

CWX GLOBAL LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199905693M)

RESPONSES TO QUERIES FROM THE SINGAPORE EXCHANGE REGULATION PTE LTD (“SGX REGCO”) IN RELATION TO THE COMPANY’S ENTRY INTO A JOINT VENTURE AGREEMENT

The board of directors (the “**Board**”) of CWX Global Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 8 February 2021 (“**Announcement**”) in relation to its entry into a joint venture agreement.

The Board wishes to provide the following responses to queries received from the SGX RegCo on 8 February 2021 on the Announcement.

Unless otherwise defined, all capitalised terms used herein shall bear the meanings as ascribed to them in the Announcement.

SGX Query 1: It was stated that the business of the joint venture company (“Holding Company”) is to invest in and/or manage the operation of a retail supermarket chain. Please elaborate on CWX’s existing business segments and how the intended business of the Holding Company fits into the existing business segments, or whether it changes risk profile of the Company and shareholders’ approval would eventually be sought for entry into this new business.

Please elaborate on the timeline expected of the Holding Company’s investment in the retail supermarket chain.

Company’s response:

Currently, the Group has 2 operating business segments, namely, in oil and gas, and investment and trading. The principal activities of the Group’s operating business segments are summarised as follows:

- (i) Oil and gas segment – comprises exploration, development and production activities and drilling activities; and
- (ii) Investment and trading – Mainly comprises the following business activities:
 - (a) Investments in, among others, private equity deals, pre-initial public offerings (mature stage), initial public offerings, fixed income and hybrid instruments; and
 - (b) trading, including the trading of equities, commodities and other financial instruments.

The Company had obtained the approval from its shareholders during an extraordinary general meeting held in October 2017 for the proposed diversification of the business scope of the Group to include undertaking investment and trading-related activities. Please refer to the Company’s circular to shareholders dated 12 October 2017 for more information on the aforesaid proposed diversification. The Company’s entry into the JVA falls under the investment and trading business segment of the Group, and does not change the risk profile of the Company currently.

Pursuant to the JVA, upon the incorporation of the Holding Company, the Company will only hold 40% shareholding interest of the Holding Company, and the balance 60% shareholding interest of the Holding Company will be held in aggregate by four unrelated third parties. For the avoidance of doubt, the Company shall merely be an investor of the Holding Company, and it will not have control of the operations and

management of the Business as well as control of the board of directors of the Holding Company.

Under the JVA, pursuant to the Call Option granted to the Company, the Company has the right at any time and at its sole discretion, to acquire the balance 60% shareholding interest of the Holding Company held by each of ZCX, GJJ, ZJH and WLY for an aggregate consideration of S\$120,000. Upon completion of the Call Option, the Company would hold 100% shareholding interest of the Holding Company and the Company would be managing the operation of the Business, which does not fall under any of the Group's existing operating business segments (as set out above).

As such, it is the intention of the Company to seek shareholders' approval for the proposed diversification of the business scope of the Group to include the Business prior to the exercise of the Call Option. In such event and upon receiving shareholders' approval for the aforesaid proposed diversification, and depending on the circumstances then, the Company may exercise the Call Option and operate the Business.

As at the date of this announcement, barring unforeseen circumstances, it is expected that the Holding Company's investment in the retail supermarket chain will be completed by end of February 2021.

SGX Query 2: We note that CWX will hold 40% in the Holding Company while the Parties, namely ZCX, GJJ, ZJH and WLY, hold 60% in the Holding Company. Please elaborate on how/who introduced CWX to the Parties. In addition, please elaborate on the specific roles of each of the Parties, and the Company, in the Holding Company and its intended business, if its specified.

Company's response:

ZCX, GJJ, ZJH and WLY (collectively, the "JV Partners") were introduced to the Company by Ms Liu Chang, Daisy (the "Introducer"). The Introducer is a Chinese national who has been living in Singapore for the past four years. She graduated from National University of Singapore with a master's degree. Her work experience has mainly been coordinating for projects as well as investment deals. Through her working experience, the Introducer has built up a vast network of connections both in the People's Republic of China as well as Singapore. The Introducer had previously introduced to the Company the placees who subscribed for new shares in the capital of the Company in a placement exercise, which was completed in November 2020. For the avoidance of doubt, no commission, fee or other selling or promotional expenses is payable to the Introducer by the Company in connection with the Company's entry into the JVA.

Please refer to the response to SGX Query 3 below for information on the specific roles of each of the Parties (including the Company), in the Holding Company and the Business.

SGX Query 3: We note that each of the Parties have granted a Call Option to the Company allowing the Company to acquire all Shares held by them for an aggregate consideration of S\$120,000. It was further stated that any additional financing required by the Holding Company will firstly be funded by the Company if the amount and timing of such funding are agreed by the Parties (including the Company). Please explain what are the considerations for the Company to agree to be first tapped upon to provide additional funding, rather than seeking equal funding from all shareholders.

Company's response:

The JV Partners, through their connections and expertise, shall be responsible for procuring the necessary licences required for the operations of the Business and they shall also provide personnel with relevant expertise and know-how to run and operate the Business. The JV Partners shall be entitled to appoint three executive directors on the board of the Holding Company, effectively controlling the operations and management of the Business, as well as have collective control of the board of directors of the Holding Company.

As stated in the response to SGX Query 1 above, prior to the exercise of the Call Option, the Company

shall merely be an investor of the Holding Company, and it will not have control of the operations and management of the Business as well as control of the board of directors of the Holding Company. Under the terms of the JVA, the Company shall only be entitled to appoint two non-executive directors on the board of the Holding Company.

In view of the above, it was discussed and negotiated among the Parties (including the Company) that any additional funding required by the Holding Company will be provided first by the Company, in its capacity as the investor of the Holding Company, while the JV Partners are responsible for the operations and management of the Business. The Company wishes to highlight that as a safeguard to the Company, under the JVA, the Company is to provide the additional funding for the Holding Company only if the amount and timing of such funding have been agreed by all the Parties. In such event, the Company shall consider providing additional funding for the Holding Company taking into consideration, among others, the progress of the operations of the Business, and the profitability as well as business prospects of the Business.

BY ORDER OF THE BOARD

Pang Kee Chai, Jeffrey
Chief Executive Officer and Executive Director
9 February 2021

*This announcement has been prepared by CWX Global Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, ZICO Capital Pte. Ltd. (the “**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.