



ECOWISE HOLDINGS LIMITED
(Company Registration No. 200209835C)

PROPOSED ACQUISITION OF PROPERTY BY SUNRICH INTEGRATED SDN BHD

- EXECUTION OF SALE AND PURCHASE AGREEMENT AND SUPPLEMENTARY AGREEMENT

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**” or “**Directors**”) of ecoWise Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement on 19 June 2020 (the “**Announcement**”) in relation to the proposed acquisition of a piece of leasehold industrial land together with the semi-detached warehouse erected thereon bearing postal address Lot 6 and 7 situated along Jalan Kolombong, Kota Kinabalu, Sabah, Malaysia (“**Property**”) (“**Proposed Acquisition**”).
- 1.2 Unless otherwise defined, all capitalised terms used herein shall bear the same meaning ascribed to them in the Announcement, and unless otherwise stated, all currency translations of Ringgit Malaysia (“**RM**”) and Singapore Dollar (“**S\$**”) used herein are based on the exchange rate of S\$1.00 : RM3.067.

2. EXECUTION OF SALE AND PURCHASE AGREEMENT AND SUPPLEMENTARY AGREEMENT

- 2.1 Further to the Announcement, the Board wishes to announce that on 17 July 2020, the Company’s wholly-owned subsidiary, Sunrich Integrated Sdn. Bhd. (“**Purchaser**”) entered into a sale and purchase agreement and a supplementary agreement (collectively known as the “**SPA**”) with Dat Tung (Sabah) Sdn. Bhd. (the “**Vendor**”) in respect of the Proposed Acquisition for a cash consideration of RM8,000,000 (equivalent to S\$2,608,412) (“**Purchase Consideration**”).
- 2.2 Upon execution of the SPA, the Vendor and the Purchaser shall execute the transfer and all relevant documents for effecting a transfer of the Property in favour of the Purchaser, and deposit the same and other relevant documents with the Purchaser’s lawyer with irrevocable instruction to present the transfer and other relevant documents for adjudication of stamp duty. Upon adjudication of the transfer, the Purchaser’s lawyer shall notify the Purchaser on the amount of stamp duty payable in respect of the transfer and the Purchaser’s lawyer is hereby authorised to pay the same to the appropriate authority and thereafter, to present the memorandum of transfer, stamp duty forms and all relevant documents relating to the transfer of the Property and other relevant documents for registration at the relevant land registry/office.
- 2.3 Based on the valuation of the Property commissioned by the Company, the market value of the Property as at 10 July 2020 was RM10,000,000 (equivalent to S\$3,260,515) (“**Valuation**”). According to the Valuation report dated 15 July 2020 (“**Valuation Report**”), “market value” refers to the estimated amount for which an asset or liability exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

3. PURCHASE CONSIDERATION

3.1 Pursuant to the terms and conditions of the SPA:

- (i) upon the execution of the SPA, the Purchaser shall pay a sum of RM720,000 ("**Deposit**") to the Purchaser's solicitors to hold as stakeholder with irrevocable instruction to release the same to the Vendor after fulfilling the requirements stated in the SPA, simultaneously with the release of the Earnest Money of RM80,000 to the Vendor upon issuance of caveat memorial in favour of the Purchaser, pursuant to the option to purchase signed on 19 June 2020;
- (ii) the Purchaser may pay a further sum of RM800,000 ("**Further Deposit**") to the Purchaser's solicitors to hold as stakeholder as and when the Purchaser is ready to take early possession of the Property with irrevocable instruction to release the same upon the Vendor having delivered possession of the Property to the Purchaser; and
- (iii) subject to the payment of the Further Deposit by the Purchaser, the Purchaser shall pay the balance of the Purchase Consideration of RM6,400,000 (the "**Balance Sum**") to the Purchaser's solicitors to hold as stakeholder within three (3) months from the date of the SPA ("**Completion Date**") with irrevocable instruction for the Purchaser's solicitors to:-
 - (a) redeem the Vendor's bank loan and to obtain the release of the original copy of the title deed of the Property together with the duly executed satisfaction of charge (if any); and
 - (b) release the balance thereof to the Vendor upon the successful lodgment of the memorandum of transfer and the issuance of the memorial member for transfer in favour of the Purchaser together with the issuance of the land search certificate evidencing the successful transfer of the Property in favour of the Purchaser.

3.2 In the event that the Purchaser is not able to pay the Balance Sum for whatever reason then time shall be further extended to the Purchaser by one (1) month from the expiry of the Completion Date thereof ("**Extended Completion Date**"), free from interest.

4. SALIENT TERMS OF THE SPA

4.1 Pursuant to the SPA, the Purchaser and the Vendor have agreed on the following:

- (i) upon the release of the Earnest Money and the Deposit by the Purchaser's solicitors to the Vendor, the Vendor shall within three (3) working days from the date of the receipt of the Earnest Monies and the Deposit deliver possession of the entire Lot 6. The Purchaser shall also be allowed the right to enter and have access to Lot 7 compound for the purpose of erecting an electrical sub-station only (cost of which shall be borne by the Purchaser). For avoidance of doubt, the Purchaser shall not be permitted to have entry to Lot 7 warehouse at this juncture. The Purchaser shall upon having possession of Lot 6 be wholly responsible for all the water and electricity bill of Lot 6;
- (ii) that the Vendor shall deliver early vacant possession of the Property to the Purchaser within three (3) working days from the date of the receipt by the Purchaser's solicitors the Further Deposit with irrevocable instruction to release the same upon the Purchaser's written confirmation that the Property has been delivered the vacant possession of the Property; and
- (iii) that notwithstanding transfer of the Property in favour of the Purchaser has yet to be effected, the risk of the Property shall pass to the Purchaser upon the early delivery of Vacant Possession of the Property by the Vendor to the Purchaser.

4.2 If the Vendor is not in breach of any terms and conditions on its part to be observed or performed and the Purchaser is in default of payment of the Further Deposit or the Balance Sum or any part thereof within the Extended Completion Date, the Vendor shall have the liberty to rescind or terminate the SPA

whereupon the sum paid of either RM800,000 only or RM1,600,000 only, as the case may be, shall be wholly forfeited to the Vendor as agreed liquidated damages and the Vendor shall refund all other monies of the purchase price paid by the Purchaser.

- 4.3 If the Purchaser is not in breach of any terms or conditions on their part and the Vendor fail, neglect or refuse to complete the transfer of the Property to the Purchaser or wrongfully terminates the SPA, and fail or refuse to rectify the same within fourteen (14) days after being formally informed with a written notice by the Purchaser, the Purchaser shall be entitled to elect at his option either (i) terminate the SPA by giving notice in writing to the Vendor in which case the Vendor shall, within fourteen (14) days from the date of termination, refund the Earnest Monies, the Deposit and the Further Deposit (if paid) together with all monies paid to the Vendor including but not limited to the registration fee, legal fees and all expenses incurred and/or already paid by the Purchaser to the Vendor on an interest free basis and further pay to the Purchaser a sum of either RM800,000 only or RM1,600,000 only as the case may be as agreed liquidated damages and the SPA shall be deemed to be rescinded; or (ii) to commence legal proceedings against the Vendor for specific performance of the SPA and/or claim for damages against the Vendor.

5. INTEREST OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

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

6. DOCUMENTS FOR INSPECTION

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

7. 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 Acquisition 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 have 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.

By Order of the Board

CAO SHIXUAN
Executive Director
20 July 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.