

ECOWISE HOLDINGS LIMITED
(Company Registration No. 200209835C)

PROPOSED DISPOSAL OF PROPERTIES LOCATED AT LOT 6 AND LOT 7, PUSAT PERINDUSTRIAN KOLOMBONG JAYA, LORONG PERINDUSTRIAN KOLOMBONG JAYA, 88450 KOTA KINABALU, SABAH, MALAYSIA

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 25 November 2024 entered into the following agreements (collectively the "**Agreements**"), in respect of the proposed sale of Lot 6 and Lot 7, Pusat Perindustrian Kolombong Jaya, Lorong Perindustrian Kolombong Jaya, 88450 Kota Kinabalu, Sabah, Malaysia (collectively, the "**Property**") for a purchase price of RM4,700,000 and RM5,800,000 respectively ("**Purchase Price**") (the "**Proposed Disposal**"):

- a. Sale and Purchase Agreement ("**SPA**") with Mr. Wong Foo Tuang (the "**Lot 6 Purchaser**") for the disposal of Lot 6 as described above;
- b. SPA with Kekalboleh Sdn. Bhd. (the "**Lot 7 Purchaser**") for the disposal of Lot 7 as described above; and
- c. Supplementary Agreement with Lot 6 Purchaser and Lot 7 Purchaser (collectively, the "**Purchasers**") to acknowledge and agree that the Property shall be disposed by the Vendor collectively on an en bloc basis. This means that in the event that either buyer fails to fulfill the completion conditions of the SPA, both SPAs shall be considered null and void. This approach is intended to protect the marketability and valuation of the Property for the Group. The Purchasers shall purchase the Property subject to the terms and conditions of the respective SPA and the Supplementary Agreement.

The Lot 6 Purchaser is a local businessman who is the largest shareholder in a mechanical and electrical business which operates in another property in the same area and intends to purchase Lot 6 for business expansion purpose. The Lot 7 Purchaser is a private company incorporated in Malaysia that engages in, *inter alia*, the wholesale of construction materials, plumbing and heating equipment, and sanitary installation and equipment. The Lot 7 Purchaser owns another property in the same area and intends to purchase Lot 7 for business expansion purpose. Neither of the Purchasers is affiliated with the other, nor related to the Group, its Directors, controlling shareholders, and their respective associates.

2. INFORMATION ON THE PROPERTY

The Property is a leasehold land with double storey detached office cum warehouse located at Lot 6 and Lot 7, Pusat Perindustrian Kolombong Jaya, Lorong Perindustrian Kolombong Jaya, 88450 Kota Kinabalu, Sabah, Malaysia and are currently not in use by Sunrich or by any of the entities within the Group. The Property contains a combined land area of approximately 36,313 square feet (Lot 6 of 16,647 square feet and Lot 7 of 19,666 square feet) and built-up area of 30,784 square feet (Lot 6 of 12,235 square feet and Lot 7 of 18,549 square feet). The Property is under 99-year leasehold expiring on 31 December 2074.

3. SALIENT TERMS OF THE PROPOSED DISPOSAL

SPAs

The Purchase Price was arrived at on a willing buyer and willing seller basis. In deriving the Purchase Price, the Group had taken into account (i) the previous independent valuation of the Property conducted on 18 January 2024 and 30 April 2024, (ii) the prevailing market conditions, and (iii) the business prospects of the Group (considering that the Property is currently not in use). Further details on the valuation of the Property are set out in section 6 of this announcement.

The following were extracted from the First Schedule of the respective SPA:

	Lot 6	Lot 7
Purchase Price	RM4,700,000	RM5,800,000
Deposit and part payment to be paid to the Vendor upon execution of the SPA	RM470,000	RM580,000
Balance of Purchase Price to be paid to the Vendor within three months from the date of the SPA (“Completion Date”)	RM4,230,000	RM5,220,000
Extended Completion Date (in the event that the Purchaser is unable to settle the Balance of the Purchase Price on or before the Completion Date)	One (1) month from the expiry of the Completion Date with 6% interest per annum	One (1) month from the expiry of the Completion Date with 6% interest per annum
Forfeitable deposit upon the Purchaser’s default	RM470,000	RM580,000
Pre-agreed liquidated damages upon the Vendor’s default	RM470,000	RM580,000
Amount to be retained by the Purchaser’s solicitor for payment of Real Property Gains Tax (3% of Purchase Price)	RM141,000	RM174,000

The Vendor shall deliver vacant possession of the said Property to the Purchaser within fourteen (14) days upon full payment of the Purchase Price by the Purchaser to the Vendor’s Solicitors as Vendor’s stakeholders.

Supplementary Agreement

As at the date of the Supplemental Agreement, the Purchasers represent that they have obtained the approval of a loan/facility from a financial institution to finance the purchase of the said Lot 6 and the said Lot 7 respectively.

4. RATIONALE FOR THE PROPOSED DISPOSAL

As stated above, the Property is not used by any entities of the Group. The Proposed 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 Proposed 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. VALUATION OF THE PROPERTY

Based on the latest announced unaudited consolidated financial statements of the Group for the 3-month financial period ended 31 July 2024, the net carrying amount of the Property was RM8.38 million (approximately S\$2.52 million¹). Assuming that the Proposed Disposal was completed on 31 July 2024, the Proposed Disposal is expected to result in a gain on disposal of approximately RM2.12 million (approximately S\$639,000¹).

There has been no independent valuation performed on the Property within the last 6 months prior to the date of the Agreements. The Group has been closely monitoring the property prices in Sabah and noted that there has been no material fluctuation in property prices in the area over the past 6 months to support the valuation. The Group has referred to the valuation of the Property commissioned by the Group for sale purpose and undertaken by an independent professional valuer in Malaysia in accordance with the Malaysian Valuation Standards published by the Board of Valuers, Appraisers, Estate Agents and Property Managers, for which the market value ascribed to the Property as at 18 January 2024 and 30 April 2024 in the valuation reports dated 25 January 2024 and 10 May 2024 respectively (“**Valuation Reports**”) was RM10,500,000. The valuation methods adopted were the cost approach. The land is valued by reference to transactions of similar lands in the surrounding with adjustments made for differences in location, size and shape of land, tenure, title restrictions, if any and other relevant characteristics. The building is valued by reference to their depreciated replacement cost.

7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed 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 Proposed Disposal.

The financial effects of the Proposed Disposal were calculated based on the audited consolidated financial statements of the Group for the financial year ended 30 April 2024 (“**FY2024**”).

7.1 Net Tangible Assets (“NTA”)

The effect of the Proposed Disposal on the NTA per share of the Group as at 30 April 2024, assuming that the Proposed Disposal had been effected as at 30 April 2024 is as follows:

As at 30 April 2024	Before the Proposed Disposal	After the Proposed Disposal
NTA attributable to owners of the Company (S\$'000)	15,201	15,840
Number of issued shares (excluding treasury shares and subsidiary holdings) ('000)	948,846	948,846
NTA per share (Singapore Cents)	1.60	1.67

¹ Based on exchange rate of S\$1.00 : RM3.32 as at 22 November 2024 extracted from Monetary Authority of Singapore's website.

7.2 Loss per Share (“LPS”)

The effect of the Proposed Disposal on the LPS of the Group for FY2024, assuming that the Proposed Disposal had been effected on 1 May 2023 is as follows:

FY2024	Before the Proposed Disposal	After the Proposed Disposal
Net loss attributable to the owners of the Company (S\$'000)	(1,295)	(656)
Weighted average number of issued shares (excluding treasury shares and subsidiary holdings) ('000)	948,846	948,846
LPS (Singapore Cents)	(0.14)	(0.07)

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

The relative figures presented below are calculated in accordance with the bases outlined in Rule 1006 of the Listing Manual Section B: Rules of Catalyst (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") as well as Rule 1005 of the Catalyst Rules, under which separate transactions completed within the last 12 months may be required to be aggregated and treated as if they were one transaction. The aggregated relative figures based on the latest announced unaudited consolidated financial statements of the Group for the 3-month financial period ended 31 July 2024 ("**1Q2025**"), and the disposal of the property located at Lot 76A & 76B Senawang Industrial Estate, Seremban 70450, Negeri Sembilan, Malaysia (the "**Seremban Property**") as announced on 13 May 2024, and the disposal of certain subsidiaries (the "**Subsidiaries**") as announced on 1 August 2024, are shown in table below.

Rule 1006	Bases	Relative Figures for the Proposed Disposal of:			Aggregated Relative Figures
		Seremban Property ⁽¹⁾	Subsidiaries ⁽²⁾	the Property	
(a)	Aggregate net asset value of the disposal targets, compared with the Group's net asset value.	25.2%	(7.9)%	15.5% ⁽⁴⁾	30.5%
(b)	Aggregate net profits/loss attributable to the disposal targets, compared with the Group's net loss (before tax).	Not applicable	Not applicable	Not applicable ⁽³⁾	Not applicable
(c)	Aggregate value of the purchase consideration, compared to the Company's market capitalisation, based on the total number of issued shares excluding treasury shares.	5.3%	8.4%	4.2% ⁽⁵⁾	17.9%
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable	Not applicable	Not applicable ⁽⁶⁾	Not applicable

Rule 1006	Bases	Relative Figures for the Proposed Disposal of:			Aggregated Relative Figures
		Seremban Property ⁽¹⁾	Subsidiaries ⁽²⁾	the Property	
(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate to the Group's proven and probable reserves.	Not applicable	Not applicable	Not applicable ⁽⁷⁾	Not applicable

Notes:

- (1) Extracted from the Company's announcement dated 13 May 2024.
- (2) Extracted from the Company's announcement dated 1 August 2024.
- (3) No profit or loss could be attributed to Property as the relevant assets are non-core and idle assets of the Group.
- (4) Based on the net asset value of the Property of RM8.38 million (approximately S\$2.52 million) as at 31 July 2024 and the net asset value of the Group of approximately S\$16.22 million as at 31 July 2024.
- (5) 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 signing of the Agreements. The trading of the Company's shares has been halted and suspended on SGX-ST since 15 June 2021.
- (6) Rule 1006(d) of the Catalist Rules is not applicable to a disposal of assets.
- (7) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.
- (8) All the relative figures expressed in Ringgit Malaysia are translated based on exchange rate of S\$1.00 : RM3.32 on 22 November 2024 as extracted from Monetary Authority of Singapore's website.

As none of the relative figures for the Proposed Disposal and the aggregated relative figures computed pursuant to Rule 1006 of the Catalist Rules exceeds 50%, the Proposed Disposal constitute a "discloseable transaction" under Rule 1010 of the Catalist Rules and is not subject to shareholders' approval.

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 Proposed 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 Proposed Disposal, other than through their respective shareholdings (if any) in the Company.

11. DOCUMENTS FOR INSPECTION

A copy of the Agreements will be 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
25 November 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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