ECOWISE HOLDINGS LIMITED
(Company Registration No. 200209835C)

PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF ASIA CLEANTECH HUB PTE. LTD.

1. INTRODUCTION

1.1 The board of directors (the "**Board**") of ecoWise Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 4 February 2020, entered into a conditional sale and purchase agreement ("**SPA**") with Mr. Lau Hong Keong (the "**Purchaser**") pursuant to which the Company agreed to sell to the Purchaser the entire issued and paid-up share capital (the "**Sale Shares**") of the Company's wholly-owned subsidiary, Asia Cleantech Hub Pte. Ltd. ("**ACT**"), for a consideration of S$1.00 ("**Sale Consideration**"), on the terms of and subject to the conditions of the SPA ("**Proposed Disposal**"). The Company, the Purchaser and ACT shall collectively be known as the "**Parties**", and each a "**Party**".

1.2 ACT has an 80.0% equity interest in Swee Chioh Fishery Pte. Ltd. ("**SCF**"). ACT and SCF shall collectively be known as the "**Sale Subsidiaries**". Upon completion of the Proposed Disposal, the Company will cease to have any interest in the Sale Subsidiaries.

2. INFORMATION ON THE SALE SUBSIDIARIES

2.1 Details of each of the Sale Subsidiaries as at the date of the SPA are as follows:

Name of Sale Subsidiary	**Principal Activity**	**Principal place of business and Country of incorporation / Date of incorporation**	**Issued and paid-up share capital**	**Group's effective equity interest**
Asia Cleantech Hub Pte. Ltd.	Management Consultancy Services (General)	Singapore / 6 January 2012	S$100.00 consisting of 100.00 ordinary shares	100.0%
Swee Chioh Fishery Pte. Ltd.	Operation of fish hatcheries, commercial breeding and rearing of fish	Singapore / 11 August 2003	S$2,568,116.80 consisting of 20,236,650 ordinary shares	80.0%(1)

Note:

(1) The remaining 20.0% equity interest is held by Rong-Yao Fisheries Pte. Ltd. ("**RYF**"). To the best of the Directors' knowledge, RYF and its shareholders are not related to the Purchaser.

3. INFORMATION ON THE PURCHASER

The Purchaser is a Singaporean businessman who is running a fish farm business in Malaysia. The Purchaser intends to expand his business to Singapore through the acquisition of the Sale Subsidiaries. The Purchaser is not related to any of the Directors and the substantial shareholders of the Company or any of their respective associates. As at the date of this announcement, the Purchaser does not own any shares in the Company. The Purchaser was a customer of the Company. No commission is to be paid to anyone in connection with the Proposed Disposal.

4. FINANCIAL INFORMATION RELATING TO THE SALE SUBSIDIARIES

4.1 Based on the unaudited consolidated financial statements of the Group for the financial year ended 31 October 2019 ("**FY2019**"), the Group had classified the Sale Subsidiaries as disposal group held for sale, and the Group recorded assets of the disposal group classified as held for sale (being the Sale Subsidiaries) of S$2.71 million and liabilities directly associated with assets held for sale of S$2.23 million, as at 31 October 2019. The open market value of the Sale Shares is not available as the Sale Shares are not publicly traded.

4.2 Based on the unaudited consolidated financial statements of the Sale Subsidiaries for FY2019, the Sale Subsidiaries recorded the following:

(i) net loss before tax of approximately S$0.38 million in FY2019;

(ii) negative book value and net tangible liabilities ("**NTL**") of approximately S$0.43 million respectively, as at 31 October 2019;

(iii) negative equity attributable to owners of ACT of approximately S$610,240 and non-controlling interest of approximately S$181,158, as at 31 October 2019;

(iv) aggregate net amount due to related corporations (being the Company and its Associates[1]) of approximately S$758,035 ("**Amount Due to EWH**");

(v) aggregate amount of deposits (including fixed deposits) of approximately $135,706 ("**Deposits**"); and

(vi) aggregate amount due to third parties (including trade and other payables, and accruals) of approximately S$152,792 ("**Payables**").

4.3 Pursuant to the SPA,

(i) the Purchaser will assume and undertake and agree to pay, perform and discharge any refund of deposits (including fixed deposits) and any repayment of loans and/or amounts of the Sale Subsidiaries that are owing to the Company and its Associates as at Completion Date (as defined in section 6.3 below). Please refer to section 6.3(iii)(b) of this announcement for details. Based on the unaudited consolidated financial statements of the Sale Subsidiaries for FY2019, the Purchaser will assume and undertake, and agree to pay an aggregate amount of approximately S$893,741 (being the sum of the Amount Due to EWH and the Deposits) to the Company and its Associates ("**Receivables**"); and

[1] **Associate** means, in relation to a company, any subsidiary or holding company of that company, any subsidiary of any such holding company and any company the equity shares in which the first-mentioned company, its subsidiary, its holding company or any subsidiary of its holding company together (directly or indirectly) hold an interest of 30% or more.

(ii) the Company shall be responsible for any third party liabilities as reflected in the unaudited financial statements of the Sale Subsidiaries as at the Completion Date. Please refer to section 6.3(ii) of this announcement for details. Based on the unaudited financial statements of the Sale Subsidiaries for FY2019, the Company will assume an aggregate amount of approximately S$152,792 (being the Payables).

4.4 Taking into account the Sale Consideration and the Receivables, net of the Payables, the net consideration for the Proposed Disposal shall amount to approximately S$0.74 million ("**Net Consideration**").

4.5 The Proposed Disposal will result in the Group recording a non-cash gain on disposal of approximately S$0.23 million (after deducting estimated expenses to be incurred in connection with the Proposed Disposal of S$6,500), as the Sale Subsidiaries has a negative book value.

5. RATIONALE FOR THE PROPOSED DISPOSAL

The Company, through ACT, acquired its 80.0% equity interest in SCF on 10 January 2018. Based on the latest available purchase price allocation of business and assets of SCF report prepared by Foo Kon Tan Corporate Finance Pte Ltd dated 31 January 2019, the fair value of the net identifiable assets of SCF acquired by ACT as at 1 February 2018 amounted to approximately S$1.02 million. However, ACT is a dormant company while SCF has been a loss-making company for the past two (2) financial years ended 31 October 2019. The business of the Sale Subsidiaries, being the operation of fish hatcheries and fish farms in Singapore, is not a core business of the Group. The Group is in the business of resource recovery, renewable energy and integrated environmental solutions provider. Accordingly, the Proposed Disposal is not expected to affect the existing operations and business of the Group.

As stated in section 4.2 above, the Sale Subsidiaries has a negative book value and NTL of approximately S$0.43 million as at 31 October 2019. In addition, as stated in section 4.3 above, pursuant to the SPA, the Purchaser has undertaken to repay any loans and/or amounts owing by the Sale Subsidiaries to the Company and its Associates and refund the Deposits, whereas the Company has undertaken to repay any third party liabilities of the Sale Subsidiaries, as reflected in the unaudited financial statements of the Sale Subsidiaries as at the Completion Date. The Proposed Disposal will allow the Group to recover the amounts owed by the Sale Subsidiaries and the Deposits (the aggregate of which are larger than the sum of the Payables) and enable the Group to focus its capital resources on its core business.

In view of the above, the Board is of the view that the Proposed Disposal is in the best interest of the Company and its shareholders.

6. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

6.1 Sale Consideration and Net Consideration

The Sale Consideration of S$1.00, and the respective amounts of the Receivables and the Payables, are to be satisfied fully in cash. The Sale Consideration was arrived at on a willing buyer and willing seller basis, and taking into account, *inter alia*, the consolidated negative book value of the Sale Subsidiaries, as well as the payment of the Receivables and the Payables.

6.2 Conditions Precedent

Pursuant to the SPA, the sale and purchase of the Sale Shares is conditional upon fulfillment of the following conditions ("**Conditions Precedent**"):

(i) each Party having secured the necessary directors' and (if required) shareholders' approvals to enter into the SPA;

(ii) all other third party consents or approvals (including those by regulatory authorities in Singapore or any other jurisdiction applicable to the Purchaser or the Seller) required for the sale and purchase of the Shares being granted or obtained, and being in full force and effect and not having been withdrawn, suspended, amended or revoked, and if such consents or approvals are granted or obtained subject to any conditions, such conditions being reasonably acceptable to the Purchaser and the Company;

(iii) the SPA and any other agreement entered into by the Parties in connection with the share sale and purchase have been duly executed by all the Parties; and

(iv) the warranties and representations under the SPA are true and correct.

If any of the Conditions Precedent is not fulfilled on the date falling no later than 5 days after the date of the SPA ("**Long Stop Date**"), or such other date as may be agreed in writing by the Parties, any Party may terminate the SPA and no Party shall have any claim against any other Party for costs, damages, compensation or otherwise, save for any claim by a Party against the other arising from antecedent breaches of the terms thereof.

6.3 Completion

Subject to all the Conditions Precedent being fulfilled by the Long Stop Date, completion shall take place within 5 business days after the satisfaction of all the Conditions Precedent (unless waived by the Parties), or such other date as may be agreed in writing by the Parties ("**Completion Date**"). On the Completion Date, the Purchaser shall pay the Company the Sale Consideration in full.

Upon completion of the Proposed Disposal on the Completion Date pursuant to the SPA:

(i) the Company's ownership and title to the Sale Shares and risk thereon shall devolve to the Purchaser;

(ii) subject to clause (iii) below, the Company shall be responsible for any third-party liabilities as reflected in the unaudited consolidated financial statements of the Sale Subsidiaries as at the Completion Date as prepared by the Company;

(iii) notwithstanding anything to the contrary in the SPA:

(a) the Purchaser shall, in its capacity as the new owner of the Shares, assume and undertake and agree to pay, perform and discharge any and all liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or immature, or otherwise ("**Liabilities**"), of the Sale Subsidiaries incurred from the Completion Date;

(b) without prejudice to the generality of clause (iii)(a) above, the Purchaser shall assume and undertake and agree to pay, perform and discharge any refund of deposits (including fixed deposits) and any repayment of loans and/or amounts owing to the Company and its Associates; and

(c) the Company shall not be responsible for any such Liabilities incurred from the Completion Date.

7. SERVICE AGREEMENTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into.

8. RELATIVE FIGURES FOR THE PROPOSED DISPOSAL UNDER RULE 1006 OF THE CATALIST RULES

8.1 The relative figures for the Proposed Disposal as computed on the bases set out in Rule 1006 of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") and the latest unaudited consolidated financial statements of the Group for FY2019 are as follow:

Rule 1006	Bases	Relative figures
(a)	The net asset value of the assets to be disposed of, compared with the Company's net asset value	-1.04%(1)
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Company's net profits(2)	-223.53%(2)
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalization	3.09%(3)
(d)	The number of equity securities issued by the Company as consideration for the proposed acquisition as compared with the number of equity securities previously in issue.	Not applicable(4)
(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(5)

Notes:

(1) Computed based on (i) the net liabilities value of the Sale Subsidiaries which amounted to approximately S$0.43 million; and (ii) the net asset value of the Group which amounted to approximately S$41.28 million, as at 31 October 2019.

(2) Under Rule 1002(3)(b) of the Catalist Rules, "**Net Profits**" is defined to be profit before income tax, minority interests and extraordinary items. The Sale Subsidiaries recorded an unaudited Net Loss of approximately S$0.38 million, and the Group recorded an unaudited Net Profits of approximately S$0.17 million for FY2019.

(3) Computed based on (i) the Net Consideration of S$0.74 million; and (ii) the Company's market capitalisation of approximately S$23.91 million. Under Rule 1002(5) of the Catalist Rules, the market capitalisation of the Company is determined by multiplying the number of shares in issue (being 956,486,129 shares) by the weighted average price of S$0.025 on 29 January 2020 (being the last market day on which the shares of the Company ("**Shares**") were traded prior to the date of signing of the SPA).

(4) Rule 1006(d) of the Catalist Rules is not applicable to a disposal of assets.

(5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

8.2 As the relative figures under Rules 1006(a) and (b) of the Catalist Rules are negative, tests based assets and profits may not give a meaningful indication of the significance of the Proposed Disposal to the Company. Accordingly, the Company, through its sponsor, will be consulting the SGX-ST on seeking a waiver from compliance with Rule 1014(2) of the Catalist Rules on the requirement to seek Shareholders' approval for the Proposed Disposal (the "**Waiver Application**"). The Company will make the necessary announcements as and when appropriate to update the Shareholders on the outcome of the Waiver Application.

9. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

9.1 Assumptions

The *pro forma* financial effects of the Proposed Disposal on the Group, are presented for illustrative purposes only and are not intended to be indicative or reflective of the actual future financial position of the Company or the Group after the completion of the Proposed Disposal.

The *pro forma* financial effects of the Proposed Disposal have been computed based on the latest unaudited consolidated financial statements of the Group for FY2019, on the following bases and assumptions:

(a) the financial effect on the consolidated net tangible asset ("**NTA**") per Share and gearing ratio are computed based on the assumption that the Proposed Disposal was completed on 31 October 2019;

(b) the financial effect on the consolidated loss per Share ("**LPS**") / earnings per share ("**EPS**") is computed based on the assumption that the Proposed Disposal was completed on 1 November 2018;

(c) an amount of S$152,792 representing the Payables, will be assumed and paid for by the Company;

(d) an amount owing by the Sale Subsidiaries to the Company and its Associates of S$758,035 representing the Amount Due to EWH, will be repaid to the Company by the Purchaser;

(e) an amount of S$135,706 representing the Deposits, will be paid to the Company by the Purchaser; and

(f) the expenses to be incurred in respect of the Proposed Disposal are estimated to be approximately S$6,500.

9.2 NTA per Share

	Before the Proposed Disposal	**After the Proposed Disposal**
NTA of the Group as at 31 October 2019 (S$'000)	35,962	36,720
Number of Shares	956,486,129	956,486,129
NTA[(1)] per Share (S$ cents)	3.76	3.84

9.3 (LPS)/EPS

	Before the Proposed Disposal	After the Proposed Disposal
Net (loss)/profit attributable to shareholders (S$'000)	(177)	129
Weighted average number of Shares	956,486,129	956,486,129
(LPS)/EPS (S$ cents)	(0.02)	0.01

9.4 Gearing

	Before the Proposed Disposal	After the Proposed Disposal
Total borrowings (S$'000)	14,847	14,847
Shareholders' equity (S$'000)	36,995	37,308
Gearing ratio (%)	40.1	39.8

10. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS IN THE PROPOSED DISPOSAL

None of the Directors or substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Disposal (other than in their capacity as Directors or Shareholders, where applicable).

11. 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 Disposal and the Group, 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.

12. CAUTION IN TRADING

Shareholders and potential investors should note that the Proposed Disposal is subject to the fulfilment of the conditions precedent set out above, and there is no certainty or assurance as at the date of this announcement that the Proposed Disposal will be completed. The Company will make the necessary announcements, in compliance with the requirements of the Catalist Rules, as and when there are material developments in respect of the Proposed Disposal. Shareholders are advised to read this announcement and any further announcements by the Company carefully and should exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

13. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be made available for inspection during normal business hours at the registered office of the Company at 1 Commonwealth Lane, #07-28 One Commonwealth, Singapore 149544 for three (3) months from the date of this announcement.

By Order of the Board

CAO SHIXUAN
Executive Director
4 February 2020

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 Catalist.

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.