

BM MOBILITY LTD.

(Formerly known as Ziwo Holdings Ltd.)
(Incorporated in the Republic of Singapore)
(Company Registration No. 200800853Z)
("Company")

**TERM SHEET IN RELATION TO THE PROPOSED ACQUISITION OF
99.55% SHAREHOLDING INTEREST IN
WANTED MARKETING COMMUNICATIONS SDN. BHD.**

1. INTRODUCTION

The board of directors (the "Board" or "Directors") of the Company (together with its subsidiaries, the "Group"), wishes to announce that, BM Mobility Sdn. Bhd. (the "Purchaser"), a wholly-owned subsidiary of Estar Investments Pte. Ltd., which is in turn a 65% subsidiary of the Company, has on 10 January 2018 entered into a term sheet ("Term Sheet") with Mr. Ng Heok Seong and Mr. Abdul Halim Bin Abdul Aziz (collectively, the "Sellers"), pursuant to which the Sellers have agreed to sell, and the Purchaser has agreed to purchase, such number of ordinary shares (the "Target Shares") in Wanted Marketing Communications Sdn. Bhd. (the "Target") representing 99.55% of the total issued and paid-up share capital of the Target on terms and conditions set out in the Term Sheet (the "Proposed Acquisition").

The Purchaser and the Sellers shall be collectively referred to as the "Parties", or each a "Party").

The Parties intend that the Term Sheet shall be legally binding on the Parties and shall be subject to the Parties entering into a definitive share purchase agreement (the "Definitive Agreement"), which is targeted to be finalised and entered into by 31 January 2018, unless agreed otherwise by the Parties.

2. INFORMATION ON THE SELLERS AND THE TARGET

The information relating to the Sellers and the Target set out in this Paragraph 2 of this announcement was provided by the Sellers. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to proper reflection and reproduction herein the context that the information is being disclosed in this announcement.

2.1 The Sellers

As at the date of this announcement, the Sellers are the legal and beneficial owners of the 99.55% shareholding interest in the Target. The remaining 0.45% shareholding interest in the Target is held by a Malaysian individual ("Existing Shareholder").

Pursuant to the Term Sheet, the Sellers will sell the entire Target Shares held by them in the Target free from all encumbrances and together with all rights, benefits and entitlements attaching thereto as at the completion of the Proposed Acquisition ("Completion") and thereafter. Upon Completion, the Target will be owned by the Purchaser and the Existing Shareholder as to 99.55% and 0.45% respectively.

None of the Sellers and the Existing Shareholder owns any shares in the Company and is not related to any directors or substantial shareholders of the Company, and their respective associates.

2.2 The Target

The Target, a Malaysia-incorporated private company, is an authorised sales agent for electric bike manufacturer, Treelektrik. Sdn. Bhd. It holds approximately 75% of the total shareholding interest in UniRide Ecotour Sdn. Bhd. (“UNIRIDE”). The remaining shareholding interest of approximately 25% in UNIRIDE is held by the Malaysia-incorporated CMS Consortium Ecotour Sdn. Bhd. (“CMS”).

UniRide is principally engaged in the business of car sharing programme for universities in Malaysia, which focuses on introducing energy efficient vehicles to provide hassle free transportation to achieve better accessibility for universities students and staff within the vicinity of the campus. As of the date of this Term Sheet, UNIRIDE has, through CMS, secured the rights to provide car sharing programme to 4 universities in Malaysia, namely University Teknologi Mara (UiTM), University of Malaya (UM), Universiti Utara Malaysia (UUM) and Universiti Teknologi Malaysia (UTM).

3. RATIONALE AND BENEFITS OF THE PROPOSED ACQUISITION

The Company has on 2 January 2018 obtained its shareholders’ approval in an extraordinary general meeting to diversity its core business into the new business of green energy, specifically on activities that promote personal mobility and reduce carbon emissions (“New Business”). Please refer to the Company’s circular dated 11 December 2017 for further details on the New Business.

In line with the Company’s intention to diversity into the New Business, the Company has been actively exploring various investment opportunities and alliances which will broaden the Group’s revenue stream and facilitate sustained profitability through selective investments into new business segments and forming strategic alliances with suitable local partners.

The Proposed Acquisition is therefore consistent with the Company’s strategy and supports the Group’s effort to pursue new business opportunities in the green energy industry with a view to widening its revenue streams and delivering positive value to shareholders. The Proposed Acquisition further serves as a strategic platform for the Group to scale up vehicle rental business by introducing electric scooters and reaching out to more universities in Malaysia.

4. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

4.1 Proposed Acquisition

The Sellers shall sell, and the Purchaser shall acquire, an aggregate of 99.55% shareholding interest in the Target, free from all encumbrances and together with all rights, benefits and entitlements attaching to the Target Shares as at the Completion and thereafter.

4.2 Consideration

(a) Consideration Amount

The aggregate cash consideration payable by the Purchaser to the Sellers for the Target Shares is MYR850,000 (the "Consideration").

The Consideration was arrived at following arm's length negotiations on a willing buyer willing seller basis, taking into account, *inter alia*, the prospects of the business in the Target and its subsidiaries ("Target Group") and the synergistic value that the Group expects to enjoy from the acquisition of the Target, such as the dealership for electric bike manufacturer, Treelektrik. Sdn. Bhd. and the strategic business opportunities in the car sharing programme which the Group may partake through UNIRIDE.

Based on the latest available financial information of the Target, the paid up share capital of the Target is RM625,000 and the net tangible asset is approximately RM400,000. Taking into account, *inter alia*, the rationale and benefits of the Proposed Acquisition, and the arm's length negotiations with the Sellers, the Board believes that the premium paid for the Proposed Acquisition is reasonable and is in the interest of the Company.

(b) Deposit

5.0% of the Consideration will be payable to the Sellers as deposit ("Deposit") upon signing of the Definitive Agreement. The Deposit shall be refunded without any deduction within three (3) business days from the Long-Stop Date (as defined below) in the event that Completion does not take place on or before the Long-Stop Date.

The remaining Consideration (less the Deposit) shall be paid to the Sellers on Completion, subject to the terms and conditions of the Definitive Agreement.

4.3 Long-Stop Date

The long-stop date ("Long-Stop Date") of the Term Sheet is 28 February 2018, or such other date the Parties may mutually agree in writing.

4.4 Conditions Precedent to Completion

The Completion shall be conditional upon, *inter alia*, the following:

- (a) the Purchaser being satisfied with its due diligence investigations into the financial, legal, tax and business of the Target Group, including without limitation:
 - (i) the Target Group having the requisite regulatory licenses, permits or consents to conduct its business in each jurisdiction in which it operates in;
 - (ii) the Sellers having the legal and beneficial ownership of the Target Shares and is not subject to any encumbrances; and
 - (iii) there shall be no outstanding rights, options, interest or any instrument in respect of the share capital of the Target which may be exercisable into shares or securities of the Target, whether subject to conditions or otherwise;
- (b) the approval from the board of directors of the Purchaser for the execution of the Term

- Sheet, the Definitive Agreement and the performance of their respective obligations contemplated under the Definitive Agreement having been obtained and not subject to any amendments or revocation;
- (c) the approval by the Target for the entry of the Purchaser's name on the register of members of the Target;
 - (d) all necessary consents, approvals and waivers from all relevant government bodies, stock exchange and other regulatory authority for or in connection with the Proposed Acquisition having been obtained by the Purchaser and/or the Sellers (as relevant);
 - (e) all representations and warranties provided by the Sellers remaining true on completion date of the Proposed Acquisition;
 - (f) there being no event or circumstance occurring which would have a material adverse effect on the operations and prospects of the Target Group; and
 - (g) due execution and delivery of the Definitive Agreement between the Parties in respect of the Proposed Acquisition.

4.5 Completion

Completion shall take place within five (5) business days from the satisfaction (or waiver) of the last Condition Precedent. In any event, Completion must take place on or before the Long-Stop Date, failing which the Definitive Agreement in relation to the Proposed Acquisition shall terminate and cease to have any effect immediately after the Long-Stop Date, unless otherwise agreed in writing by the Parties.

4.6 Term Sheet Period

The Parties shall negotiate in good faith to finalise and enter into the Definitive Agreement in relation to the Proposed Acquisition by 31 January 2018 (or such other date as may be mutually agreed between the Parties in writing), failing which the Term Sheet will terminate. Upon the termination of this Term Sheet, the rights and obligations of the Parties set out hereunder shall cease and have no further effect, without prejudice to any rights or liabilities which may have accrued prior to such termination or are expressed to survive such termination.

4.7 Exclusivity

The Sellers and their respective agents and representatives, or any other person acting on their behalf, shall not, for the period of the Term Sheet (and its extension), directly or indirectly, solicit, encourage, initiate, discuss, negotiate with respect to, or facilitate or enter into any agreement in respect of, any transaction or arrangement relating to the transactions or arrangements which are similar in nature to the transactions or arrangements contemplated in the Term Sheet.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective directorships and shareholdings in the Company.

6. CAUTIONARY STATEMENT

Shareholders of the Company should note that the Proposed Acquisition is subject to Parties entering into the Definitive Agreement, and other conditions (including the Conditions Precedent). There is no certainty or assurance as at the date of this announcement that the Parties will be able to enter into the Definitive Agreement, or that the Proposed Acquisition will be completed, or that no changes will be made to the terms thereof. Accordingly, shareholders are advised to exercise caution in trading their shares.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 announcement in its proper form and context.

BY ORDER OF THE BOARD

Wilson Chua
General Manager for Finance and Admin
11 January 2018