



**ECOWISE HOLDINGS LIMITED**  
(Company Registration No. 200209835C)

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**DISPOSAL OF 15% EQUITY INTEREST IN CHONGQING ZHONGTIAN ELECTRONIC WASTE MANAGEMENT CO., LTD. (重庆市中天电子废弃物处理有限公司)**

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**1. INTRODUCTION**

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’s wholly-owned subsidiary, ecoWise Solutions Pte. Ltd. (“**EWS**”), had on 14 March 2017 entered into a share transfer agreement (the “**Share Transfer Agreement**”) with Zhongtian Environment Protection Industrial Group Co., Ltd (中天环保产业(集团)有限公司) (the “**Purchaser**”) to dispose of its 15% equity interest (the “**Proposed Disposal**”) in Chongqing Zhongtian Electronic Waste Management Co., Ltd. (重庆市中天电子废弃物处理有限公司) (“**CZEW**”) to the Purchaser, for a cash consideration of RMB5,000,000 (approximately S\$1,026,044<sup>1</sup>) (the “**Consideration**”).

**2. INFORMATION ON CZEW AND THE PURCHASER**

CZEW is a company incorporated in the People’s Republic of China (the “**PRC**”) engaged in the business of recycling electrical and electronic waste and has an exclusive license to collect, recover, process and dispose of electrical and electronic waste in Chongqing, PRC. CZEW is a joint venture between EWS and the Purchaser, and the Company first announced this on 4 March 2010.

The Purchaser is a company incorporated in the PRC and holds 85% equity interest in CZEW. The Purchaser is not related to the Company, its directors or its executive management.

**3. RATIONALE FOR THE PROPOSED DISPOSAL AND USE OF PROCEEDS**

The projected return on investment has not materialised and CZEW has been making losses. This is due to unfavourable market conditions in the PRC as well as dwindling government subsidies in relation to CZEW’s business. As such, the Company believes that it would be in the interest of its shareholders that EWS proceeds with the Proposed Disposal, which will allow the Company to recoup most of its investment in CZEW (the Company had originally invested RMB5,250,000 in three (3) tranches on 25 March 2010, 16 March 2012 and 27 April 2012).

The Consideration from the Proposed Disposal will go towards providing working

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<sup>1</sup> Based on the exchange rate of S\$1 : RMB4.873085364760186 (the “**Exchange Rate**”). Unless otherwise stated, all conversions of RMB into S\$ in this announcement shall be based on the Exchange Rate.

capital for the Company's other PRC subsidiaries.

#### 4. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

The Consideration will be fully satisfied in cash as follows:

- (a) 50% of the Consideration, being the sum of RMB2,500,000, has been paid by the Purchaser on the execution of the Share Transfer Agreement; and
- (b) the balance 50% of the Consideration, being the sum of RMB2,500,000 shall be payable within two (2) business days upon completion of the share transfer pursuant to the Share Transfer Agreement (the "**Completion**").

The Consideration was arrived at on a willing-buyer willing-seller basis taking into consideration 15% of the unaudited book value of CZEW as at 28 February 2017, being RMB5,330,159 (approximately S\$1,093,796), and the initial investment by EWS for the 15% equity interest of S\$1,056,814. The Consideration represents a discount of RMB330,159 (approximately S\$67,752) of the unaudited book value of CZEW as at 28 February 2017. No valuation of the 15% equity stake in CZEW was carried out in connection with the Proposed Disposal.

#### 5. NET LOSS ATTRIBUTABLE TO EQUITY INTEREST

Based on the unaudited financial statements of CZEW as at 28 February 2017, the net loss attributable to the 15% equity interest is approximately RMB79,886 (approximately S\$16,393).

#### 6. FINANCIAL EFFECTS OF THE DISPOSAL

The *pro forma* financial effects are presented for illustration purposes only and are not intended to reflect the actual future financial situation of the Company after the Proposed Disposal.

##### 6.1 Net Tangible Assets

Assuming that the Proposed Disposal had been completed on 31 October 2016, the effect of the Proposed Disposal on the Group's net tangible assets ("**NTA**") per share as at 31 October 2016 ("**FY2016**") will be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA of the Group attributable to shareholders of the Company (S\$'000)	42,694	42,663
Number of shares ('000)	952,983	952,983
NTA per share (cents)	4.48	4.48

## 6.2 Earnings Per Share

Assuming that the Proposed Disposal had been completed on 1 November 2015, the effect of the Proposed Disposal on the Group's earnings per share ("EPS") for FY2016 will be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Net loss attributable to shareholders of the Company for FY2016 (S\$'000)	(1,867)	(1,898)
Weighted average number of shares ('000)	952,983	952,983
EPS (cents)	(0.20)	(0.20)

## 7. RELATIVE FIGURES UNDER RULE 1006

Based on the Group's latest announced audited consolidated financial statements for FY2016, the relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Singapore Exchange Securities Trading Limited's (the "SGX-ST") Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**") are as follows:

Rule 1006	Bases	Relative Figures
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	The net asset value of the 15% equity interest being approximately S\$1,056,814 represents approximately 2.3% of the Group's net asset value of approximately S\$45,382,164
(b)	The net loss attributable to the assets disposed of, compared with the Group's net loss	The net loss attributable to the 15% equity interest being approximately S\$16,393 represents approximately 0.9% of the Group's net loss of approximately S\$1,866,705.
(c)	The aggregate value of the consideration compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	The Consideration represents approximately 3.7% of the Company's market capitalisation of approximately S\$27,636,507

		as at 13 March 2017 (the market day proceeding the date the Share Transfer Agreement is executed).
<b>(d)</b>	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
<b>(e)</b>	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable

As none of the relative figures under Rule 1006(b) exceeds 5%, the Proposed Disposal is a "non-discloseable" transaction under Chapter 10 of the Catalist Rules.

#### **8. DIRECTORS' SERVICE CONTRACTS**

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

#### **9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings in the Company.

#### **10. INSPECTION OF SHARE TRANSFER AGREEMENT**

A copy of the Share Transfer Agreement is available for inspection for shareholders during normal business hours at the registered address of the Company at 17 Kallang Junction, #04-03, Singapore 339274 for three months from the date of this Announcement.

#### **11. FURTHER ANNOUNCEMENTS**

The Company will update shareholders on material developments relating to the Proposed Disposal, if any.

#### **12. 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, the Company and its subsidiaries, 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.

### 13. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

#### By Order of the Board

**LEE THIAM SENG**

Executive Director

15 March 2017

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*This announcement has been prepared by the Company and its contents have been reviewed by Stamford Corporate Services Pte Ltd (the "**Sponsor**") for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.*

*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 Mr Bernard Lui*

*Telephone number: (65) 6389 3000*

*Email address: [bernard.lui@morganlewis.com](mailto:bernard.lui@morganlewis.com)*