

ECOWISE HOLDINGS LIMITED
(Company Registration No. 200209835C)

PROPOSED DISPOSAL OF PROPERTY LOCATED AT LOT 76A & 76B SENAWANG INDUSTRIAL ESTATE, SEREMBAN 70450, NEGERI SEMBILAN, MALAYSIA

- ENTRY INTO A SALE AND PURCHASE AGREEMENT (“SPA”)

1. INTRODUCTION

The Board of Directors (the “**Board**”) of ecoWise Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 13 May 2024 (the “**Announcement**”) regarding an offer (“**Offer**”) received from CID Realtors Sdn Bhd (the “**Agent**”), acting on behalf of Taehwa Engineering Sdn. Bhd. (“**Purchaser**”), for the proposed purchase of the Property.

Unless otherwise defined, all capitalised terms used herein shall have the same meanings as set out in the Announcement.

As announced, the Property is legally owned by Sunrich Integrated Sdn. Bhd. (“**Sunrich**” or “**Vendor**”), a wholly owned subsidiary of the Group and is located at Lot 76A & 76B Senawang Industrial Estate, Seremban 70450, Negeri Sembilan, Malaysia. The Property has not been used for any purpose by Sunrich or any member of the Group, and is held under a 99-year leasehold which expires on 25 January 2075.

2. ENTRY INTO A SALE AND PURCHASE AGREEMENT AND SALIENT TERMS

2.1 Further to the Announcement, the Board is pleased to announce that Sunrich has entered into a conditional sale and purchase agreement (“**SPA**”) with the Purchaser.

2.2 The key terms of the SPA are as follows:

(a) **Purchase Consideration.** The total Purchase Consideration is Malaysian Ringgit (**RM**) Fourteen million (RM14,000,000).

(b) **Payment Schedule.** Under the First Schedule of the SPA, the Purchase Consideration is payable in the following stages:

(i) Deposit.

(1) A deposit equivalent to a total of RM 1,400,000 is payable by the Purchaser to the Vendor on or before the execution of the SPA (the “**Deposit**”), comprising:

- (a) an amount in the sum of RM280,000, equivalent to 2% of the Purchase Consideration, that was paid by the Purchaser upon acceptance by the Purchaser of the Offer (“**Earnest Deposit**”), The Earnest Deposit is currently being held by the Agent;
- (b) an amount in the sum of RM420,000, equivalent to 3% of the Purchase Consideration, is payable by the Purchaser for the purposes of withholding under Malaysia’s Real Property Gains Tax, 1976 (the “**Contingent RPGT Amount**”). Under the terms of the SPA, the Contingent RPGT Amount is to be held by the Purchaser’s solicitors for payment to the Ketua Pengarah Hasil Dalam Negeri, Malaysia (the “**LHDN**”). Any shortfall shall be payable by the Vendor upon receipt by the Vendor of a notice of assessment from the LHDN;
- (c) an amount in the sum of RM700,000, equivalent to 5% of the Purchase Consideration, is to be paid to the Vendor (the “**Balance Deposit**”).

(ii) Balance of the Purchase Consideration

The balance of the Purchase Consideration, in the sum of RM 12,600,000 (the “**Balance Purchase Consideration**”), equivalent to 90% of the Purchase Consideration, is payable by the Purchaser to the Vendor’s Solicitors on or before the completion date, which will take place three (3) months from the day the SPA becomes unconditional (the “**Completion Date**”).

(iii) Conditions Precedent

Completion of the SPA is subject to the fulfilment of the following conditions having been satisfied:

- (1) the receipt of a letter of no objection from the Economic Planning Unit, Prime Minister Department for the Purchaser’s acquisition of the Property (the “**EPU Approval**”); and
- (2) the relevant State Authority having granted its consent to transfer the Property from the Vendor in favour of the Purchaser pursuant to Section 433B of the National Land Code (hereinafter referred to as the “**State Authority’s Consent**”),

within twelve (12) months from the date of the SPA or such further period as may be mutually agreed by the parties (hereinafter referred to as the “**Condition Precedent Period**”), provided always that delay by the Vendor in providing the Relevant Documents and the necessary documents for the purpose of the application and/or obtainment of the State Authority’s Consent shall be added into the computation of the Condition Precedent Period and the Condition Precedent Period shall be extended corresponding to the number of days of delay in favour of the Purchaser.

Upon fulfilment of the conditions precedent, the SPA will become unconditional (the “**Unconditional Date**”), whereupon, completion shall take place within three (3) months of the Unconditional Date.

(iv) Termination of SPA

If the Conditions Precedent are not fulfilled within the Condition Precedent Period, either party may by written notice to the other party terminate the SPA.

(v) Refund of Deposit

If the SPA is terminated as described above, the Vendor shall, within fourteen (14) days from the date of the notice of termination, refund to the Purchaser the Earnest Deposit and the Balance Deposit (the “**Refundable Deposit**”) free of interest, failing which late interest at the rate of eight per centum (8%) per annum on the Refundable Deposit is chargeable on the party in default, calculated on a daily basis from the fifteenth (15th) day till the date of the full refund thereof.

Upon termination of the SPA, the Purchaser’s Solicitors are authorised to refund to the Purchaser forthwith the Contingent RPGT Amount.

(vi) Loans from banks / financial institution

In the event the Purchaser should take a loan from a bank or financial institution (the “**Financier**”), the Purchaser shall pay to the Vendor’s solicitors the difference between the loan amount and the Balance Purchase Consideration, if the loan amount granted by is less than the Balance Purchase Consideration.

(vii) Default and Liquidated Damages

On the Completion Date, if the Purchaser fails to pay the Balance Purchase Consideration, the Vendor shall be entitled to a sum equivalent to RM 1,400,000 (the “**Agreed Liquidated Damages**”), but must cause all other monies paid by the Purchaser to be refunded to the Purchaser, and the SPA shall thereupon be terminated and treated as null and void. In that event, the parties are released from all further obligations to each other.

If the Vendor is the party in default on the Completion Date by failing to complete the sale and purchase of the Property (without fault of the Purchaser), then the Vendor shall pay to the Purchaser the Agreed Liquidated Damages, in addition to refunding all monies paid by the Purchaser.

(viii) Other Terms and Conditions

Other than the specific terms highlighted above, the terms of the sale and purchase of the Property are on usual and market terms, such as delivery of vacant possession and that the Property shall be sold free from encumbrance.

3. RATIONALE FOR THE DISPOSAL

As stated above and as announced, the Property is not used by any member of the Group. The Disposal will strengthen the cash position and improve the liquidity of the Group, and represents part of the Group's continued efforts to monetise its non-core and non-operational assets in Malaysia. The Board believes that the Disposal is in the best interests of the Group and the shareholders of the Company.

4. VALUATION OF THE PROPERTY

As announced, no independent valuation report has been commissioned for the Property within the last six (6) months prior to the Offer. The Group has been monitoring prices of properties similar to the Property and in the same area, and noted no material fluctuation in prices in the last 2 years. In agreeing to the Purchase Consideration, the Group used as its reference, the valuation of the Property commissioned undertaken by an independent professional valuer in Malaysia on 31 May 2022, which valued the Property at RM14,000,000. The valuation methods adopted were the comparison approach and the cost approach.

5. FINANCIAL EFFECTS AND THE RELATIVE FIGURES COMPUTED UNDER CATALIST RULE 1006

- 5.1 Please refer to the Announcement for the illustrative financial effects and the computation of the relative figures under Catalist Rule 1006 for the purpose of determining whether the sale and purchase would be a significant transaction, thereby, requiring the approval of shareholders.
- 5.2 As illustrated in the Announcement, the NTA per Share before and after the disposal of the Property as calculated were S\$1.77 cents per Share and S\$1.80 cents per Share, respectively. The loss per Share before and after the disposal of the Property as calculated were negative S\$1.48 cents per Share and S\$1.45 cents per Share, respectively.
- 5.3 In respect of Catalist Rule 1006, the relative figures computed under Catalist Rules 1006(a) and 1006(c) exceeded 5% but none of the relative figures was more than 50%. The sale and purchase of the Property is, therefore, a discloseable transaction only.

6. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As announced, neither the Directors nor the controlling shareholders of the Company, nor their respective associates, have any direct or indirect interest in the Disposal, except through their shareholdings (if any) in the Company.

7. SERVICE CONTRACT

As announced, no person will be appointed to the Board, and no service contract will be entered into by the Company, in connection with the Disposal.

8. DOCUMENT FOR INSPECTION

A copy of the SPA is available for inspection at the registered office of the Company at 1 Commonwealth Lane, #07-28 One Commonwealth, Singapore 149544 for three (3) months from the date of this announcement.

9. FURTHER ANNOUNCEMENT AND UPDATES

The Company will make further announcement when the Disposal is completed, or as and when there are material developments affecting the Disposal.

By Order of the Board

Lee Thiam Seng
Executive Chairman and CEO
3 June 2024

*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (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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