

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 935,853,464 WARRANTS ON THE BASIS OF TWO (2) WARRANTS FOR EVERY ONE (1) EXISTING ORDINARY SHARE OF THE COMPANY, EACH WARRANT EXERCISABLE INTO ONE (1) NEW ORDINARY SHARE OF THE COMPANY

1. INTRODUCTION

- 1.1 The board of directors (the "**Directors**") of Ziwo Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue (the "**Rights Issue**") of up to 935,853,464 warrants (the "**Warrants**", and each a "**Warrant**"), at an issue price of S\$0.0033 (the "**Issue Price**") for each Warrant, on the basis of two (2) Warrants for every one (1) existing ordinary share (the "**Share**") in the capital of the Company held by the shareholders of the Company (the "**Shareholders**") as at the books closure date, being the time and date to be determined by the Directors on which the register of members and share transfer books of the Company will be closed to determine the entitlements of Shareholders to the provisional allotments of Warrants under the Rights Issue (the "**Books Closure Date**"), fractional entitlements to be disregarded. Each Warrant will entitle the holder (a "**Warrantholder**") to subscribe for one (1) new ordinary share in the capital of the Company (the "**Warrant Share**") at an exercise price of S\$0.010 for each Warrant Share (the "**Exercise Price**"), subject to the terms and conditions of the Warrants as set out in the deed poll executed by the Company ("**Deed Poll**").
- 1.2 The Rights Issue is subject to, amongst others, the following:
- (i) the receipt of the in-principle approval of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the dealing in, the listing of and quotation for the Warrants and the Warrant Shares (to be allotted and issued by the Company upon the exercise of the Warrants) on the Official List of the Main Board of the SGX-ST;
 - (ii) the approval of the Shareholders of the Rights Issue at the extraordinary general meeting to be convened by the Company (the "**EGM**");
 - (iii) the approval of the Shareholders of the Potential Transfer of Controlling Interest Resolution (as defined below) as a result of the Rights Issue at the EGM; and
 - (v) the lodgement of an offer information statement relating to the Rights Issue, prepared in accordance with the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 ("**OIS**"), and its accompanying documents with the Monetary Authority of Singapore ("**Authority**") in accordance with the provisions of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**").
- 1.3 No underwriting commitment has been arranged with any financial institution for the Rights Issue. The Company has decided to proceed with the Rights Issue on a non-underwritten basis as the Company believes that the Issue Price for each Warrant and the Exercise Price for each

Warrant Share is sufficiently attractive. Further, the Board is of the opinion that there is no minimum amount which must be raised from the Rights Issue. Hence, in view of the above and the savings enjoyed for not having to bear underwriting fees, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

2. THE BASIS OF THE RIGHTS ISSUE

Based on the issued share capital of the Company comprising 467,926,732 Shares as at the date of this Announcement, up to 935,853,464 Warrants are proposed to be offered on a renounceable and non-underwritten basis to the Entitled Shareholders (as defined below) at the Issue Price of S\$0.0033 for each Warrant, on the basis of two (2) Warrants for every one (1) Share held by the Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded. Based on the Issue Price and the Exercise Price, the aggregate cost of subscribing for each Warrant Share upon the exercise of a Warrant is S\$0.0133, which represents a discount of approximately 39.55% to the closing price of S\$0.022 per Share on 28 September 2017 (being the latest full Market Day on which there were trades in the Shares immediately preceding the date of this Announcement as no Shares were traded on 29 September 2017).

The Warrants are payable in full upon acceptance and/or application. The Warrant Shares when allotted and issued upon the exercise of the Warrants shall be fully paid and shall rank equally and without preference in all respects with the then existing Shares save for any dividends, rights, allotments and other distributions that may be declared or paid, the Record Date for which falls before the date of exercise of the Warrants.

For the purpose herein, "**Record Date**" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or The Central Depository (Pte) Limited ("**CDP**"), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

Entitled Shareholders (as defined below) will be at liberty to accept (in full or in part), decline or otherwise renounce or trade their provisional allotments of Warrants during the provisional allotment trading period prescribed by the SGX-ST and will be eligible to apply for excess Warrants under the Rights Issue.

Provisional allotments of Warrants which would otherwise have been made to Foreign Shareholders will be dealt with in the manner described in Paragraph 4.2 entitled "Foreign Shareholders" of this Announcement. In the allotment of excess Warrants, preference will be given to the rounding of odd lots and Directors and substantial shareholders (shareholders who have an interest directly or indirectly in 5% or more of the total number of issued Shares ("**Substantial Shareholders**") who have control or influence over the Company in connection with the day-to-day affairs of the Company, or have representation (direct or through a nominee) on the Board, will rank last in priority.

3. PRINCIPAL TERMS OF THE RIGHTS ISSUE

The salient terms of the Rights Issue are set out below:

- 3.1 Form and Subscription : The Warrants will be constituted by the Deed Poll and will be Rights of the Warrants

and Exercise Period

issued in registered form. The Deed Poll sets out, among others, the terms and conditions of the Warrants and may from time to time be amended, supplemented or modified.

The Warrants are payable in full on acceptance and/or application by Entitled Shareholders (as defined below). Each Warrant will, subject to the terms and conditions in the Deed Poll, carry the right to subscribe for one (1) Warrant Share at the Exercise Price within the period during which the Warrants may be exercised (the “**Exercise Period**”), being the period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding 36 months from the date of issue of the Warrants, unless such date is a date on which the register of members of the Company (“**Register of Members**”) and the register of warrant holders of the Company (“**Register of Warrantholders**”) is closed and/or is not a day on which the SGX-ST is open for trading in securities (“**Market Day**”), in which event, the last day of the Exercise Period shall be the immediate preceding Market Day on which the Register of Members and the Register of Warrantholders remain open or the immediate preceding Market Day, as the case may be, subject to the terms and conditions of the Warrants as set out in the Deed Poll.

The Warrants which remain unexercised on the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.

3.2 Size of the Rights Issue : As at the date of this Announcement, the Company has an issued and paid-up share capital comprising 467,926,732 Shares (the “**Existing Share Capital**”). The Company does not have any outstanding convertibles or treasury shares. Based on the Existing Share Capital, up to 935,853,464 Warrants may be issued pursuant to the Rights Issue. Assuming that all the 935,853,464 Warrants have been fully subscribed and exercised, the enlarged share capital of the Company will comprise 1,403,780,196 new Shares (“**Enlarged Share Capital**”), in which case, the Warrant Shares will represent 200% of the Existing Share Capital and 66.67% of the Enlarged Share Capital respectively.

3.3 Trading of the Warrants and the Warrant Shares : An application will be made to the SGX-ST for the listing of and quotation for the Warrants and the Warrant Shares on the SGX-ST. Subject to, among others, there being a sufficient spread of holdings of the Warrants, upon listing of and quotation for the Warrants and the Warrant Shares on the Mainboard, the Warrants and the Warrant Shares will respectively be traded under the book-entry (scripless) settlement system.

Accordingly, the provisional allotment letters to be issued to Entitled Scripholders (as defined below) will not be valid for delivery pursuant to trades done on the SGX-ST.

Each board lot of Warrants or Shares (as the case may be) will consist of 100 Warrants or 100 Shares respectively. Shareholders should note that in the event of an insufficient spread of holdings for the Warrants to provide for an orderly market in the trading of the Warrants, the Warrants may not be listed and quoted on the Mainboard. As a guide, the SGX-ST expects at least 100 warrant holders for a class of company warrants. Shareholders should note that in the event that permission is not granted by the SGX-ST due to an insufficient spread of holdings for the Warrants to provide for an orderly market in the trading of the Warrants, Warrant holders will not be able to trade their Warrants on the SGX-ST. In such event the Company shall nevertheless proceed with and complete the Rights Issue.

- 3.4 Fractional Entitlements : Fractional entitlements to the Warrants, if any, will be disregarded in arriving at Entitled Shareholders' entitlements and will, together with the provisional allotments of Warrants which are not taken up or allotted for any reason, be aggregated and used to satisfy Entitled Shareholders' application for additional Warrants in excess of their provisional allotment (if any) ("**Excess Warrants**"), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.
- 3.5 Excess Warrants : Entitled Shareholders are at liberty to accept, decline or renounce their provisional allotment of Warrants ("**Rights**") and will be eligible to apply for the Excess Warrants. In addition, Entitled Depositors (as defined below) will also be eligible to trade their Rights (in full or in part) on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST. Provisional allotments which are not taken up for any reason shall be used to satisfy applications for Excess Warrants or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, subject to applicable laws and the listing rules of the SGX-ST ("**Listing Rules**"). For the avoidance of doubt, only Entitled Shareholders (and not the purchasers of the Rights or the renounees) shall be entitled to apply for Excess Warrants.
- 3.6 Scaling down of subscriptions and excess applications ("**Scaling Provisions**") : Depending on the level of subscription for the Warrants, the Company will, if necessary, scale down the subscription and/or excess applications for the Warrants by any of the Substantial Shareholders (if such Substantial Shareholder chooses to subscribe for its pro-rata Warrants and/or apply for excess Warrants) to avoid placing the relevant Substantial Shareholder and parties acting in concert with it (as defined in the Code) in the position of incurring a mandatory general offer obligation under the Code (when the Warrants are exercised into Warrant Shares) as a result of other Shareholders not taking up their Rights Issue entitlement.

- 3.7 Adjustments : The Exercise Price and/or the number of Warrants shall from time to time be adjusted in accordance with the terms and conditions of the Warrants as set out in the Deed Poll. Such circumstances include, without limitation, consolidation or subdivision of Shares, capitalisation issues, rights issues and certain capital distributions. Any such adjustments will be announced by the Company via an announcement on SGXNET in compliance with the Listing Rules.
- 3.8 Winding up : Where there is a members' voluntary winding-up of the Company, each Warranholder may elect to be treated as if he had immediately prior to the commencement of such winding-up, exercised the Warrants and had on such date been the holders of the Warrant Shares to which he would have become entitled pursuant to such exercise. The Company shall give notice to each Warranholder in accordance with the terms and conditions to be set out in the Deed Poll of the passing of any such resolution.
- 3.9 Notice of Expiry : The Company shall, no later than one (1) month before the expiry of the Exercise Period, announce the expiry of the Exercise Period on SGXNET. In addition, the Company shall also, no later than one (1) month before the expiry of the Exercise Period, take reasonable steps to notify the Warranholders in writing of the expiry of the Exercise Period, and such notice shall be delivered by post to the registered address of the Warranholder as maintained in the Register of Warranholders.
- 3.10 Alteration to Terms : No material alteration to the terms of the Warrants after the issue thereof to the advantage of the Warranholder shall be made, unless the alterations are made pursuant to the terms and conditions of the Warrants as set out in the Deed Poll or the prior approval of Shareholders at a general meeting has been sought.
- 3.11 Governing Law : The terms of the Warrants are governed by the Laws of the Republic of Singapore.

4. ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

- 4.1 **"Entitled Shareholders"** comprising Entitled Depositors and Entitled Scripholders are entitled to participate in the Rights Issue and to receive the OIS and the accompanying documents. Entitled Shareholders will be provisionally allotted the Warrants on the basis of their shareholdings as at the Books Closure Date, fractional entitlements to be disregarded.

"Entitled Depositors" are Shareholders with Shares entered against their own names in the Depository Register maintained with CDP as at the Book Closure Date and whose addresses with CDP are in Singapore as at the Book Closure Date or who had, at least three (3) Market Days prior to the Books Closure Date, provided CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, with addresses in Singapore for the service of notices and documents.

“Entitled Scripholders” are Shareholders whose share certificates are not deposited with CDP and who have tendered to the Company’s share registrar (the **“Share Registrar”**), B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who had, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents.

- 4.2 **Foreign Shareholders.** The distribution of the OIS and the accompanying documents may be prohibited or restricted (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of relevant securities legislation applicable in countries other than in Singapore, the OIS and the accompanying documents will not be despatched to Shareholders whose registered addresses with the Share Registrar or CDP, as the case may be, are outside Singapore as at the Books Closure Date and who had not, at least three (3) Market Days prior to the Books Closure Date, provided to the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents (**“Foreign Shareholders”**), or to any jurisdictions outside Singapore.

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application therefor by Foreign Shareholders will be valid.

If it is practicable to do so, arrangements may, at the sole discretion of the Company, be made for the provisional allotment of Warrants which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotment of Warrants commence. Such sales will, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by means of a crossed cheque drawn on a bank in Singapore by ordinary post, where the amount of net proceeds to be distributed to any single Foreign Shareholder is not less than S\$20.00. In the event the amount is less than S\$20.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, CDP or the Share Registrar and their respective officers in connection therewith.

Where such provisional allotment of Warrants are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, CDP or the Share Registrar and their respective officers in respect of such sales or the proceeds thereof, the provisional allotment of Warrants or the Warrants represented by such provisional allotments.

If such provisional allotment of Warrants cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotment of Warrants, the Warrants represented by such provisional allotment will be allotted and issued to satisfy excess applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, CDP or the Share Registrar and their respective officers in connection therewith.

5. RATIONALE AND USE OF PROCEEDS

5.1 Rationale

The Directors believe that the Rights Issue will provide the Warrantholders with the opportunity to further participate in the equity of the Company by subscribing for Warrant Shares through the exercise of the Warrants. In addition, the Directors believe that the proceeds arising from the Rights Issue and through the exercise of the Warrants (as and when exercised), will (i) expand and strengthen the capital base of the Company, (ii) provide additional resources for business expansion and diversification of income streams, and (iii) confer additional financial flexibility on the Company and enable it to respond proactively to strategic business opportunities and working capital requirements, as necessary. Further, the Warrant Shares, when issued, are expected to improve the liquidity in the trading of the Company's Shares.

5.2 Funds to be Raised

Assuming all Warrants are subscribed in full by the Entitled Shareholders, an aggregate of 935,853,464 Warrants will be issued pursuant to the Rights Issue ("**Maximum Subscription Scenario**").

In the Maximum Subscription Scenario, the net proceeds from the subscription of the Warrants ("**Net Proceeds**") will amount to approximately S\$2.99 million after deducting professional fees as well as related expenses of approximately S\$100,000.

Assuming that all Warrants subscribed are exercised, the Company will raise additional proceeds ("**Exercise Proceeds**") of approximately S\$9.36 million in the Maximum Subscription Scenario.

There is no minimum amount to be raised from the Rights Issue.

5.3 Use of Proceeds

The Company intends to use the Net Proceeds from the Rights Issue of the Warrants for the Group's general working capital purposes.

As and when the Warrants are exercised, the Company intends for the Exercise Proceeds arising therefrom to be applied to the following purposes:

Use of Proceeds	(%)
(i) To fund the Group's pursuit of strategic business opportunities or general corporate activities (including any business expansion, investments, acquisition opportunities, entering into strategic alliances and/or joint ventures, as and when such opportunities arise).	70%
(ii) To fund the Group's general working capital purposes	30%

As and when any significant amount of the Exercise Proceeds is deployed, the Company will make the necessary announcements and subsequently provide a status report on the use of such proceeds and any material deviation therefrom in its annual report.

Pending the deployment of the Net Proceeds and the Exercise Proceeds for the uses identified above, the Net Proceeds and the Exercise Proceeds may be placed as deposits with financial institutions or invested in short-term money market or debt instruments or for any other purposes on a short-term basis as the Directors may deem fit.

6. POTENTIAL TRANSFER OF CONTROLLING INTEREST

As at the date of this Announcement, each of Mr. Tay and Mr. Koo holds 35,101,000 Shares and 31,484,000 Shares respectively, representing approximately 7.50% and 6.73% respectively of the total issued and paid-up share capital of the Company.

Both Mr. Tay and Mr. Koo have indicated their respective interest to the Board to subscribe and pay for, and/or procure the subscription and payment for, their respective pro-rata entitlement of 70,202,000 and 62,968,000 Warrants under the Rights Issue ("**Indications of Interest**").

Shareholder	Before Rights Issue		After Rights Issue (Maximum Subscription Scenario)		After Rights Issue (Minimum Subscription Scenario)	
	Number of Shares	Shareholding (%) ⁽¹⁾	Number of Shares	Shareholding % ⁽²⁾	Number of Shares	Shareholding % ⁽³⁾
Mr. Tay	35,101,000	7.50	105,303,000	7.50	105,303,000	17.52
Mr. Koo	31,484,000	6.73	94,452,000	6.73	94,452,000	15.71

Note:

- (1) The shareholding interest has been computed based on the Existing Share Capital comprising 467,926,732 Shares
- (2) The shareholding interest has been computed based on the Enlarged Share Capital comprising 1,403,780,196 Shares, assuming all Warrants subscribed are exercised into Warrants Shares.
- (3) The shareholding interest has been computed based on the enlarged share capital comprising 601,096,732 Shares, assuming all Warrants subscribed are exercised into Warrants Shares.

In the event that Mr. Tay and Mr. Koo subscribe for their respective entitlements for the Warrants in full and exercise all such Warrants into Warrants Shares, and under the scenario where all other Entitled Shareholders do not subscribe for any Warrants under the Rights Issue, the shareholding interest of both Mr. Tay and/or Mr. Koo may increase, and subject to *inter alia* Scaling Provision, to more than 15% of the enlarged share capital of the Company after the

Rights Issue. In such event, Mr. Tay and/or Mr. Koo may accordingly become controlling shareholder(s) of the Company within the meaning of the Listing Rules. Pursuant to Rule 803 of the Listing Rules, specific Shareholders approval is required for the Company to undertake the Rights Issue which may potentially result in the transfer of controlling interest in the Company pursuant to the issuance of securities. As such, the Company will seek specific Shareholders' approval in relation to the potential transfer of controlling interest to Mr. Tay and/or Mr. Koo ("**Potential Transfer of Controlling Interest Resolution**") in the EGM to be convened.

For the avoidance of doubt, the Company may, by virtue of the Scaling Provision, if necessary, scale down the subscription and/or excess applications for the Warrants by any of the Substantial Shareholders (including Mr. Tay and Mr. Koo), if such Substantial Shareholder chooses to subscribe for its pro-rata Warrants and/or apply for excess Warrants, to avoid placing the relevant Substantial Shareholder and parties acting in concert with it (as defined in the Code)) in the position of incurring a mandatory general offer obligation under the Code (when the Warrants are exercised into Warrant Shares) as a result of other Shareholders not taking up their Rights Issue entitlement.

In addition, Mr. Tay and Mr. Koo have further confirmed with the Company that in the event that they choose to subscribe for their respective pro-rata Warrants and/or apply for excess Warrants, and the Scaling Provision has not been utilised by the Company to scale down their respective subscription, they will only exercise their Warrants subscribed pursuant to the Rights Issue to the extent that their aggregate voting rights in the Company will not amount to or exceed the 30.00% threshold as not to incur a mandatory general offer obligation under the Code.

For the avoidance of doubt, the Indications of Interest by Mr. Tay and Mr. Koo as well as the Potential Transfer of Controlling Interest Resolution to be sought do not amount to undertakings by Mr. Tay and/or Mr. Koo to subscribe for their pro-rata entitlement to the Warrants under the Rights Issue. There are no obligations on their part to take up, pay, or procure the subscription or payment for their pro-rata entitlement under the Rights Issue.

7. THE CIRCULAR AND THE OIS

A circular, containing, amongst others, the notice of the EGM and the terms and conditions of the Rights Issue will be despatched to the Shareholders in due course.

Thereafter, the OIS will be despatched by the Company, together with copies of the application form for the Warrants, the application form for the excess Warrants and the provisional allotment letter, as the case may be, to the Entitled Shareholders following the EGM in due course.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Except as mentioned in this Announcement, none of the Directors or controlling shareholders of the Company have any interest, direct or indirect, in the Rights Issue, other than through their respective interests in the Shares.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of the preparation of this Announcement) 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 Rights Issue. The Company 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
29 September 2017