding interest in EStar had been transferred to the Company in July 2017, following which, the Company effectively

4 A minimum listing fee of S$30,000 payable to the SGX-ST is required for each round of additional listing application relating to the listing of and quotation for the Placement Shares subscribed by the Subscriber.

5 This intended use of Net Proceeds and Exercise Proceeds disclosed herein differs from the disclosure made by the Company in the Announcement. The Board has, following its further deliberation after the Announcement, affirmed that the intended use of Net Proceeds and Exercise Proceeds shall be as per disclosed in this Circular (which shall also be reflected in the Offer Information Statement).

owns 65.0% of the total shareholding in EStar. Despite such transfers, an amount of S$259,620 and S$109,020 remain outstanding and payable to Mr. Tay and Mr. Koo respectively as consideration outstanding. Therefore, an amount equivalent to such outstanding consideration from the Net Proceeds will be utilised to pay Mr. Tay and Mr. Koo respectively. The Board is of the view that such utilisation is for general corporate purposes which would enable the Company to complete the acquisition of a controlling interest in EStar.

(2) The Company has been making losses in the last 2 years with the existing business. As disclosed in the circular dated 11 December 2017, the Company is proposing and will be seeking Shareholders' approval on 2 January 2017 to diversify its core business to that of green energy, specifically on activities that promote personal mobility and reduce carbon emissions, which may include one or more of the following:

(a) assembling, marketing and/or distributing electric motorcycles (not to be confused with electric bicycles);

(b) assembling, installation, marketing and selling of electric vehicle charging equipment; and

(c) acquiring associate interests (<51.0%) and/or controlling interests (>51.0%) in green energy related assets and/or businesses,

(collectively, the "**New Business**"). The focus areas of the New Business are likely to be in the Asia Pacific region, particularly ASEAN and China. The Board believes that the New Business will make available to the Group activities that could provide stream(s) of income and hence enhance the Group's business performance and shareholder value.

The funds raised pursuant to the Rights Issue of Warrants for the pursuit of strategic business opportunities or general corporate purposes is expected to be used to propel and fund the various initiatives forward relating to the Company's effort to turn the situation around, which includes without limitation, providing the necessary funding to:

(i) EStar in respect of the strategic collaboration entered into by EStar (through its subsidiary, Beijing E-Star with a Chinese property developer on 29 March 2017 relating to the building of 160 charging stations for electric vehicles in China's Huizhou city. In the third quarter of the financial year ended 31 December 2017, work relating to the installation of several 7KW AC chargers and 40KW AC chargers for testing has commenced.

(ii) EStar in respect of the joint venture named 四川汉舟宝充科技有限公司 ("**Sichuan JV**") established by its subsidiary, Beijing-Estar, with 汉舟投资有限公司 (Haboat Investments) and 成都亚能投资有限公司 (Chengdu Yaneng) to build electric vehicle chargers for sale in Sichuan and other provinces in southern China, as a move to expand its foothold in the world's largest electric automobile market. The Sichuan JV's first project is the installation of 120 charging stations at a 600 unit residential development in Chengdu built by 四川省恒瑞实业有限公司 (Sichuan Heng Rui Industrial).

(iii) BM Mobility Sdn Bhd ("**BMM**"), the Malaysia incorporated wholly-owned subsidiary of EStar, in respect of its strategic business movements, acquisition opportunities, as and when the opportunities arise. On 4 September 2017, BMM entered into a dealership agreement with GYH E-Vehicle Sdn Bhd to market and sell electric motor scooters made by Hong Kong-listed Yadea Group Holdings Ltd in Malaysia.

As at the Latest Practicable Date, the shareholders of EStar are the Company (65%), Mr. Tay (23.31%), Mr. Koo (10.01%) and Eesti Global Pte. Ltd. (1.68%). EStar in turn owns 84.0% shareholding of Beijing E-Star through a wholly foreign owned entity (威海新能管理咨询有限公司), whilst the remaining 16.0% shareholding in Beijing E-Star is owned by Mr. William Zheng Wei (who is not related to any director, the chief executive officer or substantial shareholder (or their respective associates) of the Company. Please refer to the circular of the Company dated 11 December 2017 for further information in relation to, *inter alia,* EStar, Beijing-EStar, BMM and the New Business.

For the avoidance of doubt, the Company will provide the necessary funding to satisfy, partially or fully, the funds required for the relevant corporate and business activities of EStar, which may be undertaken by itself or through its subsidiaries. The funds may be provided by way of shareholders' advancement or otherwise, based on terms and conditions to be agreed upon between the Company and (i) the other shareholders of EStar; and (ii) insofar as Beijing E-Star or SiChuan JV is concerned, the other shareholders of Beijing E-Star or SiChuan JV, as the case may be.

As and when any significant amount of the Net Proceeds or Exercise Proceeds is deployed, the Company will make the necessary announcements and subsequently provide a status report on the use of such proceeds and any material deviation therefrom in its annual report.

Pending the deployment of the Net Proceeds and the Exercise Proceeds for the uses identified above, the Net Proceeds and the Exercise Proceeds may be placed as deposits with financial institutions or invested in short-term money market or debt instruments or for any other purposes on a short-term basis as the Directors may deem fit.

2.7 **Adequacy of Working Capital**

The Directors are of the opinion that:

(a) there is no minimum amount which must be raised from the Rights Issue of Warrants; and

(b) after taking into consideration the Group's present funding facilities, the working capital available to the Group is sufficient for the Group to meet its present requirements and continue to operate as a going concern. Nevertheless, the Company is undertaking the Rights Issue of Warrants to strengthen its financial position.

No Shareholder (whether controlling, substantial or otherwise) has provided an undertaking to subscribe for its respective entitlement under the Rights Issue of Warrants. Accordingly, there is no assurance that any amount will be raised, if at all, from the Rights Issue of Warrants.

3. POTENTIAL TRANSFER OF CONTROLLING INTEREST

As at the Latest Practicable Date, each of Mr. Tay and Mr. Koo holds 35,101,000 Shares and 31,484,000 Shares respectively, representing approximately 7.50% and 6.73% respectively of the total issued and paid-up share capital of the Company.

Both Mr. Tay and Mr. Koo have indicated their respective interest to the Board to subscribe and pay for, and/or procure the subscription and payment for, their respective pro-rata entitlement of 70,202,000 and 62,968,000 Warrants under the Rights Issue of Warrants ("**Indications of Interest**").

In the event that Mr. Tay and Mr. Koo subscribe for their respective entitlements for the Warrants in full and exercise all such Warrants into Warrants Shares, and under the scenario where all other Entitled Shareholders do not subscribe for any Warrants under the Rights Issue of Warrants ("**Relevant Subscription Scenario**"), the shareholding interest of both Mr. Tay and/or Mr. Koo may increase to more than 15% of the enlarged share capital of the Company after the Rights Issue of Warrants. In such event, Mr. Tay and/or Mr. Koo may accordingly become controlling shareholder(s) of the Company within the meaning of the Listing Manual. Pursuant to Rule 803 of the Listing Manual, specific Shareholders approval is required for the Company to undertake the Rights Issue of Warrants which may potentially result in the transfer of controlling interest in the Company pursuant to the issuance of securities.

As such, the Company is seeking specific Shareholders' approval in relation to the Potential Transfer of Controlling Interest Resolution at the EGM.

For illustrative purpose only, the shareholding effect of the Rights Issue of Warrants is set out below:

Shareholder	Before Rights Issue of Warrants		After Rights Issue of Warrants (Maximum Subscription Scenario)		After Rights Issue of Warrants (Relevant Subscription Scenario)	
	Number of Shares	Shareholding (%)[1]	Number of Shares	Shareholding %[2]	Number of Shares	Shareholding %[3]
Mr. Tay	35,101,000	7.50	105,303,000	7.50	105,303,000	17.52
Mr. Koo	31,484,000	6.73	94,452,000	6.73	94,452,000	15.71

Notes:

(1) The shareholding interest has been computed based on the existing share capital comprising 467,926,732 Shares.

(2) The shareholding interest has been computed based on the enlarged share capital comprising 1,403,780,196 Shares, assuming all Warrants subscribed under the Maximum Subscription Scenario are exercised into Warrants Shares.

(3) The shareholding interest has been computed based on the enlarged share capital comprising 601,096,732 Shares, assuming all Warrants subscribed by Mr. Tay and Mr. Koo under the Relevant Subscription Scenario are exercised into Warrants Shares.

For the avoidance of doubt, the Company may, by virtue of the Scaling Provisions, if necessary, scale down the subscription and/or excess applications for the Warrants by any of the Substantial Shareholders (including Mr. Tay and/or Mr. Koo), if such Substantial Shareholder chooses to subscribe for its pro-rata Warrants and/or apply for Excess Warrants, to avoid placing the relevant Substantial Shareholder and parties acting in concert with it (as defined in the Code)) in the position of incurring a mandatory general offer obligation under the Code (when the Warrants are exercised into Warrant Shares) as a result of other Shareholders not taking up their Rights Issue of Warrants entitlement.

In addition, Mr. Tay and Mr. Koo have further confirmed with the Company that in the event that they choose to subscribe for their respective pro-rata Warrants and/or apply for Excess Warrants, they will only exercise their Warrants subscribed pursuant to the Rights Issue of Warrants to the extent that their aggregate voting rights in the Company will not amount to or exceed the 30.00% threshold as not to potentially incur a mandatory general offer obligation under the Code.

For the avoidance of doubt, the Indications of Interest by Mr. Tay and Mr. Koo as well as the Potential Transfer of Controlling Interest Resolution to be sought do not amount to undertakings by Mr. Tay and/or Mr. Koo to subscribe for their pro-rata entitlement to the Warrants under the Rights Issue of Warrants. There are no obligations on their part to take up, pay, or procure the subscription or payment for their pro-rata entitlement under the Rights Issue of Warrants.

As of the Latest Practicable Date, Mr. Tay and Mr. Koo have not reached an agreement as to how the exercise of the Warrants will be undertaken among them for the purposes of ensuring that their aggregate shareholding will not, upon the exercise of the Warrants, amount to or exceed 30.00%. For illustrative purposes only, under the Relevant Subscription Scenario, assuming Mr. Tay and Mr. Koo desire to limit their aggregate shareholding interest to 29.00%, they will be entitled to exercise up to 97,343,312 Warrants (for up to 97,343,312 Warrant Shares).

For illustration purposes only, the shareholding interest of Mr. Tay and Mr. Koo under the Relevant Subscription Scenario, assuming the exercise of up to 97,343,312 Warrants will be undertaken by Mr. Tay and Mr. Koo:

(i) on an equal basis among them is set out in Part II of the table below; and

(ii) on a pro-rata basis based on their existing shareholding in the Company is set out in Part III of the Table below.

	(I)		(II)		(III)	
Shareholder	**Before Rights Issue of Warrants**		**After Rights Issue of Warrants (Relevant Subscription Scenario, on an equal basis)**		**After Rights Issue of Warrants (Relevant Subscription Scenario, on a pro-rata basis)**	
	Number of Shares	**Shareholding (%)[1]**	**Number of Shares**	**Shareholding %[2]**	**Number of Shares**	**Shareholding %[3]**
Mr. Tay	35,101,000	7.50	83,772,656	14.82	86,406,330	15.29
Mr. Koo	31,484,000	6.73	80,155,656	14.18	77,521,982	13.71
Total	66,585,000	14.23	163,928,312	29.00	163,928,312	29.00

Notes:

(1) The shareholding interest has been computed based on the Existing Share Capital comprising 467,926,732 Shares.

(2) The shareholding interest has been computed based on the enlarged share capital comprising 565,270,044 Shares, assuming 97,343,312 of the Warrants subscribed by Mr. Tay and Mr. Koo under the Relevant Subscription Scenario are exercised into Warrants Shares on an equal basis between them.

(3) The shareholding interest has been computed based on the enlarged share capital comprising 565,270,044 Shares, assuming 97,343,312 of the Warrants subscribed by Mr. Tay and Mr. Koo under the Relevant Subscription Scenario are exercised into Warrants Shares on a pro-rata basis between them based on their existing shareholding interest in the Company (i.e. 52.71% by Mr. Tay and 47.29% by Mr. Koo).

Please note that the shareholding interest of Mr. Tay and Mr. Koo under the Relevant Subscription Scenario as set out in the table above is only for illustrative purposes only. Should they decide to exercise their Warrants under the Relevant Subscription Scenario on a different ratio (namely, other than on an equal basis or on a pro-rata basis) or that the exercise of Warrants will be made to achieve a shareholding interest other than 29.00% (but in an any event not amount to or exceeding 30.00%), the shareholding interest of Mr. Tay and Mr. Koo respectively will differ from those set out in the table above.

4. FINANCIAL EFFECTS OF THE RIGHTS ISSUE OF WARRANTS

The financial effects of the Rights Issue of Warrants as presented herein:

(a) are for illustrative purposes only and are not a projection of the actual future financial performance or financial position of the Group immediately after the completion of the Rights Issue of Warrants; and

(b) are based on the Group's audited financial statements for the financial year ended 31 December 2016 ("**FY2016**") and the Group's unaudited financial statements for the half financial year ended 30 June 2017 ("**HY2017**").

4.1 Share Capital

As at the Latest Practicable Date, there are no other share options or convertible securities under which the Company has an obligation to issue additional Shares.

		Maximum Subscription Scenario	
HY2017	**No. of Shares**	**S$**	**S$**
Issued Share capital as at 30 June 2017	452,331,998		39,761,531
Add: Warrant Shares arising from the exercise of all Warrants	935,853,464		12,296,850
- Issued Share Capital raised from Warrants issue		2,938,316[(1)]	
- Issued Share Capital raised from conversion of all Warrants		9,358,534	
Issued share capital after the Warrants Issue and the exercise of all Warrants	1,388,185,462		52,058,381

Note:

(1) $150,000 for fees in connection with the Rights Issue of Warrants.

		Maximum Subscription Scenario	
FY2016	**No. of Shares**	**S$**	**S$**
Issued Share capital as at 31 December 2016	373,717,184		38,129,840
Add: Warrant Shares arising from the exercise of all Warrants	935,853,464		12,296,850
- Issued Share Capital raised from Warrants issue		2,938,316[(1)]	
- Issued Share Capital raised from conversion of all Warrants		9,358,534	
Issued share capital after the Warrants issue and the exercise of all Warrants	1,309,570,648		50,426,691

Note:

(1) $150,000 for fees in connection with the Rights Issue of Warrants.

4.2 NAV per Share

Assuming that the Rights Issue of Warrants had been completed on 30 June 2017, the NAV per Share as at 30 June 2017, after adjusting for the issuance of the Warrants and exercise of all Warrants is as follows:

	As at 30 June 2017 Maximum Subscription Scenario
NAV (S$)	9,911,009
Add: Adjustments for net proceeds from Rights Issue of Warrants (before the exercise of any Warrants) (S$)	2,938,316
Adjusted NAV after Rights Issue of Warrants but before the exercise of any Warrants (S$)	12,849,326
Add: Adjustments for net proceeds from the exercise of all Warrants (S$)	9,358,535
Adjusted NAV after Rights Issue of Warrants and the exercise of all Warrants (S$)	22,207,861
NAV per Share	
Total number of Shares before Rights Issue of Warrants	452,331,998
NAV per Share before Rights Issue of Warrants (S$ cents)	0.02
Total number of Shares after Rights Issue of Warrants but before the exercise of any Warrants	452,331,998
Adjusted NAV per Share after Rights Issue of Warrants but before the exercise of any Warrants (S$ cents)	0.02
Total number of Shares after Rights Issue of Warrants and after the exercise of all Warrants	1,388,185,462
Adjusted NAV per Share after Rights Issue of Warrants and after the exercise of all Warrants (S$ cents)	0.007

Assuming that the Rights Issue of Warrants had been completed on 31 December 2016, the NAV per Share as at 31 December 2016, after adjusting for the issuance of the Warrants and exercise of all Warrants is as follows:

	As at 31 December 2016 Maximum Subscription Scenario
NAV (S$)	17,663,989
Add: Adjustments for net proceeds from Rights Issue of Warrants (before the exercise of any Warrants) (S$)	2,988,316
Adjusted NAV after Rights Issue of Warrants but before the exercise of any Warrants (S$)	20,652,306
Add: Adjustments for net proceeds from the exercise of all Warrants (S$)	9,358,535
Adjusted NAV after Rights Issue of Warrants and the exercise of all Warrants (S$)	30,010,840

	As at 31 December 2016 Maximum Subscription Scenario
NAV per Share	
Total number of Shares before Rights Issue of Warrants	373,717,184
NAV per Share before Rights Issue of Warrants (S$ cents)	0.05
Total number of Shares after Rights Issue of Warrants but before the exercise of any Warrants	373,717,184
Adjusted NAV per Share after Rights Issue of Warrants but before the exercise of any Warrants (S$ cents)	0.05
Total number of Shares after Rights Issue of Warrants and after the exercise of all Warrants	1,309,570,648
Adjusted NAV per Share after Rights Issue of Warrants and after the exercise of all Warrants (S$ cents)	0.01

4.3 **Gearing**

Assuming that the Rights Issue of Warrants had been completed on 30 June 2017, the gearing after adjusting for the issuance of the Warrants and exercise of all Warrants is as follows:

	As at 30 June 2017 Maximum Subscription Scenario
Total Borrowings[(1)] (S$)	0
Shareholders' Equity[(2)] before Rights Issue of Warrants (S$)	9,911,009
Add: Net proceeds from Rights Issue of Warrants (before the exercise of any Warrants) (S$)	2,988,316.43
Adjusted Shareholders' Equity after Rights Issue of Warrants but before the exercise of any Warrants (S$)	12,899,325.91
Add: Proceeds from the exercise of all Warrants (S$)	9,358,534.64
Adjusted Shareholders' Equity after Rights Issue of Warrants and after the exercise of all Warrants (S$)	22,257,860.55
Gearing[(3)] (times)	
Before Rights Issue of Warrants	N.A.[(4)]
After Rights Issue of Warrants but before the exercise of any Warrants	N.A.[(4)]
After Rights Issue of Warrants and after the exercise of all Warrants	N.A.[(4)]

Notes:

(1) "**Total Borrowings**" refer to aggregate of the Group's liabilities arising from borrowings from banks and other financial institutions

(2) "**Shareholders' Equity**" refers to the aggregate amount of issued and paid-up share capital and reserves of the Group

(3) "**Gearing**" is defined as the ratio of the Group's Total Borrowings to Shareholders' Equity

(4) "**N.A.**" means not applicable.

Assuming that the Rights Issue of Warrants had been completed on 31 December 2016, the gearing after adjusting for the issuance of the Warrants and exercise of all Warrants is as follows:

	As at 31 December 2016 Maximum Subscription Scenario
Total Borrowings[1] (S$)	0
Shareholders' Equity[2] before Rights Issue of Warrants (S$)	17,663,989
Add: Net proceeds from Rights Issue of Warrants (before the exercise of any Warrants) (S$)	2,998,316
Adjusted Shareholders' Equity after Rights Issue of Warrants but before the exercise of any Warrants (S$)	20,652,306
Add: Proceeds from the exercise of all Warrants (S$)	9,358,535
Adjusted Shareholders' Equity after Rights Issue of Warrants and after the exercise of all Warrants (S$)	30,010,840
Gearing[3] (times)	
Before Rights Issue of Warrants	N.A.[4]
After Rights Issue of Warrants but before the exercise of any Warrants	N.A.[4]
After Rights Issue of Warrants and after the exercise of all Warrants	N.A.[4]

Notes:

(1) "**Total Borrowings**" refer to aggregate of the Group's liabilities arising from borrowings from banks and other financial institutions.

(2) "**Shareholders' Equity**" refers to the aggregate amount of issued and paid-up share capital and reserves of the Group.

(3) "**Gearing**" is defined as the ratio of the Group's Total Borrowings to Shareholders' Equity.

(4) "**N.A.**" means not applicable.

4.4 EPS/LPS

Assuming that the Rights Issue of Warrants had been completed on 30 June 2017, the earnings after adjusting for the Warrants and exercise of all Warrants is as follows:

	As at 30 June 2017 Maximum Subscription Scenario
Loss attributable to the shareholders of the Company (RMB'000)	(45,689)
Weighted average number of Shares before Rights Issue of Warrants ('000)	452,331
Weighted average number of Shares after Rights Issue of Warrants ('000)	452,331
Basic and diluted Loss per share before Rights Issue of Warrants (RMB cents)	(0.10101)
Basic and diluted Loss per share after Rights Issue of Warrants and assuming exercise of all Warrants (RMB cents)	(0.03489)

Note:

(1) Figures have been rounded to the nearest thousand.

Assuming that the Rights Issue of Warrants had been completed on 31 December 2016, the earnings after adjusting for the Warrants and exercise of all Warrants is as follows:

	As at 31 December 2016 Maximum Subscription Scenario
Loss attributable to the shareholders of the Company (RMB'000)	(155,226)[1]
Weighted average number of Shares before Rights Issue of Warrants ('000)	373,717[1]
Weighted average number of Shares after Rights Issue of Warrants ('000)	373,717[1]
Basic and diluted Loss per share before Rights Issue of Warrants (RMB cents)	(0.41536)
Basic and diluted Loss per share after Rights Issue of Warrants and assuming exercise of all Warrants (RMB cents)	(0.11853)

Note:

(1) Figures have been rounded to the nearest thousand.

5. OFFER INFORMATION STATEMENT

An Offer Information Statement will be despatched to Entitled Shareholders, subject to, inter alia, the approval of Shareholders for the Rights Issue of Warrants being obtained at the EGM. Acceptances and applications under the Rights Issue of Warrants can only be made in the manner as prescribed in the Offer Information Statement.

6. REVIEW OF PAST PERFORMANCE

The profit and loss statements, cash flow statements, balance sheets and working capital position of the Group for the last three (3) financial years ended 31 December 2014, 31 December 2015 and 31 December 2016 and the half financial year ended 30 June 2017 are set out in Appendix 2 of this Circular.

7. BOOKS CLOSURE DATE

The Books Closure Date, subject to, inter alia, the approval of Shareholders for the Rights Issue of Warrants being obtained at the EGM, for the purpose of determining the Shareholders' entitlements under the Rights Issue of Warrants will be announced at a later date.

8. DIRECTORS' RECOMMENDATIONS

8.1 Rights Issue of Warrants

The Directors, having fully considered the basis of the Rights Issue of Warrants, the principal terms of the Rights Issue of Warrants, the purpose of the Rights Issue of Warrants and the use of proceeds, and the financial effects of the Rights Issue of Warrants as set out in this Circular, believe that the Rights Issue of Warrants is reasonably in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 1 to be proposed at the EGM and as set out in page 47 this Circular.

8.2 Potential Transfer of Controlling Interest

Having considered, inter alia, the rationale for the Rights Issue of Warrants, the terms and conditions of the Rights Issue of Warrants, the financial effects of the Rights Issue of Warrants, the process wherein Excess Warrants arises only after satisfaction of all valid subscriptions of all Entitled Shareholders with equal priority and the order or ranking for allocation of Excess Warrants thereafter as set out in this Circular and to be set out in the Offer Information Statement,

the Directors (save for Mr. Tay and Mr. Koo who has abstained from making any recommendation in respect of the Potential Transfer of Controlling Interest Resolution) are of the opinion that the Potential Transfer of Controlling Interest Resolution is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 2 relating to this matter to be proposed at the EGM as set out in page 48 of this Circular.

9. ABSTENTION FROM VOTING

Mr. Tay and Mr. Koo and each of their respective associates (if any) will abstain from voting on the Potential Transfer of Controlling Interest Resolution at the EGM. They will also not accept nominations to act as proxy, corporate representative or attorney, unless the Shareholder(s) appointing them indicate clearly how votes are to be cast in respect of such resolution.

10. EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting, notice of which is set out on page 47 of this Circular, will be held on 15 January 2018 at 10 Anson Road #36-05A International Plaza Singapore 079903 at 3.00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary and/or special resolutions set out in the Notice of the EGM.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

11.1 Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544 not less than 48 hours before the time fixed for the EGM. The sending of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so, in such an event, the relevant Proxy Forms will be deemed to be revoked.

11.2 A depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the time fixed for the EGM, as certified by CDP to the Company.

12. 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 Resolutions, 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.

13. ADDITIONAL INFORMATION

Your attention is drawn to the additional information as set out under Appendix 1 to this Circular.

Yours faithfully

By Order of the Board

Tay Wee Kwang
Non-Executive Director

1. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors in the issued and paid-up capital of the Company as recorded in the register of directors' shareholdings maintained by the Company pursuant to Section 164 of the Companies Act and the interests of the Substantial Shareholders in the issued and paid-up capital of the Company as recorded in the register of substantial shareholders maintained pursuant to Section 88 of the Companies Act are as follows:

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(1)
Directors						
Ting Chun Yuen	850,000	0.18	40,079,920	8.57(2)	40,929,920	8.75
Soh Beng Keng	200,000	0.04	–	–	200,000	0.04
Loh Ji Kin(3)	–	–	–	–	–	–
Tay Wee Kwang(4)	35,101,000	7.50	–	–	35,101,000	7.50
Koo Ah Seang(5)	31,484,000	6.73	–	–	31,484,000	6.73
Substantial Shareholders (other than Directors)						
Hoi Cheng Pan(6)	–	–	49,802,864	10.64	49,802,864	10.64

Note:

(1) The percentage of the Shares is computed based on 467,926,732 Shares, being the total number of issued shares of the Company as at the Latest Practicable Date.

(2) The 40,079,920 Shares are directly held by Sky Upright, an investment company incorporated in the British Virgin Islands and wholly-owned by Mr. Ting Chun Yuen. Mr. Ting Chun Yuen is deemed to be interested in all Shares held by Sky Upright by virtue of Section 7 of the Companies Act.

(3) Mr. Loh Ji Kin was appointed as an independent director on 8 May 2017.

(4) Mr. Tay was appointed as a non-executive director on 3 April 2017.

(5) Mr. Koo was appointed as a non-executive director on 3 July 2017.

(6) Mr. Hoi Cheng Pan is deemed to be interested in 49,802,864 Shares held under the name of Phillip Securities Pte Ltd.

2. MATERIAL LITIGATION

As at the Latest Practicable Date, the Directors are not aware of any legal or arbitration proceedings pending or threatened against the Company or any of its subsidiaries during the 12 months preceding the date of this Circular which might have or have had a significant effect on the financial position of the Group or of any facts likely to give rise to any such litigation or arbitration claim.

3. MATERIAL CONTRACTS

Save as disclosed below, the Group has not entered into any material contracts outside the ordinary course of business for the period of two (2) years prior to the Latest Practicable Date:

(a) The sale and purchase agreement dated 8 December 2016 with Mr. Koo in respect of the acquisition of 315,000 ordinary shares in EStar, representing 45% shareholding interest in EStar for a consideration of S$1,200,000, satisfied by the issue and allotment by the Company to Mr. Koo, Mr. Tay and Eesti Global Pte. Ltd. an aggregate of 63,800,000 Shares at an issue price of S$0.019[6] per Consideration Share, credited as fully paid[7];

(b) Placement Agreement dated 22 May 2017, as more particularly set out in Section 2.5 of this Circular; and

6 Rounded up from the issue price of approximately S$0.01880878 per Consideration Share

7 The acquisitions of EStar are subject to ratification by the shareholders of the Company in an extraordinary general meeting to be convened on 2 January 2017.

(c) the sale and purchase agreement dated 3 July 2017 with Mr. Koo, Mr. Tay and Eesti Global Pte. Ltd. in respect of the acquisition of 140,000 ordinary shares in EStar representing 20% shareholding interest in EStar for a cash consideration of S$570,000.

4. INSPECTION OF DOCUMENTS

Copies of the following documents are available for inspection at the registered office of the Company at 8 Robinson Road, #13-00 ASO Building, Singapore 048544 during normal business hours for three (3) months from the date of this Circular:

(a) the Constitution;

(b) the annual reports of the Company for FY2014, FY2015 and FY2016; and

(c) the material contracts referred to in paragraph 3 in this Appendix 1 of this Circular.

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Shareholders should read the following selected financial information and the relevant commentaries in conjunction with the full text of the annual reports for the respective financial years.

1. FINANCIAL RESULTS

The consolidated statement of comprehensive income of the Group for FY2014, FY2015 and FY2016 and the unaudited consolidated statement of comprehensive income of the Group for HY2016 and HY2017 are set out below:

	FY2014 Audited RMB' 000	FY2015 Audited RMB' 000	FY2016 Audited RMB' 000	HY2016 Unaudited RMB' 000	HY2017 Unaudited RMB' 000
Revenue	137,313	61,172	43,191	25,111	19,677
Cost of sales	(109,714)	(54,210)	(42,482)	(26,088)	(18,807)
Gross profit	27,599	6,962	709	(977)	870
Other income	980	647	2,603	55	5
Selling and distribution expenses	(7,766)	(11,020)	(6,774)	(3,826)	(2,667)
Administrative expenses	(10,349)	(9,650)	(9,908)	(5,922)	(5,203)
Other operating expenses	(511)	(48,180)	(126,536)	(13,918)	(38,694)
Loss before taxation	9,953	(61,241)	(139,906)	(24,588)	(45,689)
Income tax credit	(3,216)	1,347	–	–	–
Loss from continuing operation, net of tax	6,737	(59,894)	(139,906)	(24,588)	(45,689)
Discontinued Operations					
Loss from discontinued operations, net of tax	(604)	(221,859)	(15,320)	N.A.(1)	N.A.(1)
Loss for the year, representing total comprehensive loss for the year	6,133	(281,753)	(155,226)	N.A.(1)	N.A.(1)
Basic and diluted loss per share (RMB cents)					
- From continuing operation (RMB cents per share)	1.99	(16.18)	(37.44)	N.A.(1)	N.A.(1)
- From discontinued operations (RMB cents per share)	(0.18)	(59.92)	(4.10)	N.A.(1)	N.A.(1)

Source: Annual Reports of the Group for FY2014, FY2015 and FY2016 and the unaudited financial statement of the Group for the second quarter and six months ended 30 June 2017

Note:

(1) N.A. means not available. Information is not available during the HY periods.

A review of the past performance of the Group from FY2014 to FY2016 and HY2016 to HY2017 is set out below.

FY2015 compared to FY2014

Revenue

For the year ended 31 December 2015, our revenue decreased by approximately RMB 76.1 million or 49.3% from RMB 137.3 million in the previous corresponding year ended 31 December 2014 to RMB 61.2 million for FY2015. The decline in revenue was largely attributed to the cessation of the 30D Filament Yarn production line (as disclosed in our previous announcements) as well as general decline in demand for the other business segments.

Cost of sales

Our cost of sales comprise mainly raw material costs, electricity and water costs, direct labour costs and other manufacturing overheads. In FY2015, cost of sales decreased by approximately RMB 55.5 million or 49% from RMB 109.7 million in FY2014 which correspond with the reduction in revenue.

Gross Profit Margin

In FY2015, our gross profit decreased by RMB 20.6 million or 75% from RMB 27.6 million in FY2014 to RMB 7.0 million. Overall gross profit margin has also decreased by 8.7 percentage points from 20.1% in FY2014 to 11.4% in FY2015. The decline was largely due to a one-time sale in 4Q15 of remaining stock of 30D Terylene Filament Yarn at below cost with the cessation of the production line in June 2015. Furthermore, the demand of the other products were severely affected by the weakened sentiments despite efforts to streamline production operations.

Other Income

For FY2015, other income decreased by RMB 333 thousand or 34.0% from RMB 980 thousand in FY2014 to RMB 647 thousand largely due to decrease in sale of scrap material, which was offset by slight increase in average income from bank deposits.

Selling and Distribution Expenses

In FY2015, selling and distribution expenses increased by approximately RMB 3.3 million from RMB 7.77 million in FY2014 to RMB 13.4 million in FY2015 largely due to increase in R&D expenses and partially offset by decrease in transportation cost, staff welfare and sales related tax. The increase in R&D expenses pertains to the purchase of know-how relating to the development of SBR and other foamed materials**.**

Administrative Expenses

Administrative expenses increased by RMB 1.8 million or 13.7% from RMB 13.1 million in FY2014 to RMB 14.9 million in FY2015. The increase in administrative expenses was largely attributed to share award expenses and partially offset by reduction in professional fees and staff welfare.

Other Operating Expenses

In FY2015, operating expenses increased by RMB 47.7 million due to allowance for impairment of trade receivables of RMB 11.2 million, bad debts written off of RMB 3.7 million, prepaid know-how written off amounting to RMB 4 million, late delivery compensation of RMB 4.7 million, allowance for stock obsolescence of RMB 1.3 million, loss on disposal of PPE of RMB 1.3 million, and tax penalty of RMB 25.2 million.

FY2016 compared to FY2015

Revenue

For the year ended FY2016, our revenue decreased by approximately RMB 17.98 million or 29.4% from RMB 61.2 million in the previous corresponding year ended FY2015 to RMB 43.2 million for FY2016. The decline in revenue was largely attributed to a decline in demand for our products amidst the weak business climate in China.

Cost of sales

In FY2016, cost of sales decreased by approximately RMB 11.7 million or 21.6% from RMB 54.2 million in FY2015 to RMB 42.5 million in FY2016. Manufacturing overheads and labour costs declined due to scale back of production.

Gross Profit Margin

The decline in gross profit margin is attributed to declining demand for our products as a result of weak market sentiments which in turn had a downward pressure on our average market price. The Group had reduced average selling price of sandwich mesh fabric by approximately 14% and SBR and other foamed materials by approximately 10%-15% from FY2015 average selling price.

Other Income

For FY2016, other income increased by RMB 2 million from RMB 0.6 million in FY2015 to RMB 2.6 million. The increase is due to bad debts recovered and allowance for impairment of trade receivables written back which is offset by decrease in sale of scrap material and interest income from bank deposits.

Selling and Distribution Expenses

In FY2016, selling and distribution expenses decreased by approximately RMB 4.2 million or 38.5% from RMB 11 million in FY2015 to RMB 6.8 million in FY2016. The decrease was largely due to decrease in R&D expenses, travelling and entertainment expenses, and partially offset by increase in transportation expenses.

Administrative Expenses

Administrative expenses increased slightly by RMB 258 thousand or 2.7% from RMB 9.7 million in FY2015 to RMB 9.9 million in FY2016. The decrease in administrative expenses was largely attributed to the decrease in depreciation, professional fees and the absence of share award expenses in FY2016. The decrease is partially offset by an increase in provision for property tax.

Other Operating Expenses

In FY2016, operating expenses increased to RMB 127 million from RMB 48 million in FY2015. The increase mainly due to the impairment of PPE, the impairment of land use rights, loss on disposal of PPE, and the penalty imposed against a subsidiary of the Company relating to the non-development of land purchased from the Quanzhou Land Department in 2010.

HY2017 compared to HY2016

Revenue

For the second quarter ended 30 June 2017 ("**2Q17**") our revenue decreased by approximately RMB 2.3 million or 16.5% from RMB 13.9 million in the corresponding second quarter ended 30 June 2016 ("**2Q16**") to RMB 11.6 million. The decline in revenue was largely attributed to a general decline in demand for our products.

Cost of sales

Cost of sales comprise mainly raw material costs, electricity and water costs, direct labour costs and other manufacturing overheads. Cost of sales decreased by approximately RMB 2.9 million or 20.6% from RMB 14.1 million in 2Q16 to RMB 11.2 million in 2Q17. Manufacturing overheads and labour costs declined due to scale back of production.

Gross Profit Margin

Overall gross profit margin of the Group improved marginally 4.9 percentage points from negative margin of 1.3% in 2Q16 to 3.6% in 2Q17. The warped yarn segment contributed to the marginal improvement in gross profit margin.

Other Income

Other income comprise mainly income from sale of scrap materials and interest income from bank deposits. Other income decreased by approximately RMB 15 thousand in 2Q17 due to decrease in sale of scrap materials and interest income.

Selling and Distribution Expenses

Selling and distribution expenses comprise mainly transportation costs, salaries, entertainment expenses, advertisement expenses, sales related tax, R&D expenses, travelling expenses and depreciation expenses. Selling and distribution expenses decreased by approximately RMB 0.6 million or 28.8% mainly due to decrease in entertainment expenses, transportation expenses, travelling expenses and R&D expenses.

Administrative Expenses

Administrative expenses comprise mainly salaries, staff welfare, general office expenses, insurance, professional fees, travelling expenses and depreciation expenses. Administrative expenses decreased by approximately RMB 0.4 million or 11.6% from RMB 3.3 million in 2Q16 to RMB 2.9 million in 2Q17. The decrease in administrative expenses was mainly due to decrease in duty expenses and other expenses.

Other Operating Expenses

Due to the prolonged weak business climate caused by faltering global and domestic demands, the Company is experiencing the effects of the persistent slowdown in the manufacturing industry in China. To mitigate losses, the Company has to cease and discontinue the Company's existing business and seek a buyer for its existing business. Going forward, the existing business will be held as assets for sale in the interim pending disposal.

The value of the intangible asset of RMB 13.8 million in Land Use Rights and the carrying cost of RMB 14.7 million for the property, plant and equipment (the "**Building**") have been fully written off (the "**Write-off**") in the reporting period of 2Q2017 (the "**Relevant Reporting Period**"). In arriving at such view in respect of the said Write-off, the Board has taken into account the following:

a) In accordance with FRS 36 & FRS 16 of the Singapore Financial Reporting Standards (SFRS) issued by the Accounting Standard Council of Singapore, where the expected future cash flows from the use of any assets cannot generate sufficient cash to cover its book value, such assets will be written off.

b) Before making the said Write-off, the Company had considered its auditor's view for a test for recoverability to be performed to the carrying value of the Land Use Rights and the Building.

c) The test for recoverability has identified that an impairment loss has occurred to the assets. To measure the impairment loss, the discounted cash flow methodology would have been relied on. However, as (i) the Company's existing business is loss making; and (ii) there was neither any valuation done on nor any comparable sales of the Land Use Rights and Building noted during the Relevant Reporting Period, there was therefore no applicable data necessary for the determination of the market value and/or fair value of the Land Use Rights or the Building based on the discounted cash flow methodology. In addition, the Company does not have any purview over the decisions made by the authorities in relation to the approval of the transfer of the Land Use Rights. In the interest of the Shareholders and the Company, the Board took a more conservative approach to assume that the Land Use Rights are not freely transferrable. Therefore, full impairment was made on the Land Use Rights.

d) The Building of RMB 14.7 million which sits on the non-transferable land is also deemed to be unrecoverable, given they sit on non-transferable land and the Building is immovable. This has formed the basis of the full impairment (write off) of the Building in 2Q2017.

e) The Write-off, taking into account the aforesaid factors, is in accordance with FRS 36 & FRS 16 of the SFRS.

As reported in 3Q2017, the Land and Resources Bureau of Fujian Province, Quanzhou City has issued a final notice to Quanzhou Yixian Textile Co., Ltd notifying that it no longer has the rights to use the parcel of the land as it has been left idle for more than 2 years. This further supports the suitability of the position taken by the Board relating to the Write-off as mentioned above. However, this event has no impact on the financials of the Company in 3Q2017 and thereafter as the Company has in 2Q17 made full impairment of the Land Use Rights and the Building as mentioned above.

The Company has appointed Jones Lang LaSalle Corporate Appraisal and Advisory Limited, a reputable valuer under international valuation standards for real estate properties, to value the Land Use Rights and Building for the purposes of the proposed sale of Group's existing assets, the timing, terms and feasibility of which will be considered and determined by the Board. The valuation is still underway as of the Latest Practicable Date. The valuation and details of the proposed disposal of the Group's existing assets will be, once determined, disclosed to the shareholders when available. The valuer has track records in conducting valuations for China companies listed on the Hong Kong Stock Exchange.

Other operating expenses also comprise of the allowance for impairment of trade receivables of RMB 5.8 million in 2Q2017.

2. STATEMENT OF FINANCIAL POSITION

The statement of financial position of the Group as at 31 December 2014, 31 December 2015 and 31 December 2016 and the unaudited statement of financial position of the Group as at 30 June 2017 are set out below:

	FY2014 Audited RMB' 000	FY2015 Audited RMB' 000	FY2016 Audited RMB' 000	HY2017 Unaudited RMB' 000
Assets				
Non-Current Assets				
Land use rights	49,606	49,029	14,107	–
Property, plant and equipment	152,496	94,677	21,607	4,641
Subsidiaries	–	–	–	–
Associate	–	–	–	5,976
	202,102	143,706	35,714	10,617
Current Assets				
Inventories	13,422	9,259	6,032	6,005
Trade and other receivables	181,334	66,923	60,946	59,776
Other current assets	8,677	175	1,074	580
Cash and cash equivalents	133,361	35,880	2,798	4,336
	336,794	112,237	70,850	70,697
Total Assets	538,896	255,943	106,564	81,314
EQUITY AND LIABILITIES				
Equity				
Share capital	183,268	185,637	185,637	193,581
Statutory reserve	42,794	42,794	42,794	42,794
(Accumulated losses)/Retained earnings	294,546	12,793	(142,433)	(188,122)
Non-Current Assets				
Deferred tax liabilities	2,291	–	–	–
Current Liabilities				
Trade and other payables	14,116	14,433	20,280	32,775
Current tax payable	1,881	286	286	286
	15,997	14,719	20,566	33,061
Total Liabilities	18,288	14,719	20,566	33,061
Total Equity and Liabilities	538,896	255,943	106,564	81,314

Source: Annual Reports of the Group for FY2014, FY2015 and FY2016 and the unaudited financial statement of the Group for the second quarter and six months ended 30 June 2017

A review of the financial positions of the Group for the relevant periods is set out below:

FY2015 compared to FY2014

Assets

Our non-current assets comprise mainly PPE and land use rights.

Net book value of PPE decreased by approximately RMB 57.8 million from RMB 152.5 million as at 31 December 2014 to RMB 94.7 million as at 31 December 2015 mainly due to the depreciation charge incurred during the period as well as impairment relating to slow down of sandwich mesh business unit and cessation of the filament yarn business unit. Land use rights amounted to RMB 49.0 million as at 31 December 2015 after amortization charge.

Our current assets comprise inventories, trade and other receivables, other current assets and cash and cash equivalent. Current assets reduced by RMB 224.6 million from RMB 336.8 million as at 31 December 2014 to RMB 112.2 million as at 31 December 2015.

Inventories comprised raw materials, finished goods, WIP and consumables. Inventories decreased by approximately RMB 4.2 million from RMB13.4 million as at 31 December 2014 to RMB 9.3 million as at 31 December 2015 mainly due to write down of inventories during the year.

Trade and other receivables decreased by RMB 114.4 million from RMB 181.3 million as at 31 December 2014 to RMB 66.9 million as at 31 December 2015 mainly due to the refund of deposit for purchase of investment amounting to RMB 100 million, higher allowance for impairment of trade receivables and bad debts written off. Included in other receivables is an advance deposit amounting to RMB 28.0 million for purchase of new equipment.

Other current assets comprise mainly prepaid and deferred expenses and it was reduced by approximately RMB 8.5 million mainly due to write off of prepaid know-how with the cessation of 30D filament yard production line.

Cash and cash equivalents decreased by approximately RMB 97.5 million from RMB 133.4 million as at 31 December 2014 to RMB 35.9 million as at 31 December 2015 mainly due to compensation payment made in relation to the product defect claims and late delivery compensation to customers.

Liabilities

Our current liabilities amounted to RMB 14.7 million as at 31 December 2015, a decrease of approximately RMB 1.3 million from RMB 16.0 million as at 31 December 2014. This decrease is mainly attributed to decrease in income tax payable.

FY2016 compared to FY2015

Assets

Our non-current assets comprise mainly PPE and land use rights.

Net book value of PPE decreased by approximately RMB 108 million from RMB 94.7 million as at 31 December 2015 to RMB 21.6 million as at 31 December 2016 mainly due to impairment of PPE and land use rights.

Our current assets comprise inventories, trade and other receivables, other current assets and cash and cash equivalent.

Inventories comprised raw materials, finished goods, WIP and consumables. Inventories decreased by approximately RMB 3.2 million from RMB 9.3 million as at 31 December 2015 to RMB 6.0 million as at 31 December 2016 due to the scale back of operations.

Trade and other receivables decreased by RMB 5.9 million from RMB 66.9 million as at 31 December 2015 to RMB 60.9 million as at 31 December 2016. Included in other receivables is a deposit amounting to RMB 28.0 million brought forward from 2015 for the purchase of new equipment.

Cash and cash equivalents decreased by approximately RMB 33.1 million from RMB 35.9 million as at 31 December 2015 to RMB 2.8 million as at 31 December 2016 due to the losses sustained during the year.

Liabilities

Our current liabilities amounted to RMB 20.6 million as at 31 December 2016, an increase of approximately RMB 5.8 million from RMB 14.7 million as at 31 December 2015 mainly due to increase from amount due to a Director. The amounts due to a Director are advances from Mr. Ting Chun Yuen used to meet the urgent capital requirement in the ordinary course of business. There are no terms dictated for the advances. The advances had no specific disbursement date as it is not a loan and the monies were advanced to keep the Company afloat. There is no interest payable on the advances, and thus the amount at risk to the Company is nil. Since the risk to the Company is nil, the Audit Committee is of the view that the advances are not prejudicial to the interests of the Company.

HY2017 compared to FY2016

Assets

Our current assets comprise mainly inventories, trade and other receivables, other current assets and cash and cash equivalent. Current assets decreased by approximately RMB 0.5 million from RMB 70.9 million as at 31 December 2016 to RMB 70.4 million as at 30 June 2017.

Inventories comprised mainly raw materials, finished goods, WIP and consumables. Inventories decreased by approximately RMB 27 thousand from approximately RMB 6.03 million as at 31 December 2016 to approximately RMB 6.00 million as at 30 June 2017.

Trade and other receivables decreased by approximately RMB 1.4 million from RMB 60.9 million as at 31 December 2016 to RMB 59.5 million as at 30 June 2017. Trade receivables decreased by approximately RMB 1.4 million while other receivables decreased by RMB 55 thousand. Included in other receivables is a deposit of RMB 28.0 million to Beijing Chonglee Machinery Engineering Co. Ltd in 2015 for the construction of the production line and Changzhou Diba Textile Machinery Co., Ltd for the purchase of machinery. Due to the adverse economic conditions, the Company did not proceed with the installation. The board is currently still evaluating its options in relation to the said equipment.

Other current assets comprise mainly prepaid expenses and it has decreased by approximately RMB 0.5 million during the quarter.

Liabilities

Our current liabilities comprise mainly trade and other payables and income tax payable. Trade and other payables increased by approximately RMB 12.2 million from RMB 20.3 million as at 31 December 2016 to RMB 32.5 million as at 30 June 2017. The increase is a result of amount owing to director (Mr. Ting Chun Yuen) of approximately RMB 11 million for the funding of working capital requirements of Zhihe (Fujian) Technology Co., Ltd.

3. WORKING CAPITAL

The working capital of the Group as at FY2014, FY2015, FY2016 and HY2017 are set out below:

	FY2014 Audited RMB' 000	FY2015 Audited RMB' 000	FY2016 Audited RMB' 000	HY2017 Unaudited RMB' 000
Assets				
Current Assets				
Inventories	13,422	9,259	6,032	6,005
Trade and other receivables	181,334	66,923	60,946	59,776
Other current assets	8,677	175	1,074	580
Cash and cash equivalents	133,361	35,880	2,798	4,336
Total Current Assets	336,794	112,237	70,850	70,697
Current Liabilities				
Trade and other payables	14,116	14,433	20,280	32,775
Current tax payable	1,881	286	286	286
Total Current Liabilities	15,997	14,719	20,566	33,061
Net working capital	320,797	97,518	50,284	37,636

Source: Annual Reports of the Group for FY2014, FY2015 and FY2016 and the unaudited financial statement of the Group for the second quarter and six months ended 30 June 2017

A review of the working capital of the Group from FY2014 to HY2017 is set out below.

FY2015 compared to FY2014

The Group's working capital decreased by approximately RMB 223 million or 30% from approximately RMB 320.8 million as at 31 December 2014 to approximately RM 97.5 million as at 31 December 2015. This was due mainly to a decrease in current assets by approximately RMB 223.6 million while current liabilities decreased by RMB 1.3 million. The decline in current assets were largely due to the deposit of RMB 100 million for an investment which was fully refunded and the decrease in cash and cash equivalent as a result of the net loss suffered in FY2015. The current liabilities in FY2015 reduced as result of the reduction in current tax payable.

FY2016 compared to FY2015

The Group registered a working capital position of approximately RMB 50.3 million as at 31 December 2016, representing a decrease of approximately RMB 47.2 million from the working capital position of approximately RMB 97.5 million as at 31 December 2015. Total current assets decreased by approximately RMB 41.4 million from approximately RMB 112 million largely due to a decline in cash and cash equivalent resulting from the net losses suffered in FY2016.

HY2017 compared to FY2016

The Group's working capital position as at 30 June 2017 was RMB 37.6 million. Total current assets decreased by approximately RMB 0.5 due to a drop in the trade and other receivables. Commensurate with the level of business activity, inventories decrease to approximately RMB 6 million. The total current liabilities increased to RMB 33 million due to increase in advances from a director for urgent working capital to keep the Company afloat.

4. CONSOLIDATED STATEMENT OF CASH FLOWS

The audited consolidated statements of cash flows of the Group for FY2014, FY2015 and FY2016 and the unaudited consolidated statements of cash flow for HY2016 and HY2017 are set out below:

	FY2014 Audited RMB' 000	FY2015 Audited RMB' 000	FY2016 Audited RMB' 000	HY2016 Unaudited RMB' 000	HY2017 Unaudited RMB' 000
Cash Flows from Operating Activities					
Loss before tax from continuing operation	9,953	(61,241)	(139,906)	N.A.[1]	N.A.[1]
Loss before tax from discontinued operations	711	(222,594)	(15,320)	N.A.[1]	N.A.[1]
Loss before tax, total	10,664	(283,835)	(155,226)	(24,588)	(45,689)
Adjustments for:					
Interest income	(731)	(745)	(53)	(43)	(5)
Depreciation of property, plant and equipment	11,167	9,443	6,459	3,082	2,233
Share award expenses	–	2,369	–	–	–
Amortisation of land use rights	553	577	565	230	268
Know-how written off	–	8,500	–	–	–
Allowance for impairment of land used rights	–	–	34,357	–	–
Allowance for impairment of property, plant and equipment	–	48,961	74,724	–	–
Allowance for impairment on inventories	405	1,283	1,396	–	–
Property, plant and equipment Land use rights written off	–	–	73	1,150	14,732
Land use rights				–	13,839
Bad debts written off	–	3,719	4,213	4,435	–
Reversal of impairment on trade receivables	–	–	(4,136)	–	–
Loss on disposal of property, plant and equipment	–	1,316	1,187	36	59
Allowance for impairment loss of trade and other receivables	98	18,104	22,273	8,297	10,063
Operating cash outflows before working capital changes	22,156	(190,308)	(14,168)	(7,401)	(4,500)
Changes in working capital					
Inventories	1,835	2,880	1,832	1,466	27
Trade and other receivables	(7,089)	(15,912)	(18,688)	(16,358)	(8,585)
Other current assets	(7)	8,502	(899)	(313)	494
Trade and other payables	(996)	317	5,849	(459)	12,187
Cash used in operations	15,899	(194,521)	(26,074)	(23,065)	(377)
Interest received	731	745	53	43	5
Income tax paid	(4,263)	(1,804)	–	–	–
Net cash flows used in operating activities	12,367	(195,580)	(26,021)	(23,022)	(372)

	FY2014 Audited RMB' 000	FY2015 Audited RMB' 000	FY2016 Audited RMB' 000	HY2016 Unaudited RMB' 000	HY2017 Unaudited RMB' 000
Cash Flows from Investing Activities					
Purchase of property, plant and equipment	(8,426)	(2,211)	(7,136)	(1,323)	(177)
Refund of deposit for purchase of investment	(100,000)	100,000	–	–	–
Proceeds from disposal of property, plant and equipment	–	310	75	70	119
Net cash flows (used in)/ generated from investing activities	(108,426)	98,099	(7,061)	(1,253)	(58)
Cash Flows from Financing Activities					
Proceeds from share issuance	33,675	–	–	–	2,951
Net cash flows generated from financing activity	33,675	–	–	–	2,951
Net decrease in cash and cash equivalents	(62,384)	(97,481)	(33,082)	(24,275)	1,538
Cash and cash equivalents at beginning of year	195,745	133,361	35,880	35,880	2,798
Cash and cash equivalents at end of year	133,361	35,880	2,798	11,605	4,336

Source: Annual Reports of the Group for FY2014, FY2015 and FY2016 and the unaudited financial statement of the Group for the second quarter and six months ended 30 June 2017

Note:

(1) N.A. means not available. Information is not available during the HY periods.

A review of the cash flow position of the Group from FY2014 to HY2017 is set out below.

FY2015 compared to FY2014

As at 31 December 2015, the Group's cash and cash equivalents decreased by RMB 97.5 million to RMB 35.9 million. This is largely the result of tax penalty incurred and the net losses suffered in FY2015. Additional cash was generated from investing activities during this period was the refund of deposit for the purchase of investment.

FY2016 compared to FY2015

As at 31 December 2016, the Group's cash and cash equivalents decreased from RMB 35.9 million as at 31 December 2015 to RMB 2.8 million. This was mainly due to the net losses suffered as a result of the declining business.

HY2017 compared to FY2016

Cash generated from operating activities was RMB 0.6 million in 2Q17 compared to cash used in operating activities of RMB 15.8 million in 2Q16 which is due to the scale back of operating activities as a result of the negative economic climate.

Cash flows from investing activities decreased from RMB 1.3 million to RMB 177 thousand in 2Q17. The purchase of replacement roller shutters and air ducting were required during the period.

Net cash generated from financing activities amounted to RMB 2.95 million in 2Q17. The cash generated are the proceeds from the issuance of placement requests.

As at 30 June 2017, the Company made 2 placement requests. The Group's cash and cash equivalent decreased by RMB 7.3 million from RMB 11.6 million as at 31 December 2016 to RMB 4.3 million as at 30 June 2017.

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ZIWO HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200800853Z)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting ("**EGM**") of Ziwo Holdings Ltd. (the "**Company**") will be held at 3.00 p.m. on 15 January 2018 at 10 Anson Road #36-05A International Plaza Singapore 079903 for the purpose of considering and, if thought fit, passing with or without modifications the following resolutions:

Unless otherwise defined, all capitalised terms used herein shall bear the same meaning ascribed thereto in the circular dated 29 December 2017 to the Shareholders of this Company.

ORDINARY RESOLUTION 1: RIGHTS ISSUE OF WARRANTS

THAT the renounceable non-underwritten rights issue of up to 935,853,464 warrants (the "**Warrants**") at an issue price of S$0.0033 for each Warrant, each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (each, a **"Warrant Share**") at the exercise price of S$0.010 for each Warrant Share, on the basis of two (2) Warrants for every one (1) existing ordinary shares in the capital of the Company (each, a "**Share**") held by shareholders of the Company (the "**Shareholders**") as at a time and date as the board of directors of the Company (the "**Directors**") may, in its absolute discretion, determine (the "**Books Closure Date**"), fractional entitlements to be disregarded, be and is hereby approved and authority be and is hereby given to the Directors to:

(1) create and issue up to 935,853,464 Warrants in registered form, each Warrant to entitle the holder thereof to subscribe for one (1) Warrant Share at an exercise price of S$0.0033 for each Warrant Share at any time during the period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding 36 months from the date of issue of the Warrants ("**Exercise Period**"), unless such date is a date on which the register of members of the Company ("**Register of Members**") and the register of warrantholders of the Company ("**Register of Warrantholders**") is closed and/or is not a day on which the SGX-ST is open for trading in securities ("**Market Day**"), in which event, the last day of the Exercise Period shall be the immediate preceding Market Day on which the Register of Members and the Register of Warrantholders remain open or the immediate preceding Market Day, as the case may be, subject to the terms and conditions of the Warrants as set out in the deed poll (the "**Deed Poll**") to be executed by the Company for the purpose of constituting the Warrants, on such terms and conditions as the Directors may think fit;

(2) provisionally allot and issue up to 935,853,464 Warrants at an issue price of S$0.0033 for each Warrant on the basis of two (2) Warrants for every one (1) existing Share held by Shareholders as at the Books Closure Date;

(3) create and issue such further Warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Warrants as set out in the Deed Poll (any such further Warrants to rank equally and without preference with the Warrants and for all purposes to form part of the same series, save as may otherwise be provided in the terms and conditions of the Warrants as set out in the Deed Poll);

(4) allot and issue, notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of the Company, up to 935,853,464 Warrant Shares upon the exercise of the Warrants, credited as fully paid, subject to and otherwise in accordance with the terms and conditions of the Warrants as set out in the Deed Poll, such Warrant Shares (when issued and paid) to rank equally and without preference in all respects with the then existing Shares (save as may otherwise be provided in the terms and conditions of the Warrants as set out in the Deed Poll) save for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the relevant date of exercise of the Warrants; and

(5) on the same basis as paragraph (4) above, allot and issue such further Warrant Shares as may be required to be allotted and issued on the exercise of any of the Warrants issued in accordance with paragraph (3) above,

on the terms and conditions set out below and/or otherwise on such terms and conditions as the Directors may think fit:

(a) the provisional allotments of Warrants under the Rights Issue of Warrants shall be made on a renounceable non-underwritten basis to Shareholders whose names appear in the Register of Members of the Company or the records of The Central Depository (Pte) Limited ("**CDP**") as at the Books Closure Date with registered addresses in Singapore or who have, at least three (3) Market Days prior to the Books Closure Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (the "**Entitled Shareholders**");

(b) no provisional allotment of the Warrants shall be made in favour of Shareholders who are not Entitled Shareholders (the "**Foreign Shareholders**");

(c) the provisional allotments of Warrants which would otherwise accrue to Foreign Shareholders shall be disposed of by the Company in such manner and on such terms and conditions as the Directors shall deem fit for the purpose of renouncing the provisional allotments relating thereto to purchasers thereof and to pool and thereafter distribute the net proceeds, if any, thereof (after deducting all expenses) proportionately among such Foreign Shareholders in accordance with their respective shareholdings as at the Books Closure Date, provided that if the amount to be distributed to any single Foreign Shareholder is less than S$20.00, such amount shall instead be retained or dealt with for the sole benefit of the Company; and

(d) the provisional allotments of Warrants not taken up or allotted for any reason (other than allotments to Foreign Shareholders referred to above) shall be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company,

and the Directors be and are hereby authorised to take such steps, do all such acts and things, make such amendments to the terms of the Rights Issue of Warrants and exercise such discretion as the Directors may in their absolute discretion deem fit, advisable or necessary in connection with all or any of the above matters.

ORDINARY RESOLUTION 2: POTENTIAL TRANSFER OF CONTROLLING INTEREST

Subject to and contingent upon Ordinary Resolution 1 being passed:

(a) approval be and is hereby given for the allotment and issuance by the Company of Warrants to Mr. Tay and Mr. Koo, on and subject to the terms of the Rights Issue of Warrants and to the extent that such Warrant Shares to be allotted and issued by the Company, credited as fully paid, upon the exercise of the Warrants constitutes a transfer of a controlling interest in the Company to Mr. Tay and Mr. Koo pursuant to Rule 803 of the Listing Manual of the SGX-ST; and

(b) any of the Directors of the Company be and is hereby authorised to complete and to do all acts and things as he may consider necessary or expedient for the purposes of or in connection with, and to give effect to the matters referred to in paragraph (a) of this resolution as he shall think fit and in the interests of the Company.

By Order of the Board

For and behalf of the Board of Directors of
ZIWO HOLDINGS LTD.

Tay Wee Kwang
Non-Executive Director
29 December 2017

Notes:-

(1) A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

(2) A Relevant Intermediary may appoint more than two proxies to attend, vote and speak at the Extraordinary General Meeting, but each proxy must be appointed to exercise the rights attached to a difference share or shares held by such member (which number and class shares shall be specified).

(3) Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.

(4) The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, not less than 48 hours before the time of the Extraordinary General Meeting in order for the proxy to be entitled to attend and vote at the Extraordinary General Meeting.

(5) The instrument appointing a proxy or proxies must be signed by the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.

(6) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited 72 hours before the time fixed for holding the Extraordinary General Meeting in order for the Depositor to be entitled to attend and vote at the Extraordinary General Meeting.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Chapter 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member 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 or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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PROXY FORM

ZIWO HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200800853Z)

PROXY FORM
Extraordinary General Meeting

IMPORTANT

1. Relevant intermediaries as defined in section 181 of the Companies Act, Chapter 50 of Singapore, may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS moneys to buy Ziwo Holdings Ltd. 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/SRS Operators if they have any queries regarding their appointment as proxies.
3. 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 the Extraordinary General Meeting.

I/We, _____ NRIC/Passport/Co. Reg. No. _____

of _____ (Address)

being a member/members of Ziwo Holdings Ltd. (the "**Company**") hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

or failing the person/persons, the Chairman of the Extraordinary General Meeting, as my/our proxy/ proxies to attend, speak and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at 10 Anson Road #36-05A International Plaza Singapore 079903 on 15 January 2018 at 3.00 p.m.

I/We direct my/our proxy/proxies to vote for or against the Resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder. In the absence of specific directions, the proxy/ proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Extraordinary General Meeting and at any adjournment thereof.

	For*	Against*
Resolution 1: Ordinary Resolution To approve the Rights Issue of Warrants		
Resolution 2: Ordinary Resolution To approve the Potential Transfer of Controlling Interest		

* If you wish to exercise all your votes "For" or "Against" the relevant Resolution, please tick (✓) within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the Resolution, please indicate the number of Shares in the boxes provided.

* Voting will be conducted by poll.

Dated this _____ day of _____ 2017.

Total number of Shares Held

_____

Signature(s) or Common Seal of member(s)

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 only have shares registered in your name in the Register of Members (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, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Extraordinary General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy. "Relevant intermediary" has the meaning ascribed to it in section 181 of the Companies Act, Chapter 50 of Singapore.

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, not less than 48 hours before the time appointed for the Extraordinary General Meeting. Completion and return of the instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Extraordinary General Meeting. In such event, the relevant instrument appointing a proxy or proxies will be deemed to be revoked.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting, in accordance with section 179 of the Companies Act, Chapter 50 of Singapore.

7. 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 (including any related attachment) appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Fold Here

Affix
Postage
Stamp

ZIWO HOLDINGS LTD.
c/o B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544

Seal Here