

ECOWISE HOLDINGS LIMITED
(Company Registration No. 200209835C)

**FURTHER UPDATE ON THE STATUS OF REQUISITION FOR AN EXTRAORDINARY
GENERAL MEETING**

The board of directors (the “**Board**” or the “**Directors**”) of ecoWise Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to: (1) the announcements released by the Company on 21 May 2021 and 1 June 2021 (collectively, the “**Previous Announcements**”) in relation to the requisition for an extraordinary general meeting of the shareholders of the Company (“**EGM**”) under Section 176 of the Companies Act (Cap. 50) of Singapore (“**Companies Act**”); (2) the notice of compliance issued by the Singapore Exchange Regulation (“**SGX RegCo**”) on 25 June 2021 (“**Notice**”); and (3) the announcement released by the Company on 29 June 2021 in relation to the Company’s response to the Notice (“**Response to Notice**”). Shareholders are advised to refer to the Notice and Response to Notice for details of the directives issued by SGX RegCo (“**SGX RegCo Directives**”).

Unless otherwise defined, all capitalised terms used in this announcement shall have the meanings ascribed to them in the Previous Announcements.

The Company wishes to update its shareholders (“**Shareholders**”) that the Board has considered each of the Proposed Resolutions set out in the Requisition Notice in light of the Notice and the SGX RegCo Directives. As set out in the Response to Notice, the Company had also adopted various safeguards in order to fulfil the requirements under the Notice.

The Board wishes to assure Shareholders that the Company will comply with the SGX RegCo Directives. In order to do so and to maintain the safeguards that the Company has implemented, the Board shall undertake the following:

- (a) The Board shall ensure that there are minimal disruptions to the Company and its operations, as well as to the composition of the current Board, all of whom are familiar with the Company’s matters, to ensure that the Board would be able to address the SGX RegCo Directives satisfactorily;
- (b) The Board shall devote its time and the resources of the Company to comply with the SGX RegCo Directives, including, amongst other things, procuring recommendations from independent, reputable professional associations or bodies for independent directors so as to constitute its Audit Committee and performing the preparatory steps for the commissioning of an internal audit on the adequacy and effectiveness of internal controls in relation to the Group’s financial reporting, release of announcements, escalation and information flow to the Board, and safeguarding of assets of the Group; and
- (c) Notwithstanding the disagreements between Mr Lee Thiam Seng (“**Mr Lee**”) and Mr Cao Shixuan (“**Mr Cao**”), all directors of the Company shall fully cooperate and work with each other to address the SGX RegCo Directives in a timely manner.

The Board notes that the Proposed Resolutions set out in the Requisition Notice would not be meaningful for the Company, having considered the following:

(a) The reasons provided by the Requisition Members for the Requisition are:

- (1) their grave concern about the *“lack of performance and efforts to maximise the growth potential of the Company and to garner interest in the Company’s growth prospects from its existing shareholders and the general investing public”*;
- (2) the lack of update on the arbitration between the Company’s subsidiary, Changyi Enersave Biomass to Energy Co Ltd, and China Huadian Engineering Co Ltd; and
- (3) the inability of the Company’s efforts in the People’s Republic of China to yield any profit for the Group.

However, no reason is provided by the Requisition Members as to why they have proposed to remove only Mr Cao, who is the Deputy Chief Executive Officer and one of the two Executive Directors, from his office as a Director, instead of proposing to remove all the Executive Directors of the Company given that their reasons relate to the performance of the Group as a whole. In any event, the proposed removal of Mr Cao from his office as a Director of the Company would result in unnecessary disruptions to the Company and may not allow the Board to address the SGX RegCo Directives satisfactorily. The Board recognises the importance of ensuring stability to the Company at this juncture and therefore, is of the view that there should not be any changes to the current composition of the Board, save for the appointment of at least two (2) new independent directors as directed by SGX RegCo in the Notice, as it would be more beneficial for the Company to have Mr Cao work together with Mr Lee and Mr Er Kwong Wah (“**Mr Er**”) to address the SGX RegCo Directives.

- (b) The Nominating Committee of the Company, currently comprising Mr Er only, is unable to constitute a quorum. Therefore, the Nominating Committee is unable to consider and provide a suitable recommendation to the Board on the proposed appointment of the Proposed Directors. More importantly, the Proposed Directors do not fulfil the requirements under the Notice as none of them is recommended by an independent, reputable professional association or body. Further, even if the Company proceeds with the Requisition and in the event all the Proposed Directors are appointed as directors of the Company, the Company will still need to appoint at least two (2) more independent directors to constitute its Audit Committee, in compliance with the SGX RegCo Directives. This would mean that the Company would have at least seven (7) directors, resulting in an undue increase in the size of the Board to that of an unwieldy one. This not only increases costs but may disallow the Board to effectively address or comply with the SGX RegCo Directives.
- (c) The appointment of at least two (2) more independent directors to constitute its Audit Committee in compliance with the SGX RegCo Directives will address the concerns of the Requisition Members with the recent resignations of two (2) independent directors insofar as they relate to the refreshing and reconstitution of the Board for proper governance and the enhancing of accountability to all Shareholders.
- (d) The resolution proposing for removal of any directors of the Company who may be appointed between the date of the Requisition Notice and the date of the EGM is invalid, as it lacks the necessary specificity, and also contradicts the SGX RegCo Directive of requiring the Company to appoint at least two (2) independent directors.

Having considered the above in its entirety, the Board is of the view that it would not be in the best interest of the Company to convene an EGM in respect of the Requisition. Accordingly, the Company will **not** convene an EGM for purposes of voting on the Proposed Resolutions.

The shares in the Company have been suspended from trading on the Singapore Exchange Securities Trading Limited since 18 June 2021. Shareholders and potential investors of the Company are advised to read this announcement and further announcements by the Company carefully. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

ER KWONG WAH
Lead Independent Director
2 July 2021

This announcement has been prepared by ecoWise Holdings Limited ("**Company**") and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. ("**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.

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 Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd., at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.