

**PROPOSED ACQUISITION OF 25% EQUITY STAKE IN THE CAPITAL OF  
XISHENG (QUANZHOU) INVESTMENT CO., LTD.**

---

**1. INTRODUCTION**

The board of directors (the “**Directors**”) of Ziwo Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that Zhihe (Fujian) Technology Co., Ltd. (the “**Purchaser**”), a wholly-owned subsidiary of the Company, had on 26 September 2014 entered into a letter of intent (the “**Letter of Intent**”) with Mr Fu Dongli (the “**Vendor**”), pursuant to which the Purchaser had agreed to acquire 25% equity stake in the capital of Xisheng (Quanzhou) Investment Co., Ltd. (the “**Target Company**”) legally and beneficially owned by the Vendor (the “**Target Shares**”) (the “**Proposed Acquisition**”). The Proposed Acquisition is non-binding and is subject to a definitive agreement to be entered into between the Vendor and the Purchaser.

Shareholders of the Company (the “**Shareholders**”) are advised to read this announcement in its entirety, in particular the Cautionary Statement as set out in paragraph 9 of this announcement.

**2. TARGET COMPANY**

The Target Company is a limited liability company incorporated in the People’s Republic of China on 8 June 2011 and is principally engaged in the business of project investment and management, real estate development and management, property management, demolition works and infrastructure project investment, and the sale of construction materials. As at the date of this announcement, the Target Company has a registered capital of RMB100,080,000 and the shareholders of the Target Company comprise individual investors including the Vendor who holds 25% shareholdings.

**3. KEY TERMS OF THE PROPOSED ACQUISITION**

The indicative purchase consideration for the Proposed Acquisition is RMB160,000,000 (the “**Indicative Purchase Consideration**”). The Indicative Purchase Consideration was arrived at following arm’s length negotiations on a willing buyer willing seller basis, taking into account the potential returns from the Proposed Acquisition.

Pursuant to the Letter of Intent, the Purchaser shall pay a goodwill deposit of RMB100,000,000 (the “**Deposit**”) to the Vendor within one (1) week from the date of the Letter of Intent. Due to interest shown by various potential buyers, the Deposit is necessary to demonstrate the Purchaser’s commitment and enable the Purchaser to conduct due diligence. Upon payment of the Deposit, the Purchaser is entitled to conduct due diligence on the Target Company.

The Letter of Intent is subject to the parties entering into a definitive agreement providing the details in respect of the matters broadly set out in the Letter of Intent (the “**Formal Agreement**”) within three (3) months from the date of the Letter of Intent (the “**Cut-Off Date**”).

The sale and purchase of the Target Shares is subject to, *inter alia*, the following conditions precedents (the “**Conditions Precedents**”) being fulfilled and complied with:

- (a) findings of legal, financial and operational due diligence on the Target Company being satisfactory to the Purchaser at its absolute discretion; and
- (b) the approval for the Proposed Acquisition having been obtained from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the Shareholders.

In the event the findings of the due diligence are not satisfactory to the Purchaser, the Purchaser shall have absolute discretion not to proceed with the Proposed Acquisition, in which event the Vendor shall refund the Deposit in full to the Purchaser within one (1) week from the Purchaser’s decision not to proceed or the Cut-Off Date (whichever is earlier). In this regard, Mr. Ting Chun Yuen (the “**Guarantor**”), the Executive Chairman and Chief Executive Officer of the Company, has given a guarantee in favour of the Purchaser pursuant to which he guaranteed the Vendor’s obligation to repay the Deposit.

Further details will be announced upon the execution of the Formal Agreement.

#### **4. RATIONALE FOR THE PROPOSED ACQUISITION**

The Target Company, jointly with CMTCC Shanghai Shisanye Construction Co., Ltd. (“**CMTCC**”) had successfully bid in 2011 to develop the Infrastructure Construction Project of Guanzhao Park in Quanzhou Economic and Technological Development Zone (the “**Project**”). Phase 1 of the Project is estimated at RMB 1.0 billion. Work has commenced on the Project. The Company believes that the Proposed Acquisition presents an attractive opportunity for the Company to diversify and explore business opportunities in sectors with good prospects for long term growth to broaden the Group’s asset base and revenue stream.

#### **5. RELATIVE FIGURES OF THE PROPOSED ACQUISITION UNDER CHAPTER 10 OF THE LISTING MANUAL**

The Company will comply with all applicable rules as set out in the listing manual (“**Listing Manual**”) of the SGX-ST and in particular Chapter 10 of the Listing Manual. On the assumption that the sale and purchase agreement for Proposed Acquisition is executed on 25 September 2014, being the market day preceding the date of the Letter of Intent, the relative figure computed pursuant to Rule 1006(c) will exceed 20% and the Proposed Acquisition, if undertaken, would at least constitute a “Major Transaction” under Rule 1010 of the Listing Manual.

#### **6. THE PROPOSED ACQUISITION AS AN “INTERESTED PERSON TRANSACTION”**

Mr Zhuang Qingquan is a Director of the Company and also has an existing equity interest of 25% shareholding interest in the Target Company. The Proposed Acquisition is not between the Company and Mr Zhuang Qingquan. However, taking into account the spirit of Chapter 9 of the Listing Manual and the best interest of the Shareholders, the Proposed Acquisition, if

undertaken, would be subject to Chapter 9 of the Listing Manual as an “interested person transaction”.

As the Indicative Purchase Consideration exceeds 5% of the Group’s latest audited net tangible assets for the financial year ended 31 December 2013, the Proposed Acquisition, if undertaken, is subject to the approval of independent Shareholders in accordance with Rule 906 of the Listing Manual.

The Company will appoint an independent financial advisor (“IFA”) to advise Directors who are independent for the purposes of the Proposed Acquisition following the finalization and execution by the Company of the Formal Agreement and will announce the appointment in due course. The Audit Committee of the Company will obtain an opinion from the IFA on the Proposed Acquisition before forming its view on the Proposed Acquisition, which will be announced subsequently.

## **7. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Save as disclosed in this announcement, none of the Directors (other than in his capacity as a Director or Shareholder) or controlling Shareholders (other than through their respective shareholdings in the Company) have any interest, direct or indirect, in the Proposed Acquisition.

## **8. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Letter of Intent will be made available for inspection during normal business hours at the registered office of the Company at 7 Temasek Boulevard #43-03 Suntec Tower One, Singapore 038987 for a period of three (3) months from the date of this announcement.

## **9. TRADING CAUTION**

**Shareholders are advised to exercise caution in trading their Shares. The Proposed Acquisition is subject to, among others, conditions and due diligence. There is no certainty or assurance as at the date of this announcement that the Formal Agreement will be entered into, that Proposed Acquisition will occur or that no changes will be made to the terms thereof.**

**Further announcements on the Proposed Acquisition, including the terms, financial effects and other information as may be required by the Listing Manual, will be made in due course when the Formal Agreement is signed, or as and when appropriate**

**Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.**

**By Order of the Board  
Ting Chun Yuen  
Executive Chairman and Chief Executive Officer**

**29 September 2014**