

ECOSCIENCE INTERNATIONAL BERHAD (“ECOSCIENCE” OR THE “COMPANY”)

PROPOSED FREE WARRANTS ISSUE

1. INTRODUCTION

On behalf of the Board of Directors of Ecoscience (“**Board**”), Hong Leong Investment Bank Berhad (“**HLIB**”) wishes to announce that the Company proposes to undertake a free warrants issue of up to 170,000,000 free warrants in the Company (“**Warrants**”) on the basis of 1 Warrant for every 2 existing ordinary shares in Ecoscience (“**Ecoscience Shares**” or “**Shares**”) held by the entitled shareholders of the Company whose names appear in the Record of Depositors of the Company on an entitlement date to be determined and announced later (“**Entitlement Date**”) (“**Entitled Shareholders**”) (“**Proposed Free Warrants Issue**”).

2. DETAILS OF THE PROPOSED FREE WARRANTS ISSUE

2.1 Basis and number of Warrants to be issued

As at 20 February 2023, being the latest practicable date (“**LPD**”) prior to the date of this announcement, Ecoscience has a total issued share capital of RM74,991,182 comprising 340,000,000 Shares.

The Proposed Free Warrants Issue entails the issuance of up to 170,000,000 Warrants on the basis of 1 Warrant for every 2 existing Shares held by the Entitled Shareholders on the Entitlement Date.

The Proposed Free Warrants Issue complies with the Rule 6.51 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”)⁽¹⁾.

Fractional entitlements arising from the Proposed Free Warrants Issue, if any, will be disregarded and shall be dealt with by the Board in such manner at its absolute discretion as it may deem fit and expedient in order to minimise the incidence of odd lots and in the best interest of the Company.

The Entitlement Date will be determined and announced at a later date by the Board upon receipt of all relevant approvals. The Proposed Free Warrants Issue will be implemented in a single tranche and is not intended to be implemented in stages over a period of time.

Note:

- (1) Rule 6.51 of the Listing Requirements stipulates that a listed corporation must ensure that the number of new shares which will arise from the exercise or conversion of all outstanding convertible equity securities (i.e. warrants and convertible preference shares) does not exceed 50.00% of the total number of issued shares of the listed corporation (excluding treasury shares and before the exercise of the convertible equity securities) at all times.

2.2 Indicative salient terms of the Warrants

The indicative salient terms of the Warrants are set out as follows:

| Terms | Details |
|-----------------------|--|
| Issuer | : Ecoscience |
| Issue size | : Up to 170,000,000 Warrants |
| Form and denomination | : The Warrants will be issued in registered form and constituted by a deed poll to be executed by the Company and as may be supplemented from time to time (" Deed Poll "). |
| Tenure | : 3 years commencing from and inclusive of the date of the issuance of the Warrants (" Issue Date "). |
| Exercise Period | : The Warrants may be exercised at any time within the Tenure of the Warrants commencing from and including the Issue Date and ending at 5.00 p.m. (Malaysia time) on the Expiry Date. Any Warrants which have not been exercised at the close of business of the Expiry Date will thereafter lapse and cease to be valid. |
| Exercise Price | : The exercise price of the Warrants shall be determined and fixed by the Board and announced at a later date, after obtaining the relevant approvals. The basis of determining the exercise price of the Warrants is set out in Section 2.3 below. The Exercise Price and the number of outstanding Warrants shall however be subject to the adjustments in accordance with the terms and provisions of the Deed Poll during the Exercise Period. |
| Exercise Rights | : Each Warrant shall entitle its holders of Warrant (" Warrant Holder(s) ") to subscribe for 1 new Ecoscience Share at any time during the Exercise Period and at the Exercise Price, subject to adjustments in accordance with the provisions of the Deed Poll. |
| Expiry Date | : The close of business at 5.00 p.m. in Malaysia on the day immediately preceding the third anniversary of the Issue Date. If such day is not a market day, then it shall be on the immediate preceding market day. |
| Board lot | : For the purpose of trading on Bursa Securities, and subject to such conditions which Bursa Securities may impose from time to time, a board lot of Warrants shall be 100 Warrants or such other denomination as determined by Bursa Securities. |
| Mode of exercise | : The Warrant Holders are required to lodge an exercise form with the Company's share registrar which is duly completed, signed and stamped together with payment by way of banker's draft or cashier's order (drawn on a bank operating in Malaysia) or money order or postal order (issued by a post office in Malaysia) or with a remittance by way of interbank transfer or by way of internet bank transfer to the designated bank account via online payment gateway for the exercise form for the aggregate of the Exercise Price payable when exercising their Warrants to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia. |

| Terms | Details |
|--|--|
| Adjustment in the Exercise Price and/or the number of Warrants | : The Exercise Price and/or the number of Warrants held by each Warrant Holder may from time to time be adjusted in the event of any alteration to the share capital of the Company during the Tenure in accordance with the provisions as set out in the Deed Poll. Any adjustments to the Exercise Price and/or number of Warrants must be done in full compliance with Rule 6.55(3)(b) of the Listing Requirements. |
| Ranking of the new Ecoscience Shares to be issued pursuant to the exercise of the Warrants | : The new Ecoscience Shares to be issued upon the exercise of the Warrants shall, upon allotment and issuance, shall rank equally in all respects with the then existing Ecoscience Shares, save and except that they shall not be entitled to participate in any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of the new Ecoscience Shares. |
| Modification of rights of Warrant Holder | : Subject to the approval of any relevant authority as required under law, any modification, amendment or addition to the Deed Poll must be: <ul style="list-style-type: none"> (i) approved by the Warrant Holders sanctioned by special resolution; (ii) effected by a supplemental Deed Poll; (iii) executed by the Company and expressed to be supplemental; and (iv) comply with the requirements of the Deed Poll. <p>The Company may from time to time without the consent of the Warrant Holders but in accordance with the terms of the Deed Poll, effect:</p> <ul style="list-style-type: none"> (i) any modification to the Warrant or the Deed Poll which, in the opinion of the Company, is not materially prejudicial to the interest of the Warrant Holders; or (ii) any modification to the Warrant or the Deed Poll, which in the opinion of the Company, is to correct a manifest error or to comply with mandatory provisions of Malaysian law, Rules of the Bursa Malaysia Depository Sdn Bhd, Securities Industry (Central Depositories) Act, 1991 and/or Listing Requirements. |
| Rights of Warrants Holders | : The Warrants do not entitle the Warrant Holders to any voting rights in any general meeting of the Company or to participate in any form of distribution and/or offer of further securities in the Company until and unless such Warrant Holders become shareholders of the Company by exercising their Warrant for new Ecoscience Shares in accordance with the terms and provisions of the Deed Poll. |

| Terms | Details |
|---|---|
| Rights in the event of winding up, liquidation or an event of default | <p>: As long as any of the Exercise Rights remain exercisable, where a resolution has been passed for a members' voluntary winding-up of the Company or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for reconstruction of the Company or the amalgamation of the Company with one or more companies, then:-</p> <p>(i) if such winding-up, compromise or scheme of arrangement is one in which the Warrant Holders, or some persons designated by them for such purpose by a special resolution shall be a party, the terms of such winding up, compromise or scheme of arrangement shall be binding on all the Warrant Holders; or</p> <p>(ii) in any other case and to the extent permitted by law, every Warrant Holder shall be entitled, upon and subject to the terms and conditions of the Warrants at any time, within 6 weeks after the passing of such resolution for a members' voluntary winding-up of the Company or within 6 weeks after (whichever is later) from the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his Warrants together with the duly completed exercise form and payment of the relevant Exercise Price, to elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement (as the case may be), exercised the Exercise Rights represented by such Warrant to the extent specified in the exercise form(s) and had on such date been the holder of the new Shares arising from the exercise of the Warrant, to which he/she would have become entitled to receive out of the assets of the Company which would be available in liquidation, and the liquidator of the Company shall give effect to such election accordingly. All Exercise Rights, which have not been exercised within the above 6 weeks of either passing of such resolution for the winding up or the granting of the court order for the approval of such compromise or arrangement, as the case may be, shall lapse and the Warrant will cease to be valid for any purpose.</p> <p>Subject to the foregoing, if the Company is wound up (other than by way of a members' voluntary winding up), all Exercise Rights which have not been exercised prior to the date of commencement of the winding up shall lapse and the Warrants will cease to be valid for any purpose.</p> |
| Listing | : The Warrants will be listed on the ACE Market of Bursa Securities. |
| Transferability | : The Warrants shall be transferable in accordance with the provisions of the Deed Poll, subject to the provisions of the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Malaysia Depository Sdn Bhd. |
| Governing Law | : Laws of Malaysia. |

2.3 Basis and justification for the Exercise Price of the Warrants

The Warrants will be issued at no cost to the Entitled Shareholders.

The Exercise Price of the Warrants will be determined by the Board at a later date after all relevant approvals have been obtained, and after taking into consideration the following:

- (i) the historical price movement of Ecoscience Shares;
- (ii) the initial public offering ("**IPO**") price of Ecoscience Shares of RM0.30 per Share;
- (iii) the 5-day volume weighted average market price ("**5D-VWAMP**") of Ecoscience Shares and prevailing market conditions; and
- (iv) the future funding requirements of the Company and its subsidiaries ("**Group**").

In any event, the Exercise Price of the Warrants shall not be priced at a discount of more than 10.00% to the 5D-VWAMP of Ecoscience Shares up to and including the date prior to the price-fixing date. As at the LPD, the 5D-VWAMP of Ecoscience Shares is RM0.4981. For the purpose of illustration only, assuming the indicative exercise price of the Warrants is at RM0.45 per Warrant, this represents a discount of RM0.0481 or 9.66% to the said 5D-VWAMP of Ecoscience Shares ("**Assumed Exercise Price**").

The Board wishes to emphasise that the Assumed Exercise Price should not be taken as an indication of or reference to the actual Exercise Price of the Warrants, as it will only be determined and announced at a later date.

2.4 Ranking of the Warrants and the new Ecoscience Shares to be issued arising from the exercise of the Warrants

The Warrant Holders will not be entitled to any voting rights or participation in any form of distribution and/or offer of further securities in Ecoscience until and unless such Warrant Holders exercise their Warrants into new Ecoscience Shares.

The new Ecoscience Shares to be issued upon the exercise of the Warrants shall, upon allotment, issuance and full payment of the Exercise Price, rank equally in all respects with the then existing Ecoscience Shares, save and except that they shall not be entitled to participate in any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment of the new Ecoscience Shares.

2.5 Listing and quotation for the Warrants and new Ecoscience Shares to be issued arising from exercise of the Warrants

An application will be made to Bursa Securities for:

- (i) the admission of the Warrants to the Official List of Bursa Securities; and
- (ii) the listing and quotation for the Warrants and new Shares to be issued arising from the exercise of the Warrants on the ACE Market of Bursa Securities.

The Warrants to be issued in relation to the Ecoscience Shares held by the specified shareholders of the Company which are currently under moratorium (as set out in the prospectus of Ecoscience dated 21 June 2022), as well as new Ecoscience Shares to be issued arising from the exercise of the Warrants, will also be subject to a similar moratorium.

2.6 Utilisation of proceeds from the exercise of Warrants

The Proposed Free Warrants Issue is not expected to raise any immediate funds as the Warrants will be issued at no cost to the Entitled Shareholders.

The eventual proceeds to be raised from the exercise of the Warrants (if any) is dependent on the number of Warrants exercised during the Tenure of the Warrants as well as the Exercise Price of the Warrants, which will be determined and fixed at a later date.

As such, the exact timeframe and the breakdown for the utilisation of the proceeds are not determinable at this juncture. The Company expects to utilise the proceeds from the exercise of Warrants within 24 months from the date of receipt of the proceeds.

For illustration purposes, the gross proceeds to be raised upon full exercise of the Warrants based on the Assumed Exercise Price is set out below:

| | |
|---|-------------|
| No. of Warrants | 170,000,000 |
| Total gross proceeds to be raised assuming full exercise of Warrants (RM) | 76,500,000 |

The Company intends to utilise the proceeds arising from the exercise of the Warrants, if any, for the Group's working capital requirements. The proceeds raised from the exercise of the Warrants will be utilised to finance the Group's day-to-day operations, including the payment to suppliers and subcontractors as well as defrayment of operational and administrative expenses (e.g., staff costs, rental expenses, utility charges, transportation costs and upkeep of property, plant and equipment). The allocation of proceeds to be utilised for each component of working capital are subject to the Group's operational requirements at the time of utilisation. As such, the detailed allocation can only be determined by the Board at a later date.

Pending utilisation of the proceeds to be raised as and when the Warrants are exercised, the proceeds shall be placed in deposits with licensed financial institutions and/ or short-term money market instruments. Any interest derived from such deposits or gains arising from such short-term money market instruments will be used as additional funds for the working capital requirements (as mentioned above) of the Group.

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3. DETAILS OF EQUITY FUND-RAISING EXERCISE UNDERTAKEN IN THE PAST 12 MONTHS

3.1 IPO

The Company was listed on the ACE Market of Bursa Securities on 18 July 2022 and has raised gross proceeds of approximately RM24.65 million from the IPO. The utilisation of proceeds raised from the IPO is as follows:

| Utilisation of proceeds | Proposed utilisation | Amount utilised as at the LPD | Balance to be utilised | Estimated timeframe for utilisation upon listing |
|---|-----------------------------|--------------------------------------|-------------------------------|---|
| | RM'000 | RM'000 | RM'000 | |
| Business expansion | | | | |
| - Establishment of new fabrication facility and office in Indonesia | 5,000 | - | 5,000 | Within 24 months |
| - Expansion of environmental and energy efficiency business | 1,000 | 130 | 870 | Within 24 months |
| Working capital | 7,851 | 7,851 | - | Within 12 months |
| Repayment of bank borrowings | 7,000 | 7,000 | - | Within 12 months |
| Estimated listing expenses | 3,800 | 3,800 | - | Within 1 month |
| Total | 24,651 | 18,781 | 5,870 | |

Save as disclosed above, Ecoscience has not undertaken any other equity fund-raising exercise in the past 12 months before the announcement of the Proposed Free Warrants Issue.

4. RATIONALE AND JUSTIFICATION FOR THE PROPOSED FREE WARRANTS ISSUE

After due consideration of various methods, the Board is of the view that the Proposed Free Warrants Issue is an appropriate avenue of rewarding the existing shareholders of the Company as the Proposed Free Warrants Issue will:

- enable existing shareholders of Ecoscience to participate in convertible securities of the Company, which are tradable on the ACE Market of Bursa Securities, without incurring any cost;
- provide existing shareholders of Ecoscience with an opportunity to increase their equity participation in the Company at a pre-determined Exercise Price over the Tenure of the Warrants;
- allow existing shareholders of the Company to further participate in the future growth of the Company when the Warrants are exercised; and
- strengthen the capital base and shareholders' funds of the Company as well as provide additional working capital for the Group, as and when the Warrants are exercised.

5. OUTLOOK AND PROSPECTS

5.1 Overview and outlook of the Malaysian economy

Malaysia's economy recorded a strong growth of 8.7% in 2022, exceeding the initial projection of 6.5% to 7%, whereby real output value reached above the pre-COVID 19 pandemic level. The commendable performance was driven by domestic demand and improved labour market in line with the transition to the endemic phase. These resulted from an increase in economic activities which include household spending, investment and tourism. Subsequently, encouraging expansion in all economic sectors primarily the services and manufacturing have also provided continuous impetus to the significant economic growth in 2022. Furthermore, the growth was attributed to robust external demand, especially among Malaysia's major trading partners.

Notwithstanding the growth, the economy in 2022 experienced several challenges with escalating inflationary pressures due to high commodity and food prices as well as softened global economic growth and trade. Therefore, the Government has taken various holistic and comprehensive measures to help the rakyat and businesses in dealing with inflationary pressures and higher cost of living.

Malaysia's economic growth is projected to moderate amid the signs of weakness in the global growth momentum. The growth will be mainly supported by steady domestic demand primarily private expenditure as well as initiatives under the Budget 2023 and development expenditure under the Twelfth Malaysia Plan, 2021 - 2025 (12MP). However, a slowdown in external demand is expected to moderate exports growth, particularly in the electrical and electronic (E&E) products and major commodities.

On the supply side, all economic sectors are expected to remain in the positive growth trajectory in 2023, driven by the services and manufacturing sectors. Other sectors, namely agriculture, mining and construction are also expected to grow further in line with the improvement in economic activities. However, downside risks such as prolonged geopolitical conflict, climate-related disasters and persistently high inflation are expected to further hampering the global economic growth, hence, affecting Malaysia's performance. Overall, the nation's gross domestic product is forecast to grow approximately 4.5% in 2023.

(Source: Updates on Economic & Fiscal Outlook and Revenue Estimates 2023, Ministry of Finance Malaysia)

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5.2 Overview and prospects of the palm oil industry in Malaysia

The Malaysian oil palm industry continues to drive the country's economic growth as the palm oil market recovers from a disruptive 2 years of the COVID-19 pandemic from 2020-2021. Despite facing numerous significant challenges at the local and global markets including COVID-19, severe labour shortages, weather uncertainties, environmental concerns, geo-political unrest and changes in trade policies, the market for palm oil remains optimistic for 2023 following expectations of strong palm oil demand from key markets, interests in replenishing stocks to ensure food security and recovery of business activities post COVID-19 on a broader perspective.

The labour shortage in the oil palm plantation sector and production losses due to low yields have curbed the Malaysian palm oil industry from maximising its full potential throughout 2021 and 2022 despite record high prices for palm oil. However, Malaysia witnessed a moderate recovery in palm oil production with the opening of the Malaysian borders and measures taken by the Government to facilitate the entry of foreign workers which have improved the critical labour situation. Therefore, the Malaysian oil palm industry is expected to reduce production losses and contribute to further increase in palm oil production in 2023.

The Malaysian oil palm industry continues to take leadership roles in undertaking continuous improvements in oil palm cultivation and palm oil processing aimed at making palm oil production more sustainable and environmentally friendly by adopting initiatives, including the introduction of the Malaysian Sustainable Palm Oil Certification ("**MSPO**") which was made mandatory on 1 January 2020. The MSPO certification is an important measure taken by the Government to ensure that the value of Malaysian palm oil and palm products are further enhanced and gain continuous global access and acceptance at the vegetable oils market.

Malaysia will continue to position its palm oil industry as a leader in sustainability. MSPO certification programmes will be intensified with continuous support from the Ministry of Plantations and Commodities (MPIC) and related stakeholders to ensure full adoption of sustainability requirements among smallholders. As of 30 September 2022, MSPO certification has reached 98 % or 5.64 million hectares of the 5.74 million hectares of oil palm planted areas in Malaysia and 99 % or 461 of the 466 mills in the country have been certified under the MSPO.

(Source: Opening speech by YAB Dato' Sri Haji Fadillah Bin Haji Yusof deputy Prime Minister & Minister of Plantation and Commodities Palm Oil Economic Review and Outlook Seminar 2023 Thursday, 12 January 2023, Ministry of Plantation and Commodities Malaysia)

The agriculture sector turned around by 0.1% in 2022, mainly driven by the recovery in the oil palm subsector following firmer prices, the gradual return of foreign workers to the plantation industry and improved fresh fruit bunches yield, particularly in the second half of the year. The production of crude palm oil ("**CPO**") increased by 1.9% to 18.5 million tonnes, mainly attributed to higher output from Peninsular Malaysia and Sarawak.

The agriculture sector is projected to expand by 1.1% in 2023 following continuous improvement in oil palm, livestock and fishing subsectors. The oil palm subsector is expected to grow supported by an increase in CPO production, as a result of the improved labour supply. In line with the expectation of better production, the average CPO price is forecast around RM4,000 per tonne. Furthermore, external factors including availability of other edible oils also projected to weigh on CPO price.

(Source: Updates on Economic & Fiscal Outlook and Revenue Estimates 2023, Ministry of Finance Malaysia)

5.3 Prospects of the Group

Ecoscience is an investment holding company. Through its subsidiaries, the Group is mainly involved in the construction of the palm oil mills and supporting facilities including fabrication of palm oil milling equipment.

The Group will continue to focus on its core competencies in the construction of palm oil mills and supporting facilities, and fabrication of equipment as well as to explore business opportunities with prospective new customers to grow its customer base, including covering new geographical markets.

In addition, the Group will implement the following business strategies and plans:

- (a) to establish new fabrication facility and office in Indonesia; and
- (b) to expand its environmental and energy efficiency business.

Barring any unforeseen circumstances, the Group remains cautiously optimistic of its performance driven by its existing on-going projects as well as new projects expected to be secured for the subsequent quarters of 2023. The Group will also continue to tender and secure new projects to sustain its order book.

(Source: Management of Ecoscience)

6. EFFECTS OF THE PROPOSED FREE WARRANTS ISSUE

6.1 Issued share capital

The pro forma effects of the Proposed Free Warrants Issue on the paid-up share capital of Ecoscience as at the LPD are as follows:

| Details | No. of Shares | RM |
|--|--------------------|---------------------------|
| Issued share capital as at the LPD | 340,000,000 | 74,991,182 |
| Assuming full exercise of the Warrants | 170,000,000 | ⁽¹⁾ 76,500,000 |
| Enlarged issued share capital | 510,000,000 | 151,491,182 |

Note:

- (1) Assuming 170,000,000 Warrants are exercised at the Assumed Exercise Price.

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6.2 Net assets (“NA”) per Share and gearing

The pro forma effects of the Proposed Free Warrants Issue on the NA per Share and gearing of the Group based on its audited consolidated statements of financial position as at 31 December 2021 are as follows:

| | | (I) | (II) | (III) |
|---|---|--------------------------------------|--|--|
| | Audited as at 31 December 2021 | Subsequent event up to the LPD | After (I) and Proposed Free Warrants Issue | After (II) and assuming full exercise of Warrants |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Share capital | 51,566 | ⁽¹⁾ 74,991 | 74,991 | ⁽⁵⁾ 151,491 |
| Merger deficit | (45,209) | (45,209) | (45,209) | (45,209) |
| Foreign exchange translation reserve | (249) | (249) | (249) | (249) |
| Retained earnings | 53,057 | ⁽²⁾ 51,486 | ⁽⁴⁾ 51,236 | 51,236 |
| Shareholders' funds/ NA | 59,165 | 81,019 | 80,769 | 157,269 |
| No. of Shares in issue (‘000) | 257,831 | 340,000 | 340,000 | 510,000 |
| NA per Share (RM) | 0.23 | 0.24 | 0.24 | 0.31 |
| Total borrowings | 39,081 | ⁽³⁾ 32,081 | 32,081 | 32,081 |
| Gearing (times) | 0.66 | 0.40 | 0.40 | 0.20 |

Notes:

- (1) The Company issued 82,169,500 new Shares at an issue price of RM0.30 per Share in its IPO in conjunction with the listing of the Company on the ACE Market of Bursa Securities on 18 July 2022 (“**Listing**”). It includes the adjustment for share issuance expenses arising from the Listing expenses of approximately RM1.23 million.
- (2) After deducting Listing expenses incurred subsequent to FYE 2021 and up to the LPD of approximately RM1.57 million.
- (3) After the repayment of borrowings of RM7.00 million pursuant to the utilisation of proceeds raised from the IPO.
- (4) After deducting estimated expenses of approximately RM0.25 million relating to the Proposed Free Warrants Issue which will be funded via internally generated funds.
- (5) Assuming all 170,000,000 Warrants are exercised at the Assumed Exercise Price.

6.3 Earnings and earnings per Share (“EPS”)

The Proposed Free Warrants Issue will not have any material effect on the earnings of the Group for the financial year ending 31 December 2023. However, the EPS of the Group is expected to be diluted as a result of the increase in the number of Shares arising from the exercise of Warrants.

6.4 Convertible Securities

As at the LPD, there are no convertible securities issued by the Company.

6.5 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Free Warrants Issue on the shareholdings of the substantial shareholders of Ecoscience based on the register of substantial shareholders of the Company as at the LPD are set out below:

| Substantial shareholders | As at the LPD | | | | Assuming full exercise of Warrants | | | |
|-------------------------------|---------------|-------|----------------|-------|------------------------------------|-------|----------------|-------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | (1)% | No. of Shares | (1)% | No. of Shares | (2)% | No. of Shares | (2)% |
| Wong Choi Ong | 13,928,000 | 4.10 | (3)153,117,000 | 45.03 | 20,892,000 | 4.10 | (3)229,675,500 | 45.03 |
| Pan Kum Wan | - | - | (4)164,393,927 | 48.35 | - | - | (4)246,590,890 | 48.35 |
| Rajawali Wang Sdn Bhd | 153,000,000 | 45.00 | - | - | 229,500,000 | 45.00 | - | - |
| Caiwan Capital Sdn Bhd | - | - | (5)153,000,000 | 45.00 | - | - | (5)229,500,000 | 45.00 |
| Visionary Support Sdn Bhd | - | - | (5)153,000,000 | 45.00 | - | - | (5)229,500,000 | 45.00 |
| Dynagear Technologies Sdn Bhd | - | - | (5)153,000,000 | 45.00 | - | - | (5)229,500,000 | 45.00 |

Notes:

- (1) Based on the total number of issued Shares of 340,000,000 as at the LPD.
- (2) Based on the enlarged number of issued Shares of 510,000,000, assuming full exercise of the Warrants.
- (3) Deemed interested by virtue of his indirect shareholdings in Rajawali Wang Sdn Bhd through Caiwan Capital Sdn Bhd and Visionary Support Sdn Bhd pursuant to Section 8 of the Companies Act 2016 ("**Act**") and indirect interest held through his daughter, Wong Pei Li's shareholdings in the Company.
- (4) Deemed interested by virtue of his indirect shareholdings in Rajawali Wang Sdn Bhd through Dynagear Technologies Sdn Bhd and Visionary Support Sdn Bhd pursuant to Section 8 of the Act and indirect interest held through his spouse, Li Siok Go's and his sons, Pan Ching Looi's and Pan Ching Yeong's shareholdings in the Company.
- (5) Deemed interested by virtue of its shareholdings in Rajawali Wang Sdn Bhd pursuant to Section 8 of the Act.

7. APPROVALS REQUIRED

The Proposed Free Warrants Issue is subject to the following approvals being obtained:

- (i) Bursa Securities for the following:
 - (a) the admission of up to 170,000,000 Warrants to the Official List of Bursa Securities;
 - (b) the listing and quotation for up to 170,000,000 Warrants on the ACE Market of Bursa Securities; and
 - (c) the listing and quotation for up to 170,000,000 new Ecoscience Shares to be issued arising from the exercise of the Warrants on the ACE Market of Bursa Securities;
- (ii) the shareholders of Ecoscience for the Proposed Free Warrants Issue at an extraordinary general meeting to be convened; and
- (iii) any other relevant authorities and/or parties, if required.

8. INTER-CONDITIONALITY

The Proposed Free Warrants Issue is not conditional upon any other proposals undertaken or to be undertaken by the Company.

9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSONS CONNECTED WITH THEM

None of the directors, major shareholders of the Company, chief executive and/or persons connected with them have any interest, direct and/or indirect, in the Proposed Free Warrants Issue, other than their respective entitlements as shareholders of the Company under the Proposed Free Warrants Issue, the rights of which are also available to all other existing shareholders of the Company as at the Entitlement Date.

10. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposed Free Warrants Issue, including but not limited to the rationale and effects of the Proposed Free Warrants Issue, is of the opinion that the Proposed Free Warrants Issue is in the best interest of the Company.

11. ADVISER

Hong Leong Investment Bank Berhad has been appointed by the Company to act as the Adviser for the Proposed Free Warrants Issue.

12. APPLICATION TO THE RELEVANT AUTHORITIES

The application to the relevant authorities will be made within 2 months from the date of this announcement.

13. TENTATIVE TIMELINE

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Free Warrants Issue is expected to be completed by the third quarter of 2023.

This announcement is dated 28 February 2023.