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

PROPOSED PLACEMENT OF 59,802,864 NEW ORDINARY SHARES IN THE CAPITAL OF ZIWO HOLDINGS LTD.

1. INTRODUCTION

1.1 The board of directors ("**Directors**") of Ziwo Holdings Ltd. ("**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 29 April 2014 entered into a conditional subscription agreement ("**Subscription Agreement**") with the persons as listed in paragraph 3.1 of this announcement ("**Subscribers**"), pursuant to which the Company has agreed to allot and issue an aggregate of 59,802,864 new ordinary shares in the capital of the Company ("**Subscription Shares**") to the Subscribers, and the Subscribers have agreed to subscribe and pay for the Subscription Shares, at S$0.1161 per Subscription Share ("**Subscription Price**"), for an aggregate amount of S$6,943,112.51 ("**Proposed Placement**").

1.2 The Subscription Price represents a discount of approximately 9.93% to the volume weighted average price of S$0.1289 per ordinary share in the capital of the Company ("**Share**") for trades done on the Official List of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on 29 April 2014, being the market day on which the Subscription Agreement was signed.

1.3 The Subscription Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank, *pari passu*, in all respects with the existing Shares save that they will not rank for any dividend, rights, allotments or other distributions, the Record Date of which falls on or before the Completion Date (being the date falling six (6) business days after the date of receipt by the Company of the approval-in-principle for the listing and quotation of the Subscription Shares on the Mainboard of the SGX-ST on conditions (if any) acceptable to the Subscribers ("**SGX Approval**")). For purposes of this announcement, "**Record Date**" means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

2. SALIENT TERMS

2.1 The conditions precedent ("**Conditions**") to the Subscription Agreement, among others, include:-

(a) the SGX Approval having been obtained and not being revoked or amended;

(b) any conditions attached to the SGX Approval which is required to be fulfilled on or before the Completion Date having been fulfilled on or before that date to the satisfaction of the SGX-ST or waived by the SGX-ST; and

(c) there having been, as at the Completion date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the warranties contained in the Subscription Agreement if they were repeated on and as of the Completion Date.

2.2 If any of the Conditions is not satisfied (provided that the Subscribers may at their discretion, and subject to such conditions as it may impose, waive compliance with Condition (c)) on or before 30 June 2014 (or such later date as the parties may agree), the Company or the Subscribers shall be entitled to terminate the Subscription Agreement and in such event both

the Company and the Subscribers shall be released and discharged from their respective obligations thereunder.

2.3 In respect of the condition set out in paragraph 2.1(a) above, the Company will be making an application to the SGX-ST for the listing and quotation of the Subscription Shares on the Official List of the SGX-ST in due course and would make the necessary announcements once the approval-in-principle is received from SGX-ST.

3. DETAILS OF THE SUBSCRIBERS

3.1 The details of the Subscribers and their entitlement to the Subscription Shares are set out below:

Name of Subscriber	Principal Occupation / Business	Number of Subscription Shares	As a percentage of the enlarged share capital of the Company (excluding treasury shares) after completion of the Proposed Placement (1) (%)	Total consideration payable for the Subscription Shares (S$)
Hong Jianchun	Managing Director of United Envirotech (Xiamen) Co., Ltd.	10,000,000	2.79	1,161,000
Hoi Cheng Pan	Chairman of Dongshen Enterprises Holdings Limited	49,802,864	13.88	5,782,112.51

Note:

(1) Computed based on the Company's enlarged share capital of 358,817,184 Shares after the completion of the Proposed Placement and on the assumption that no further Shares are issued on or prior to the completion of the Proposed Placement.

3.2 Mr Hong Jianchun is the Managing Director and shareholder of United Envirotech (Xiamen) Co., Ltd, a company incorporated in PRC which is principally engaged in the business of waste water management in PRC.

Mr Hoi Cheng Pan is the Chairman of Dongshen Enterprises Holding Limited, a company incorporated in Hong Kong which is principally engaged in the business of import and export trade, taxi industry, project investment and real estate development.

The Subscription Shares are subscribed for by each Subscriber as they have indicated an interest in the Company. In addition, the Company is of the view that each of the Subscribers is strategic investor and the Group may benefit from a wider network of contacts. No commission was paid or is payable by the Company to anyone in relation to the Proposed Placement.

The Subscription Shares are placed to each Subscriber as they have indicated an interest to invest in the Company, and the Subscription Shares are issued purely for the purposes of investment.

3.3 The Company confirms that none of the Directors or substantial shareholders of the Company have, to the best of their knowledge, any connection (including business relationship) with any of the Subscribers or (if applicable) their directors or substantial shareholders.

4. MANDATE FOR THE ISSUE OF THE SUBSCRIPTION SHARES

4.1 The Subscription Shares will be issued pursuant to the general mandate given by the shareholders of the Company at the annual general meeting of the Company held on 24 April 2014 for the Directors of the Company to issue Shares, make or grant offers, agreements or options ("**Instruments**") whereby the aggregate number of Shares and Instruments to be issued shall not exceed 50% of the total number of issued Shares (excluding treasury shares), of which the aggregate number of Shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed 20% of the total number of issued Shares (excluding treasury shares) as at 24 April 2014 ("**General Mandate**") after adjusting for, amongst other, new Shares arising from the conversion or exercise of the Instruments or any convertible securities.

4.2 The total number of issued Shares (excluding treasury shares) as at the date of the General Mandate and as at the date of this announcement was 299,014,320 Shares. The Subscription Shares, when allotted and issued in full, will represent 20% of the total number of issued shares in the capital of the Company as at 24 April 2014 and the date of this announcement or approximately 16.67% of the enlarged issued and paid-up share capital of 358,817,184 Shares upon completion of the Proposed Placement.

4.3 The offer of the Subscription Shares is made pursuant to the exemption under Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.

5. FINANCIAL EFFECTS

5.1 The financial effects of the Proposed Placement on the Group are prepared based on the audited financial statements of the Group for the financial year ended 31 December 2013 ("**FY2013**"). For the purpose of computing the earnings per Share ("**EPS**") of the Group after the Proposed Placement, it is assumed that the Proposed Placement was completed on 1 January 2013. For the purpose of computing net tangible assets value ("**NTA**") per Share of the Group after the Proposed Placement, it is assumed that the Proposed Placement was completed on 31 December 2013.

It should be noted that the financial effects set out below are for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after completion of the Proposed Placement.

5.2 Share Capital

	As at 29 April 2014	**After issuance of Subscription Shares**
Issued and paid-up share capital (RMB)	149,593,009	183,658,002
Total number of issued and paid-up Shares	299,014,320	358,817,184

5.3 EPS

	FY2013	After issuance of the Subscription Shares
Net profit for the year (RMB)	4,630,477	4,630,477
Weighted average number of Shares	299,014,320	358,817,184
EPS (RMB cents)	1.55	1.29

5.4 NTA per Share

	As at 31 December 2013	After issuance of the Subscription Shares
NTA (RMB)	430,639,840	437,435,763.5[(1)]
Number of Shares	299,014,320	358,817,184
NTA per Share (RMB cents)	144.02	121.91

Note:

(1) Based on the exchange rate of S$1: RMB4.9063.

6. RATIONALE AND USE OF PROCEEDS

6.1 The Company is proposing to undertake the Proposed Placement to raise funds to strengthen its financial position and capital base thus enhancing its flexibility to capitalize on potential growth opportunities. Based on the Subscription Price, the estimated amount of proceeds from the Proposed Placement (net of the estimated expenses of approximately S$30,000) is approximately S$6,913,112.51 ("**Placement Proceeds**"). The Company intends to utilize the Placement Proceeds for general working capital purposes including business expansion, acquisitions, investments, joint ventures and/or other collaborations as and when good business opportunities arise.

6.2 The Company will make periodic announcement(s) on the usage of the Placement Proceeds as and when such proceeds are materially disbursed and whether the disbursements are in accordance with use of proceeds as stated in this announcement. The Company will also provide a status report on the use of the Placement Proceeds in the Company's annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

6.3 Pending the deployment of the Placement Proceeds, such proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any other purposes on a short term basis as the Directors may deem fit, from time to time.

7. GENERAL

7.1 None of the Subscription Shares will be placed to any person or groups of persons disallowed by the SGX-ST as set out under Rule 812(1) of the Listing Manual of the SGX-ST. Pursuant to the Subscription Agreement, each of the Subscribers has represented that it does not fall within the class of persons as set out under Rule 812(1) of the Listing Manual of the SGX-ST.

7.2 None of the Directors of the Company have any interest, direct or indirect in the Proposed Placement. The Directors are not aware of any substantial shareholder of the Company having any interest, direct or indirect, in the Proposed Placement and has not received any notification of any interest in this transaction from any substantial shareholder.

7.3 The Proposed Placement would not result in any transfer of controlling interest in the Company to any Subscriber.

8. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Placement is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Placement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Ting Chun Yuen
Executive Chairman and Chief Executive Officer

29 April 2014