



ECOWISE HOLDINGS LIMITED

(Company Registration No. 200209835C)

ACQUISITION OF 50.0% EQUITY INTEREST IN GEOCYCLE SINGAPORE PTE. LTD.

1. INTRODUCTION

The board of directors (the “**Directors**” or the “**Board**”) of ecoWise Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly-owned subsidiary, ecoWise Solutions Pte. Ltd. (“**EWS**”), had on 23 May 2017 (the “**Completion Date**”) entered into a share transfer agreement (the “**Share Transfer Agreement**”) with, and pursuant to such Share Transfer Agreement, purchased from, Holcim (Singapore) Limited (the “**Vendor**”), 1,192,500 ordinary shares (the “**Sale Shares**”) in the capital of Geocycle Singapore Pte. Ltd. (the “**Target**”), representing 50.0% of the issued and paid-up share capital of the Target (the “**Acquisition**”). Following the Acquisition, the Target became a wholly-owned subsidiary of EWS, and an indirectly wholly-owned subsidiary of the Company.

2. INFORMATION ON THE TARGET AND THE VENDOR

The Target is a private company incorporated in Singapore, and has an issued and paid-up share capital of S\$2,385,000 comprising 2,385,000 ordinary shares. Prior to the Acquisition, the Target was a joint venture between EWS and the Vendor (please refer to the Company’s announcement dated 14 January 2008).

The Target is in the business of processing waste copper slag and as at the date hereof, owns and operates Singapore’s largest waste copper slag processing plant.

Based on the audited financial statements of the Target, the book value and the consolidated net tangible asset value of the Target as at 31 December 2016 is S\$638,818, while the consolidated net loss after tax as at 31 December 2016 of the Target is approximately S\$3,023,818. No independent valuation was conducted on the Target.

The Vendor is a company incorporated in Singapore and is in the business of supplying building materials. The Vendor is not related to the Group, and none of the Directors, the Company’s substantial shareholders and/or their respective associates has any interests (direct or indirect) in the Vendor.

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Target is in the business of processing waste copper slag and as at the date hereof, owns and operates Singapore’s largest waste copper slag processing plant. Accordingly, its operations utilises machinery, equipment and assets that can also be used by the Group in its other businesses. Additionally, the Target is situated on a plot of land that sits next to another of the Group’s subsidiaries, and which it does

not fully utilise. Following the Acquisition, the Company intends to, amongst others, derive business synergies and enhance efficiency of the Target while bringing about cost-savings for the Group.

4. PRINCIPAL TERMS OF THE ACQUISITION

4.1 Purchase Consideration

The net consideration for the Acquisition was S\$9,570.52, and was arrived at on a willing-seller and willing-buyer basis, after negotiations which were conducted at arm's length between the parties, and takes into account, *inter alia*, prevailing market conditions, the rationale set out in paragraph 3 above, and the waiver of the loans as set out in paragraph 4.2 below.

The consideration was funded by internal resources.

4.2 Waiver of Shareholder Loans by the Vendor

Pursuant to the Share Transfer Agreement, the Vendor had irrevocably and absolutely waived its rights to shareholders' loans amounting to S\$720,128.98 which it had previously extended to the Target.

5. FINANCIAL EFFECTS OF THE ACQUISITION

The *pro forma* financial effects are presented for illustration purposes only and are not intended to reflect the actual future financial situation of the Company after the Acquisition.

5.1 Net Tangible Assets

Assuming that the Acquisition had been completed on 31 October 2016, the effect of the Acquisition on the Group's net tangible assets ("**NTA**") per share as at 31 October 2016 ("**FY2016**") will be as follows:

	Before the Acquisition	After the Acquisition
NTA of the Group attributable to shareholders of the Company (S\$'000)	42,694	42,880
Number of shares ('000)	952,983	952,983
NTA per share (cents)	4.48	4.50

5.2 Earnings Per Share

Assuming that the Acquisition had been completed on 1 November 2015, the effect of the Acquisition on the Group's earnings per share ("**EPS**") for FY2016 will be as follows:

	Before the Acquisition	After the Acquisition
Net loss attributable to shareholders of the Company for FY2016 (S\$'000)	(1,867)	(2,209)
Weighted average number of shares ('000)	952,983	952,983
EPS (cents)	(0.20)	(0.23)

5.3 Gearing

There is no material impact on the gearing ratio of the Group and the Company arising from the Acquisition.

6. RELATIVE FIGURES UNDER RULE 1006

Based on the Group's latest announced unaudited consolidated accounts for the three (3) months ended 31 January 2017, and the unaudited management accounts of the Target for the period ending 31 January 2017, the relative figures for the Acquisition computed on the bases set out in Rule 1006 of the Singapore Exchange Securities Trading Limited's (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**") are as follows:

Rule 1006	Bases	Relative Figures
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable
(b)	The net losses attributable to the assets acquired compared with the Group's net loss ⁽¹⁾	22.8%
(c)	The aggregate value of the consideration compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares ⁽²⁾	0% ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable

(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable

Notes:

- (1) The Group's net loss before tax for the three (3) months ended 31 January 2017 was approximately of S\$1,220,000.
- (2) The Company's market capitalisation of approximately S\$30,639,000 was computed based on the Company's existing issued share capital of 957,483,029 shares and the volume weighted average price of S\$0.032 per share on 18 May 2017, being the latest practicable market date preceding the date of the Share Transfer Agreement.
- (3) Due to rounding.

Having regard to the above, as the relative figures computed on the bases set out in Rule 1006 of the Catalyst Rules exceed 5.0% but do not exceed 75.0%, the Acquisition constitutes a "discloseable transaction" under Rule 1010 of the Catalyst Rules.

As the Target is loss-making, the Company's continuing sponsor, Stamford Corporate Services Pte. Ltd. (the "**Sponsor**"), had, on behalf of the Company, consulted the SGX-ST on the classification of the Acquisition as a "discloseable transaction" under Rule 1010 of the Catalyst Rules. The SGX-ST confirmed that it had no objections to classifying the Acquisition as a "discloseable transaction" and hence, the Company's shareholders' approval is not required.

7. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Acquisition. Accordingly, no service contract was entered into between the Company and any such person.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company or their respective associates has any interest (direct or indirect), in the Acquisition, other than through their respective shareholdings in the Company.

9. INSPECTION OF SHARE TRANSFER AGREEMENT

A copy of the Share Transfer Agreement is available for inspection for shareholders during normal business hours at the registered address of the Company at 17 Kallang Junction, #04-03, Singapore 339274 for three (3) months from the date of this announcement.

10. FURTHER ANNOUNCEMENTS

The Company will update shareholders on material developments relating to the Acquisition, if any.

11. 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 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.

12. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

LEE THIAM SENG

Executive Director

23 May 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

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 Mr Bernard Lui
Telephone number: (65) 6389 3000*

Email address: bernard.lui@morganlewis.com