

**ZIWO HOLDINGS LTD**  
(Incorporated in the Republic of Singapore)  
Company Registration No. 200800853Z

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**PROPOSED ACQUISITION OF 20% OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF  
ESTAR INVESTMENTS PTE. LTD.**

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**1. INTRODUCTION**

- 1.1 The board of directors (the "**Board**") of Ziwo Holdings Ltd. (the "**Company**", and together with its subsidiaries, collectively the "**Group**") wishes to announce that the Company has on 3 July 2017 entered into a sale and purchase agreement ("**Agreement**") with the Vendors (as defined below) to acquire from the Vendors ordinary shares in Estar Investments Pte Ltd ("**Target Company**") representing in aggregate 20% of the issued and paid-up share capital of the Target Company ("**Proposed Acquisition**"):

<b>Vendor</b>	<b>Number ordinary shares in the Target Company to be acquired by the Company pursuant to the Proposed Acquisition (collectively, "Vendor Shares" and each a "Vendor Share")</b>
Tay Wee Kwang	93,240
Koo Ah Seang	40,040
Eesti Global Pte Ltd	6,720

- 1.2 As of the date of this announcement, the Company holds 45% of the issued and paid-up share capital of the Target Company. Upon completion of the Proposed Acquisition, the Company will hold 65% of the issue and paid-up share capital of the Target Company.

**2. CONSIDERATION**

- 4.1 The aggregate consideration payable by the Company for the Vendor Shares is S\$570,000, to be satisfied in cash (the "**Consideration**"):

<b>Vendor</b>	<b>Consideration payable to each Vendor(S\$)</b>
Tay Wee Kwang	379,620
Koo Ah Seang	163,020
Eesti Global Pte Ltd	27,360

- 4.2 The Consideration was arrived at after arm's length negotiations between the Company and the Vendor, which value the Target Shares at approximately 10% above the valuation on which the Company acquired the initial 45% stake in the Target Company. The 10% premium represents a

control premium for the Company to acquire control (more than 51%) of the Target Company.

- 4.3 The Company intends to utilise proceeds from its share placement to Asia Hausse Investments Pte. Ltd., as announced by the Company on 22 May 2017 to satisfy the Consideration.

### 3. RATIONALE FOR THE PROPOSED ACQUISITION

Following the initial acquisition by the Company of a 45% stake in the Target Company, Beijing E-Star Electric Technology Co. Ltd. (the subsidiary of the Target Company) has achieved considerable progress in expanding its business. For further information, please refer to the Company announcements dated 29 March 2017, 20 April 2017 and 16 May 2017. Accordingly, in line with the Group's strategic plans and ongoing efforts to diversify its business so as to enhance shareholder value in the long term, the Company is desirous of acquiring the Target Shares to render the Target Company a subsidiary of the Company.

### 4. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

- 4.1 The relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006(a) to (e) of the Listing Manual are as follows:

Rule 1006(a):

Net asset value of assets to be disposed of, compared with the Group's net asset value Not Applicable

Rule 1006(b):

Net loss attributable to the assets acquired, compared with the Group's net loss 1.31%<sup>(1)</sup>

Rule 1006(c):

Aggregate value of the Consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares 4.36%<sup>(2)</sup>

Rule 1006(d):

Number of equity securities issued by the Company as Consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue Not Applicable

Rule 1006(e):

The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Company's proved and probable reserves Not Applicable

Notes:

(1) The unaudited net loss of the Group for the financial period ended 31 March 2017 was RMB7,315,021. The unaudited net loss of the Target Company for the financial period ended 31 March 2017 was S\$97,554 (equivalent to approximately RMB478,014 based on the exchange rate of S\$1 : RMB4.90). For purposes of Rule 1006(b), the unaudited net loss attributable to the Vendor Shares for the financial period ended 31 March 2017 was S\$19,510 (equivalent to approximately RMB95,603 based on the exchange rate of S\$1 : RMB4.90).

(2) Based on the Consideration of S\$570,000 and the Company's market capitalisation as at 30 June 2017 (being the full trading day immediately preceding the date of the Agreement) of S\$13,072,394.

The market capitalisation of the Company is derived by multiplying the number of Shares in issue by the volume-weighted average traded price of S\$0.0289 on 30 June 2017. (Source: Bloomberg L.P.).

4.2 **Non-disclosable Transaction.** None of the relative figures under Rules 1006(b) and (c) of the Listing Manual exceeds 5%.

## 5. **CHAPTER 9 OF THE LISTING MANUAL**

5.1 The Proposed Acquisition constitutes an interested person transaction as defined under Chapter 9 of the Listing Manual, as Mr. Tay Wee Kwang is both a Vendor and a non-executive director of the Company.

5.2 The amount at risk to the Company is S\$379,620, being the amount payable by the Company to Mr. Tay Wee Kwang pursuant to the Proposed Acquisition. This constitutes 2.20% of the Group's unaudited net asset value of RMB84,659,000 (equivalent to approximately S\$17,277,350 based on the exchange rate of S\$1 : RMB4.90) as at 31 March 2017.

## 6. **INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Save as disclosed in paragraph 5 above and for their respective shareholdings in the Company, none of the Directors, and to the best of the Directors' knowledge, none of the controlling shareholders of the Company have an interest, direct or indirect, in the Proposed Acquisition.

## 7. **APPOINTMENT OF NON-EXECUTIVE DIRECTOR**

Mr. Koo Ah Seang, a Vendor, will be appointed as a non-executive director of the Company upon completion of the Proposed Acquisition. The Company will release an announcement of his appointment separately.

## 8. **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**

**TING CHUN YUEN**  
**EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

3 July 2017