ECOWISE HOLDINGS LIMITED
(Company Registration No. 200209835C)

WAIVER FROM REQUIREMENT TO COMPLY WITH RULE 1014(2) OF THE LISTING MANUAL IN RELATION TO THE PROPOSED DISPOSAL OF HIVERN INVESTMENTS PTE LTD

1. INTRODUCTION

The Board of ecoWise Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that in relation to the proposed disposal of its indirect wholly owned subsidiary, Hivern Investments Pte Ltd ("**Hivern**") ("**Proposed Disposal**"), it has applied to the SGX-ST for a waiver of the requirement to seek Shareholders' approval for the Proposed Disposal ("**Waiver**") and has received a letter from the SGX-ST dated 28 August 2015, granting the Company the Waiver, details of which are set out below.

2. THE PROPOSED DISPOSAL

The Company's wholly owned subsidiary, ecoWise New Energy Pte. Ltd. ("**ENE**") currently holds 100% of the issued shares in Hivern. ENE intends to dispose of 100% of the issued shares in Hivern ("**Sale Shares**") to an independent third party purchaser.

Hivern is an investment holding company and its principal asset is its 100% interest in Changyi Enersave Biomass to Energy Co. Ltd. (昌邑安利兴生物质发电有限公司) ("**CEBEC**", together with Hivern, collectively, the "**Sale Entities**"). CEBEC is a wholly foreign-owned enterprise incorporated in the PRC. CEBEC is in the business of generating electric power and steam using biomass such as agricultural and forestry wastes. CEBEC owns two units of 12MW power generators in its plant (the "**CEBEC Plant**") located in the PRC. The Group, via ENE, acquired Hivern and CEBEC in May 2013 ("**2013 Acquisition**").

ENE is currently sourcing for a purchaser to acquire the entirety of ENE's interest in the Sale Shares and Sale Entities. The consideration will be subject to negotiations and definitive documentation.

Based on the unaudited consolidated financial statements of the Group for the 6 months period ended 30 April 2015, the relative figures under Rule 1006(b) in respect of the Proposed Disposal, as computed on the bases set out in Rule 1006 of the Listing Manual, will be approximately negative 95.44%. This is determined using the net loss before income tax of S$0.335 million attributable to the assets disposed of compared with the Group's net profit of S$0.351million for the 6 months period ended 30 April 2015.

Rule 1007(1) provides that if any of the relative figures computed pursuant to Rule 1006 is a negative figure, Chapter 10 of the Listing Manual may still be applicable to the transaction at the discretion of the SGX-ST. As the threshold under Rule 1006(b) exceeds 20%, the Company therefore made an application to the SGX-ST for a waiver from the need to convene an extraordinary general meeting to obtain shareholders' approval for the Proposed Disposal.

3. CONDITIONS OF THE WAIVER

The Wavier granted by the SGX-ST is subject to the following conditions: -

(a) the Company announcing the Waiver granted, the reasons for seeking the Waiver and the conditions as required under Listing Rule 107; and

(b) submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company and the articles of association of the Company; and

(c) the Company will be required to consult the Exchange regarding the validity of the waiver in the event of material adverse change(s) to the estimated sale consideration, terms of the Proposed Disposal, and/or material changes to the relative figures of Listing Rule 1006.

The Company notes that the application for waiver, and the grant of the Waiver, was on the basis only that the the threshold exceeded was under Rule 1006(b).

4. REASONS FOR SEEKING THE WAIVER

The Company applied for the Waiver on the following grounds:-

(a) The Proposed Disposal will not result in a change in the Group's risk profile as it involves the disposal of a non-productive, non-core subsidiary of the Group, and will not worsen the risk profile of the Group. If the Proposed Disposal had been completed on 30 April 2015, the gearing of the Group will improve slightly from 0.52 times to 0.50 times.

(b) The Proposed Disposal will not affect the nature of its main business, which remains in Resource Recovery, Renewal Energy and Integrated Environmental Management Solutions. The Group's principal operations remain in Singapore and Malaysia and China. However the Group has intention to minimise its investment in the renewable energy businesses in China.

(c) The Proposed Disposal would not impact on the existing operations of the Group's business and may result in an improvement in the Group's financial position. The net loss for the 6 months ended 30 April 2015 attributable to the Sale Entitles is approximately S$335,000 and the net profit for the Group for the same period is S$351,000. If the sale of the Sale Entities had been completed as at the commencement of the financial year 1 November 2014, the Group would reflect a higher net profit before income tax and minority interest of approximately S$686,000. As the Sale Entities is recording losses, the Proposed Disposal of the Sale Entities would have a favourable impact on the financial position of the Group.

(d) The Sale Entities is non-operational and loss making. Since the 2013 Acquisition to 30 April 2015, the CEBEC Plant has not been operational and the Sale Entities has not contributed any revenue to the Group. The Company does not expect the CEBEC Plant to become operational without substantial capital expenditure to rectify existing defects and obtain all requisite permits and working capital for its operations. The Proposed Disposal will allow the Group to dispose of significant loss-making entities.

(e) The Proposed Disposal is expected to improve the overall financial position of the Group. Assuming that the Proposed Disposal had been completed at 1 November 2014, as at 30 April 2015 earnings per share (after tax) would have been S$0.018 per share instead of a S$0.018 loss per share.

5. STATUS OF PROPOSED DISPOSAL

The Company will, in the event that negotiations (with third party purchaser) are successful and the Company enters into definitive documentation for the Proposed Disposal, immediately announce the same.

The Company notes that the application for waiver, and the grant of the Waiver, was on the basis only that the the threshold exceeded was under Rule 1006(b). If any other threshold under Rule 1006 is exceeded, the Company will be subject to the other requirements under Chapter 10 of the Listing Manual.

BY ORDER OF THE BOARD

LOW KIAN BENG
Executive Director
30 August 2015