ECOWISE HOLDINGS LIMITED
(Company Registration No. 200209835C)

PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF ASIA CLEANTECH HUB PTE. LTD.

– GRANT OF WAIVER FROM THE SGX-ST

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1. INTRODUCTION

1.1 The board of directors (the "**Board**") of ecoWise Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's announcement dated 4 February 2020 (the "**Announcement**") on the signing of a conditional sale and purchase agreement ("**SPA**") with Mr. Lau Hong Keong (the "**Purchaser**") pursuant to which the Company agreed to sell to the Purchaser the entire issued and paid-up share capital (the "**Sale Shares**") of the Company's wholly-owned subsidiary, Asia Cleantech Hub Pte. Ltd. ("**ACT**"), for a consideration of S$1.00 ("**Sale Consideration**"), on the terms of and subject to the conditions of the SPA ("**Proposed Disposal**").

1.2 Unless otherwise defined, all capitalized terms used in this announcement shall have the same meaning as ascribed in the Announcement.

2. APPROVAL OF WAIVER APPLICATION

2.1 Subsequent to the Announcement and as set out in paragraph 8.2 of the Announcement, the Company, through its sponsor, submitted an application to the SGX-ST to seek a waiver from compliance with Rule 1014(2) of the Catalist Rules on the requirement to seek Shareholders' approval for the Proposed Disposal (the "**Waiver**").

2.2 The Board wishes to announce that the Company had, on 21 February 2020, received a letter from the SGX-ST informing the Company that the SGX-ST had no objection to the Company's application for the Waiver, subject to the Company making an immediate announcement on the Waiver granted, including the reasons for seeking the Waiver, the conditions as required under Rule 106 of the Catalist Rules and whether the said conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met.

2.3 The Company considers the Waiver condition as set out in paragraph 2.2 above has been satisfied by the making of this announcement.

3. REASON FOR SEEKING THE WAIVER

3.1 The Company had sought the Waiver for the following reasons:

(a) **The Target is a non-core asset**

Practice Note 10A Paragraph 10 of the Catalist Rules stated that "*shareholders generally would not be concerned if the assets to be disposed of are non-core or loss-making*".

ACT is a dormant company while SCF has been a loss-making company for the past two (2) financial years ended 31 October 2019. The Sale Subsidiaries has a negative book value and NTL of approximately S$0.43 million as at 31 October 2019. The business of the Sale Subsidiaries, being the operation of fish hatcheries and fish farms in Singapore, is not a core business of the Group. The Group is in the business of resource recovery, renewable energy and integrated environmental solutions provider.

In view of the above, the Proposed Disposal is not expected to have a significant effect on the existing operations and business of the Group, as well as affect the nature of the Group's core business.

(b) **No material change in the Company's risk profile**

The Board is of the view that the Proposed Disposal would not materially change the risk profile of the Group based on the following reasons:

(i) <u>No significant adverse impact on the Group's earnings, working capital and gearing</u>

(a) ***NTA per Share, EPS and Gearing.*** As a result of the Proposed Disposal, the Group's NTA per Share, EPS and gearing ratio are expected to improve. Please refer to paragraph 9 of the Announcement for more information.

(b) ***Working Capital.*** The Company will receive the Net Consideration of approximately S$0.74 million as a result of the Proposed Disposal. Please refer to paragraph 4.4 of the Announcement for more information.

(ii) <u>Gain on disposal</u>

The Proposed Disposal will result in the Group recording a non-cash gain on disposal of approximately S$0.23 million (after deducting estimated expenses to be incurred in connection with the Proposed Disposal of S$6,500), and received the Net Consideration of approximately S$0.74 million.

(iii) <u>No significant adverse impact on the existing operations and business of the Group</u>

As set out in part 3.1(a) above, the Group is in the business of resource recovery, renewable energy and integrated environmental solutions provider whereas the Sale Subsidiaries are in the business of operating fish hatcheries and fish farms in Singapore (which is not a core business of the Group). As such, the Proposed Disposal is not expected to affect the existing operations and business of the Group.

(c) **Arm's length transaction**

The Purchaser was a customer of SCF. The Purchaser is not related to the Company, its directors or substantial shareholders, or their respective associates.

Based on the above, it is reasonable to expect the Shareholders not to be overly concerned with the Proposed Disposal which would not change the nature of the Group's core activities or risk profile.

3.2 The Company has confirmed the following:

(i) no person will be appointed to the board of directors of the Company in connection with the Proposed Disposal. Accordingly, no service contract in relation thereto will be entered into between the Company and any such person;

(ii) none of the directors or controlling Shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Disposal (other than through their respective shareholdings in the Company, if any); and

(iii) the Waiver (if granted) does not contravene any laws and regulations governing the Company and the constitution of the Company.

4. NO EXTRAORDINARY GENERAL MEETING

As the SGX-ST has granted the Waiver, the Company will not be required to convene a general meeting in relation to the Proposed Disposal and accordingly, the Company will not be dispatching a circular to the Company's shareholders in relation thereto.

5. FURTHER ANNOUNCEMENTS

The Company will make the relevant update announcement in compliance with the Catalist Rules as and when there are material updates or developments in connection with Proposed Disposal.

6. CAUTIONARY TRADING

Shareholders and potential investors should exercise caution when trading in the shares of the Company as there is no certainty or assurance that the Proposed Disposal will be completed. The Company will make the necessary announcements, in compliance with the requirements of the Catalist Rules, as and when there are material developments in respect of the Proposed Disposal. Shareholders are advised to read this announcement and any further announcements by the Company carefully and should exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

By Order of the Board

CAO SHIXUAN
Executive Director
23 February 2020

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

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

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