

ZIWO HOLDINGS LTD.
(Company Registration No. 200800853Z)
(Incorporated in Singapore)

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE COMPANY'S UNAUDITED RESULTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2014

The Board of Directors (the "**Board**") of Ziwo Holdings Ltd. (the "**Company**", and together with its subsidiaries, collectively the "**Group**") refers to the Company's unaudited results for the fourth quarter and full year ended 31 December 2014 released (the "**FY2014 Results Announcement**") on 25 February 2015. The Board would like to respond to the following queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 24 March 2015 (each, a "**SGX Query**") as follows:

SGX Query 1

We note on page 1 and 12 of the FY2014 Results Announcement that Administrative expenses increased by 42.1% from RMB9.902 million in FY2013 to RMB14.072 million in FY2014 and the increase was mainly due to amortization of intangible assets which Company has commenced upon the completion of the factory. Please provide the following information:-

- (a) To disclose the nature of these intangible assets and quantify the amortization.*
- (b) To explain why these are intangible assets that would be amortized upon completion of a factory.*

Company's Response to SGX Query 1(a)

Intangible assets are land use rights to the lands which the Group owns. The Company has disclosed on page 2 of the FY2014 Results Announcement that the amortization of land use rights in year 2014 and 2013 was approximately RMB1,736,000 and RMB134,000 respectively. As disclosed in the FY2014 Results Announcement, the increase in administrative expenses was largely attributed to amortization of intangible assets, depreciation expenses, staff welfare and professional fees. Depreciation expenses charged in administrative expense increased by approximately RMB1,181,000 as disclosed on page 2 of the FY2014 Results Announcement with the remaining increase contributed by professional fees and staff welfare.

Company's Response to SGX Query 1(b)

Consistent with our accounting policy disclosed in the Company's prior years' Annual Reports, land use rights are classified as intangible assets on our balance sheet and are recognised at cost less accumulated amortization and accumulated impairment losses when available for use.

SGX Query 2

We refer to paragraph 9 of the FY2014 Results Announcement. Please comment on whether the current results are in line with the Company's commentary on prospects or previous quarter outlook in paragraph 10 of its previous quarterly results announcement and if there is a variance, to explain why.

Company's Response to SGX Query 2

The current results are in line with the Company's commentary on prospects or previous quarter outlook in paragraph 10 of its previous quarterly results announcement. Our outlook has remained consistent throughout the quarters.

BY ORDER OF THE BOARD

Ting Chun Yuen
Executive Chairman and Chief Executive Director
25 March 2015