

ECOWISE HOLDINGS LIMITED
(Company Registration No. 200209835C)

**PROPOSED DISPOSAL OF PROPERTY LOCATED AT LOT 76A & 76B SENAWANG INDUSTRIAL ESTATE,
SEREMBAN 70450, NEGERI SEMBILAN, MALAYSIA**
- RECEIPT OF AN OFFER TO PURCHASE

1. INTRODUCTION

The Board of Directors (the "**Board**" or "**Directors**") of ecoWise Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that Sunrich Integrated Sdn. Bhd. ("**Sunrich**" or "**Vendor**"), a wholly owned subsidiary of the Group, had on 9 May 2024 received and accepted an offer to purchase ("**Offer**") from CID Realtors Sdn Bhd acting on behalf of an independent and unrelated third party ("**Purchaser**") in respect of Sunrich's property located at Lot 76A & 76B Senawang Industrial Estate, Seremban 70450, Negeri Sembilan, Malaysia (the "**Property**") for a gross purchase consideration of RM14,000,000 ("**Purchase Consideration**") on the terms and subject to the conditions of the Offer ("**Disposal**").

The Purchaser is a company incorporated in Malaysia and is in engineering business. The Purchaser is not related to the Group, the Directors and controlling shareholders of the Company, and their respective associates.

2. INFORMATION ON THE PROPERTY

The Property is a leasehold industrial lot located at Lot 76A & 76B Senawang Industrial Estate, Seremban 70450, Negeri Sembilan, Malaysia and is currently not in use by Sunrich or by any of the entities within the Group. The Property is under 99-year leasehold expiring on 25 January 2075.

3. SALIENT TERMS OF THE DISPOSAL

The Purchase Consideration was arrived at on a willing buyer and willing seller basis. In deriving the Purchase Consideration, the Group had taken into account (i) the previous independent valuation of the Property conducted on 31 May 2022, (ii) the prevailing market conditions, and (iii) the business prospects of the Group (considering that the Property has not been in use since its acquisition in May 2020 other than as temporary accommodation for workers). Further details on the valuation of the Property are set out in section 6 of this announcement.

The Purchase Consideration will be satisfied by the Purchaser in cash as follows:

- (a) a sum of RM280,000, which is equivalent to 2% of the Purchase Consideration, was paid by the Purchaser upon grant of the Offer and is currently withheld by CID Realtors Sdn Bhd ("**Earnest Deposit**");
- (b) a further sum of RM1,120,000, which is equivalent to 8% of the Purchase Consideration, is payable by the Purchaser upon signing of Sale & Purchase Agreement ("**SPA**"); and
- (c) the balance sum of RM12,600,000 ("**Balance Payment**"), which is equivalent to 90% of the Purchase Consideration, is payable by the Purchaser within three (3) months from the date of execution of SPA or receipt of Developer's Confirmation/consent from relevant

authorities/Certificate of Completion and Compliance, whichever is later.

The Purchaser shall be granted an additional grace period of one (1) month, carrying interest at 8% per annum on the Balance Payment or such sums as shall remain outstanding on a daily basis.

The SPA shall be signed within 21 working days from the date of acceptance of the Offer by the Vendor, failing which the Earnest Deposit shall be forfeited by the Vendor, provided that there is no undue delay on the part of the Vendor or the Vendor's solicitor in agreeing to the terms and conditions of the SPA. Earnest Deposit shall not be forfeited if the Developer's Confirmation/consent from relevant authorities to purchase is required but could not be obtained.

4. RATIONALE FOR THE DISPOSAL

The Disposal will strengthen the cash position and improve the liquidity of the Group, and is part of the Group's continued efforts to monetise non-core assets in Malaysia. The Board believes that the Disposal is in the best interests of the Group and the shareholders of the Company.

5. USE OF PROCEEDS

The Company intends to utilise the proceeds for the repayment of bank borrowings and general working capital requirements of the Group.

6. VALUE OF THE PROPERTY

Based on the latest announced unaudited consolidated financial statements of the Group for the 9-month financial period ended 31 January 2024, the net carrying amount of the Property was RM12.67 million (approximately S\$3.62 million¹). Assuming that the Disposal was completed on 31 January 2024, the Disposal is expected to result in a gain on disposal of approximately RM1.05 million (approximately S\$300,000¹), after deducting a commission of RM280,000, being 2% of the Purchase Consideration payable by the Vendor to CID Realtors Sdn Bhd upon signing of the SPA.

There has been no independent valuation performed on the Property within the last 6 months prior to the date of the Offer as the Group has been closely monitoring the property prices in Seremban area and noted no material fluctuation in property prices in the area in the last 2 years. The Group has referred to the valuation of the Property commissioned by the Group and undertaken by an independent professional valuer in Malaysia, for which the market value ascribed to the Property as at 31 May 2022 in the valuation report dated 31 May 2022 ("**Valuation Report**") was RM14,000,000. The valuation methods adopted were the comparison approach and the cost approach.

7. FINANCIAL EFFECTS OF THE DISPOSAL

The financial effects of the Disposal set out below are purely for illustrative purposes only and do not reflect the actual future financial position of the Company or the Group after the completion of the Disposal.

The financial effects of the Disposal were calculated based on the audited consolidated financial statements of the Group for the 18-months financial period ended 30 April 2023 ("**FP2023**").

7.1 Net Tangible Assets ("NTA")

The effect of the Disposal on the NTA per share of the Group as at 30 April 2023, assuming that the Disposal had been effected as at 30 April 2023 is as follows:

¹ Based on exchange rate of S\$1.00 : RM3.50 as at 9 May 2024 extracted from Monetary Authority of Singapore's website.

As at 30 April 2023	Before the Disposal	After the Disposal
NTA attributable to owners of the Company (S\$'000)	16,792	17,033
Number of issued shares (excluding treasury shares and subsidiary holdings) ('000)	948,846	948,846
NTA per share (Singapore Cents)	1.77	1.80

7.2 Loss per Share ("LPS")

The effect of the Disposal on the LPS of the Group for FP2023, assuming that the Disposal had been effected on 1 November 2021 is as follows:

FP2023	Before the Disposal	After the Disposal
Net loss attributable to the owners of the Company (S\$'000)	(14,032)	(13,791)
Weighted average number of issued shares (excluding treasury shares and subsidiary holdings) ('000)	948,846	948,846
LPS (Singapore Cents)	(1.48)	(1.45)

8. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

Based on the latest unaudited consolidated financial statements of the Group for the 9-month financial period ended 31 January 2024 ("**3Q2024**"), the relative figures of the Disposal computed on the bases set out in Rule 1006(a) to (e) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Catalist Rules**") are as follows:

Rule	Bases	Relative Figure (%)
1006 (a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	25.2% ⁽¹⁾
1006 (b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	Not applicable ⁽²⁾

Rule	Bases	Relative Figure (%)
1006 (c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation, based on the total number of issued shares excluding treasury shares.	5.3% ⁽³⁾
1006 (d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable ⁽⁴⁾
1006(e)	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. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil or gas company, but not to an acquisition of such assets.	Not applicable ⁽⁵⁾

Notes:

- (1) Based on the net asset value of the Property of RM12.67 million (approximately S\$3.62 million) as at 31 January 2024 and the net asset value of the Group of approximately S\$14.36 million as at 31 January 2024.
- (2) There were no net profits attributable to the Property as the relevant asset is a non-core and idle asset of the Group.
- (3) The market capitalisation of the Company of approximately S\$74.96 million was computed based on a total number of 948,845,729 shares of the Company in issue (excluding treasury shares) multiply by weighted average price of S\$0.079 per share on 14 June 2021, being the last full market day on which shares of the Company were traded prior to the acceptance of the Offer. The trading of the Company's shares has been halted and suspended on SGX-ST since 15 June 2021.
- (4) Rule 1006(d) of the Catalist Rules is not applicable to a disposal of assets.
- (5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.
- (6) All the relative figures expressed in Ringgit Malaysia are translated based on exchange rate of S\$1.00 : RM3.50 on 9 May 2024 as extracted from Monetary Authority of Singapore's website.

9. SERVICE CONTRACT

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

10. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

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

11. DOCUMENT FOR INSPECTION

A copy of the Offer 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.

By Order of the Board

Lee Thiam Seng
Executive Chairman and CEO
13 May 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.

The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.