



ECOWISE HOLDINGS LIMITED
(Company Registration No. 200209835C)

**DISCLOSEABLE TRANSACTION – PROPOSED ACQUISITION OF INDUSTRIAL LAND
BY SUNRICH INTEGRATED SDN BHD**

1. INTRODUCTION

The Board of Directors of ecoWise Holdings Limited (the "Company", and together with its subsidiaries, the "**Group**") wishes to announce that Sunrich Integrated Sdn. Bhd. (the "**Purchaser**"), an indirect wholly-owned subsidiary of the Company had, on 3 September 2019, entered into an option to purchase ("**OTP**") with Rahang Rubber Industries Sdn. Bhd. (the "**Vendor**") in connection with the proposed acquisition (the "**Proposed Acquisition**") of a piece of leasehold industrial land together with the factory building erected thereon bearing postal address No. 76A & 76B, Senawang Industrial Estate, 70450 Seremban, Negeri Sembilan Darul Khusus, Malaysia ("**Factory**") for an aggregate purchase consideration of RM13,000,000 (equivalent to approximately S\$4,273,100^{Note 1}) (the "**Consideration**").

One of the Directors of the Vendor is Mr. Low Moi Sang @ Loh Moi Sung, who is also a minority shareholder of Autoways Industries Sdn. Bhd. (4% shareholding) and Trakar Suntex Sdn. Bhd. (3% shareholding), both of which are subsidiaries of the Group. Mr. Low Moi Sang @ Loh Moi Sung has been holding shares in Autoways Industries Sdn. Bhd. and Trakar Suntex Sdn. Bhd. when the Company bought over the shares in Sunrich Resources Sdn. Bhd. in year 2009. Mr. Low Moi Sang @ Loh Moi Sung has no control over or influence in the Company and the Purchaser.

As the relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") exceed 5% but do not exceed 75%, the Proposed Acquisition is classified as a "discloseable transaction" under Rule 1010 of the Catalist Rules and accordingly, the Company is not required to obtain the approval of the shareholders for the Proposed Acquisition.

- Note 1: Assume based on exchange rate of SGD1.0000 : RM3.0423

2. INFORMATION ON THE PROPERTY

The Property is held under Title No. HS(M) 5203 and Lot No. PT 172, Mukim of Ampangan, District of Seremban, State of Negeri Sembilan Darul Khusus, Malaysia measuring approximately 2.4281 hectares. The Property is a leasehold property with remaining land tenure of approximately 56 years and will expire on 25 January 2075. The Property will be sold on an 'as-is-where-is' basis and the Vendor is in the process of vacating the Property. The Property consists of a parcel of industrial land erected

upon a 2-storey warehouse, 2 units of 1-storey open side building, a canteen, a guard house and a TNB substation.

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is to enable the Group to increase the production capacity of rubber compound and rethreaded tyres and thereby increasing its production efficiency through economies of scale. As the Group will be in the same business producing rethreading tyres, the Group does not expect the Proposed Acquisition to result in a change to its risk profile.

4. CONSIDERATION

The Consideration for the Proposed Acquisition of RM13,000,000 (equivalent to approximately S\$4,273,100 ^{Note 1}) was arrived at a willing-buyer and willing-seller basis, after taking into consideration, among others, the market value based on the valuation report dated 26 August 2019 conducted by Rahim & Co International Sdn. Bhd. is RM14,000,000 (equivalent to approximately S\$4,601,800 ^{Note 1}). The Proposed Acquisition will be funded by the internal funds.

5. MAJOR TERMS OF THE OPTION TO PURCHASE AGREEMENT

Date of the OTP	: 3 September 2019
Expiry of the OTP	: Two weeks from the date of the OTP
Consideration	: RM13,000,000.00 (equivalent to approximately S\$4,273,100 ^{Note 1})
Payment Terms	: 2% to the Agent 5% to the Vendor's solicitor 3% to the Company's solicitor as Real Property Gain Tax (RPGT) retention

The payment terms for the remaining 90% of the consideration will be negotiated and contained within the sale and purchase agreement to be entered into in relation to the Proposed Acquisition

The Company will make timely update announcement on the sale and purchase agreement.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

6.1 Net tangible asset per share

For illustrative purposes only, based on the Group's latest announced audited financial statements as at 31 October 2018 and assuming that the transaction had been effected on 31 October 2018 the financial effects of the Proposed Acquisition are estimated as follows:

	Before completion of the Proposed Acquisition ¹	After completion of the Proposed Acquisition ²
Net tangible assets attributable to the owners of the Company (S\$'000)	38,948	39,277

Number of issued shares (excluding treasury shares) ('000)	957,483	957,483
Net tangible assets per share attributable to the owners of the Company (cents)	4.07	4.10

Notes:

1. Based on the Group's latest announced audited balance sheet as at 31 October 2018.
2. Including the value of the Property in the Group's latest announced audited balance sheet as at 31 October 2018.

6.2 Earnings per share

For illustrative purposes only, based on the Group's latest announced audited financial statements as at 31 October 2018 and assuming that the transaction had been effected on 1 November 2017, the financial effects of the Proposed Acquisition are estimated as follows:

	Before completion of the Proposed Acquisition ¹	After completion of the Proposed Acquisition ²
Loss after tax attributable to the owners of the Company (S\$'000)	4,795	4,795
Weighted average number of shares (excluding treasury shares) ('000)	957,483	957,483
Earnings per share (cents)	(0.501)	(0.501)

Notes:

1. Based on the latest announced audited profits/losses, excluding the profits/losses attributable to the Proposed Acquisition.
2. Including the profits/losses attributable to the Proposed Acquisition.

7. **RELATIVE BASES COMPUTED ON THE BASES SET OUT IN CATALIST RULE 1006**

Based on latest announced audited financial statements of the Group for the financial year ended 31 October 2018, being the latest announced audited consolidated financial statements of the Group as at the date of the OTP, the relative figures of the Proposed Acquisition computed on the applicable bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006	Bases	Size of Relative Figures (%)

(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. Not applicable to an acquisition of assets	N.A.
(b)	The net profits attributable to the assets acquired, compared with the Group's net profits	0
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares	16.55
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	N.A.
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	N.A.

Notes:

(1) The Company's market capitalisation of approximately S\$25.825 million is based on its total number of issued shares of 956,486,129 shares and the weighted average price of S\$0.027 per share on 29 August 2019, being the last full market immediately preceding the signing of the OTP.

Based on the figures above, the Proposed Acquisition falls under the definition of a "discloseable transaction" under Rule 1010 of the Catalist Rules, and therefore does not require the approval of shareholders of the Company..

Please note that the above financial figures are for illustrative purposes only and do not necessarily reflect the actual results and financial performance and position of the Group after the Proposed Acquisition. No representation is made as to the actual financial position and/or results of the Company after completion of the Proposed Acquisition.

8. INTEREST OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or controlling shareholders of the Company (other than through their respective shareholdings in the Company) have any interest, direct or indirect in the Proposed Acquisition.

9. DOCUMENTS FOR INSPECTION

A copy of the OTP dated 3 September 2019 and the valuation report dated 26 August 2019 are 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.

10. 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 Board is 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.

By Order of the Board

CAO SHIXUAN
Executive Director
4 September 2019

This announcement has been reviewed by the Company's Sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (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.

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