

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

DISPOSAL OF A SINGLE STOREY SEMI-DETACHED FACTORY WITH MEZZANINE OFFICE IDENTIFIED AS LOT NO. 173396, TITLE NO. GRN 584428 (FORMERLY KNOWN AS PTD 186465 HSD 560907), MUKIM OF TEBRAU, DISTRICT OF JOHOR BAHRU, STATE OF JOHOR DARUL TAKZIM CONTAINING AN AREA MEASURING APPROXIMATELY 0.1338 HECTARES (“PROPERTY”), BY ECOSCIENCE TECHNOLOGIES SDN BHD, A WHOLLY OWNED SUBSIDIARY OF EIB, TO BETTERINGCO SDN BHD FOR A CASH CONSIDERATION OF RM4,158,000.00 (“DISPOSAL”)

1. INTRODUCTION

The Board of Directors (“**Board**”) of the Company wishes to announce that its wholly owned subsidiary, Ecoscience Technologies Sdn Bhd (“**ETSB**” or “**Vendor**”) has today entered into a sale and purchase agreement (“**SPA**”) with Betteringco Sdn Bhd (“**Betteringco**” or “**Purchaser**”), for the disposal of the Property for a cash consideration of RM4,158,000.00 (“**Disposal Consideration**”).

2. DETAILS OF THE DISPOSAL

2.1 Information on the Purchaser

Betteringco was incorporated in Malaysia on 10 June 2016 as a private limited company under the Companies Act 2016. The principal activity of the Purchaser is the provision of management services to internal companies. Betteringco has an issued and paid-up share capital of RM200,000.00 comprising 200,000 ordinary shares.

The directors and shareholders of the Purchaser are as follows:

<u>Directors / Shareholders</u>	<u>Shareholdings %</u>
<u>Directors</u>	
Goh Kok Wei (NRIC No. 880601-23-5349)	-
Thai Si Pua (NRIC No. 870208-43-5150)	-
<u>Shareholders</u>	
Venture Accounting Pte Ltd	49
Thai Si Pua (NRIC No. 870208-43-5150)	51

2.2 Details of the Property

The brief details of the Property are as follows:

Title details	:	GRN 584428 Lot 173396 (previously known as HSD 560907 PTD 186465) Mukim of Tebrau, District of Johor Bahru, State of Johor containing an area measuring approximately 0.1338 hectare
Description	:	Category of land use is industrial
Built-up area	:	94560.95 square feet
Tenure	:	Freehold

Existing use	:	Medium industrial purposes
Carrying value / Net book value	:	RM2.73 million based on the latest audited financial statements for the financial year ended ("FYE") 31 December 2024
Date of purchase / Date of investment	:	8 August 2017
Original cost of investment	:	RM4,192,000.00
Age of building	:	9 years
Market value	:	RM3,800,000.00, based on the market value appraised by an independent firm of registered valuers, IPC Island Property Consultants Sdn Bhd vide its letter dated 24 September 2025 using comparison approach as the method of valuation.
Encumbrances	:	There is an existing charge in favour of MALAYAN BANKING BERHAD (3813-K) with Pres No.: 62684/2018 dated 27 August 2018.

2.3 Salient terms and conditions of the SPA

(i) Payment of total purchase price

The Purchaser shall pay to the Vendor or the Vendor's solicitors the purchase price in the sum of RM4,158,000.00 ("**Purchase Price**") in the following manner:

- (a) RM415,800.00, being the deposit and part payment towards account of the purchase price ("**Deposit**") which shall be paid upon execution of the SPA; and
- (b) RM3,742,200.00, being the balance of the purchase price ("**Balance Purchase Price**") shall be paid on or before three (3) months from the date of the SPA ("**Date of Completion**").

In the event that the Purchaser fails to pay the Balance Purchase Price on or before the Date of Completion, the Vendor shall grant to the Purchaser an extension of time up to one (1) month from the Date of Completion ("**Extended Date of Completion**") for the Purchaser to make payment of the Balance Purchase Price as aforesaid provided always that the Purchaser shall pay to the Vendor interest on the Balance Purchase Price or any part thereof remaining unpaid at eight per centum (8%) per annum calculated from the day next after the Date of Completion to the date of full payment of the Purchase Price based on three hundred and sixty-five (365) days year on the actual number of days elapsed.

The Balance Purchase Price shall be deemed to be paid by the Purchaser on the day the Purchaser's cheque, Purchaser's solicitors cheque, banker draft or cashier order for the said amount is received by the Vendor's solicitors' provided that the said cheque, banker draft or cashier order is good for payment and shall be duly honoured upon first presentation for payment at any bank. If payment is made by way of telegraphic transfer, online transfer or eBank into the Vendor's solicitors clients' account in which event for determining the date of payment of the Balance

Purchase Price, the time of crediting the money into the Vendor's solicitors clients' account shall be deemed to be the time of payment.

The Vendor hereby declares that the Vendor's solicitors are hereby authorised to receive payment of and give good receipt for the Balance Purchase Price as herein provided.

(ii) End financing

If the Purchaser obtains a loan ("**Loan**") from a banking financial or other institution ("**Financier**") to finance the purchase of the Property, the Purchaser shall utilise the Loan towards payment of the Balance Purchase Price or the final part thereof as the case may be.

(iii) Discharge of charge

If the Property is currently charged to the existing chargee, the Vendor must at his own cost and expense discharge the existing charge over the Property through the Vendor's solicitors and:

- (a) the Vendor confirms and warrants that the amount payable to redeem the Property from the existing chargee does not exceed the Balance Purchase Price; and
- (b) the Vendor irrevocably authorises the Purchaser and the Purchaser's or the Vendor's solicitors to utilise the Balance Purchase Price for the redemption of the Property on behalf of the Vendor.

The Vendor shall endeavour to forward or cause the existing chargee to forward to the Purchaser or the Financier's solicitors the relevant redemption statement and relevant undertakings addressed directly to the Financier for the release of the Loan ("**Redemption Statement**") stating (inter alia) the amount payable to redeem the Property and undertaking to execute the discharge of charge form and to release the original issue document of title and duplicate charge of the existing chargee in respect of the Property upon receipt of the redemption sum and to refund the redemption sum in the event the discharge of charge form cannot be registered for any reasons attributable to the existing chargee.

If the redemption sum of the Property shall exceed the Balance Purchase Price, without prejudice to the Vendor's confirmation and warranty as in the SPA, the Vendor shall pay the sum representing the difference between the redemption sum and the Balance Purchase Price to the Vendor's solicitors or the Purchaser's solicitors within 7 days from the date of receipt by the Vendor or the Vendor's solicitors requesting for the same.

All payments made to the existing chargee from the Balance Purchase Price shall be deemed to be payments made to the Vendor towards account of the Purchase Price and the Vendor agrees that a receipt issued or an acknowledgment of receipt by the existing chargee or its solicitors shall be a good and valid discharge of such payments.

(iv) Default by Vendor

If the Vendor:

- (a) commits any breach of the terms and conditions contained in the SPA or fails to perform or observe all or any of the Vendor's covenants under the SPA;
- (b) failing for any reason whatsoever to complete the sale of the Property pursuant to the SPA; or

- (c) commits an act of bankruptcy or enters into any composition or arrangement with his creditors or being a company, enters into liquidation whether compulsory or voluntary;

The Purchaser shall be entitled at his option:

- (i) to enforce specific performance of the SPA; or
- (ii) to elect to terminate the SPA by notice in writing ("**Notice of Election**") served on the Vendor, to accept a sum equivalent to 10% of the Purchase Price as agreed liquidated damages ("**Liquidated Damages**") from the Vendor.

If the Purchaser decides to proceed with termination of the SPA, the Vendor shall on or before the expiry of 7 days from the date of the Notice of Election subject to the compliance of all the matters as set out in Clause 15.3 of the SPA by the Purchaser cause all moneys paid by the Purchaser to the Vendor pursuant to the provisions of the SPA (including the Purchase Price and all sums paid upon apportionment pursuant to the SPA) to be refunded to the Purchaser and pay the Purchaser the Liquidated Damages.

Prior to the refund by the Vendor pursuant to Clause 15.2 of the SPA of all moneys paid pursuant to the SPA by the Purchaser and the payment of the Liquidated Damages and interest if any, the following shall first be complied with:

- (a) the Purchaser shall:
 - (i) deliver or cause to deliver to the Vendor a Notice of Withdrawal of Private Caveat duly executed by the Purchaser or the Financier or its solicitors if the same has been lodged against the Property;
 - (ii) return or cause to be returned all relevant documents forwarded to the Purchaser's solicitors as stakeholders if the same shall have been delivered by the Vendor to the Purchaser or the Purchaser's solicitors provided always that if the Memorandum of Transfer has been adjudicated and stamped, the Purchaser's solicitors shall be entitled to surrender the same to the relevant authorities to obtain a refund of the stamp duty paid by the Purchaser and for their cancellation of the same thereafter;
 - (iii) re-transfer the Property to the Vendor and/or discharge the charge over the Property if the Transfer and/or a charge in favour of the Financier has/have been registered pursuant to the SPA; and
 - (iv) re-deliver to the Vendor vacant possession of the Property if the vacant possession shall have been delivered to the Purchaser;
- (b) thereafter, neither party shall have any further claim against the other for costs, damages, compensation or otherwise except for any antecedent breach of the provisions of the SPA; and
- (c) the Vendor shall bear all costs and expenses in the aforesaid matter and shall reimburse the Purchaser and keep the Purchaser fully reimbursed for all costs and expenses incurred by the Purchaser including costs on a solicitor and client basis.

(v) Default by Purchaser

If the Purchaser:

- (a) fails, refuses and/or neglects to pay the Balance Purchase Price and all interest accrued, if any, on or before the Date of Completion or the Extended Date of Completion to complete the purchase of the Property;
- (b) commits any breach of the terms and conditions contained in the SPA or fails to perform or observe all or any of the Purchaser's covenants under the SPA; or
- (c) before payment in full of the Purchase Price of the Property, commits an act of bankruptcy or enters into any composition or arrangement with his creditors or being a company, enters into liquidation whether compulsory or voluntary;

The Vendor may annul the sale of the Property and forthwith terminate the SPA. If the Vendor decides to terminate the SPA in accordance with Clause 16.1 of the SPA:

- (a) the Vendor shall:
 - (i) be entitled to deal with or otherwise dispose of the Property in such manner as the Vendor shall see fit as if the SPA had not been entered into;
 - (ii) be entitled to forfeit absolutely a sum equivalent to 10% of the Purchase Price as agreed liquidated damages;
 - (iii) refund to the Purchaser the balance paid by the Purchaser towards the Purchase Price, if any, free of interest within 7 days from the date of compliance of all the matters as set out in Clause 16.2(b) (i)–(iv) of the SPA by the Purchaser;
- (b) prior to the refund by the Vendor pursuant to Clause 16.2(a)(iii) of the SPA, the Purchaser shall at his own cost and expense comply with the following:
 - (i) withdraw any private caveat entered by the Purchaser and cause the Financier or its solicitors to withdraw any private caveat entered or to remove any encumbrance created over the Property if the same has been lodged against the Property;
 - (ii) return or cause to be returned all relevant documents forwarded to the Purchaser's solicitors as stakeholders if the same shall have been delivered by the Vendor to the Purchaser or the Purchaser's solicitors provided always that if the Memorandum of Transfer has been adjudicated and stamped, the Purchaser's solicitors shall be entitled to surrender the same to the relevant authorities to obtain a refund of the stamp duty paid by the Purchaser and for their cancellation of the same thereafter;
 - (iii) re-transfer the Property to the Vendor and/or discharge the charge over the Property if the Memorandum of Transfer and/or a charge in favour of the Financier has/have been registered pursuant to the SPA;
 - (iv) re-deliver to the Vendor vacant possession of the Property if the vacant possession shall have been delivered to the Purchaser;

AND THEREAFTER the SPA shall be deemed to have been terminated and cease to be of any further effect but without prejudice to any right which either party may be entitled to against the other party in respect of any antecedent breach of the SPA.

2.4 Liabilities in relation to the Disposal

There are no other liabilities, including contingent liabilities and guarantees, to be remained with the Company arising from the Disposal.

3. BASIS AND JUSTIFICATION ON ARRIVING AT THE DISPOSAL CONSIDERATION

The Disposal Consideration was arrived on a “willing-buyer willing-seller” basis through negotiation between the Vendor and the Purchaser and after taking into consideration of the following:

- (i) carrying value based on the latest audited accounts as at 31 December 2024 of approximately RM2.73 million and original cost of the Property of RM4.192 million; and
- (ii) The market value of RM3.80 million appraised by the independent firm of registered valuers, IPC Island Property Consultants Sdn Bhd vide its letter dated 24 September 2025 using comparison approach as the method of valuation.

The Board has carefully considered the details of the Disposal and is of the view that the premium to market value is reasonable considering the prevailing demand for Property in the industrial area in Johor Bahru after negotiations with the Purchaser and the Company’s overall financial strategy. Although the Disposal Consideration of RM4.158 million is at a premium of RM0.358 million or 9.42% to the market value of RM3.80 million, it represents a loss of approximately RM0.034 million or 0.992 times over the Company’s original cost of investment of RM4.192 million.

4. RATIONALE FOR THE DISPOSAL

The Disposal will enable the Company and its subsidiaries (“**Group**”) to unlock the value of the Property and monetise its investment to fund the Group’s working capital. In addition, the Group will no longer incur cost to maintain the Property after the Disposal.

5. UTILISATION OF PROCEEDS

The gross proceeds from the Disposal are expected to be utilised as follows:

Details of utilisation	RM'000
Working capital of the Group	1,394
Repayment of bank borrowing	2,764
Estimated expenses for the Disposal ⁽¹⁾	-
Total	4,158

Note:

- (1) *The Group does not expect to incur any expenses for the Disposal as the real property gain tax (RPGT) is not applicable in this instance in view that the Group expects to record an estimated net loss on the Disposal of approximately RM0.034 million.*

6. RISK FACTORS

The completion of the Disposal is conditional upon fulfilment of the terms of the SPA being satisfied. The non-fulfilment of any terms in the SPA may result in the SPA being terminated, if the remedies were not made good within the specified timeline as per the provision in the SPA.

Nevertheless, ETSB endeavours to take all reasonable steps to ensure the completion of the Disposal in a timely manner.

7. FINANCIAL EFFECTS OF THE DISPOSAL

The effects of the Disposal are as follows:

7.1 Share capital and substantial shareholders' shareholdings

The Disposal will not have any effect on the issued and paid-up share capital and shareholding of the substantial shareholders of the Company.

7.2 Net assets per share and gearing

Based on the latest audited consolidated statements of financial position of the Company as at 31 December 2024 and assuming the Disposal had been effected on that date, the Disposal is not expected to have material effects on the net assets per share and gearing of the Group.

7.3 Earning and earnings per share

After taking consideration the estimated net loss on the Disposal of approximately RM0.034 million, the Disposal is not expected to have any material effects on the earnings and earnings per share of the Company. Nevertheless, the gross proceeds raised from the Disposal will enable the Group to utilise available resources more efficiently for its working capital and paring down its gearing.

8. APPROVALS REQUIRED

The Disposal does not require the approval of the shareholders of EIB or any other regulatory authorities.

9. PERCENTAGE RATIO

Pursuant to Rule 10.02(1)(g) of ACE Market Listing Requirements, the highest percentage ratio applicable to the Disposal is 8.61% based on the latest consolidated audited financial statements of EIB for the financial year ended 31 December 2024.

10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

None of the Directors and/or major shareholders and/or persons connected to the directors and/or major shareholders of the Company have any interest, direct or indirect, in the Disposal.

11. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Disposal, including but not limited to the rationale, salient terms of the SPA, risk factors, and the financial effects of the Disposal, is of the opinion that the Disposal is in the best interest of the Company.

12. ESTIMATED TIME FRAME FOR COMPLETION OF THE DISPOSAL

Barring any unforeseen circumstances, the Disposal is expected to be completed by first quarter of 2026.

13. DOCUMENTS AVAILABLE FOR INSPECTION

The SPA and the independent registered valuers' valuation certificate dated 24 September 2025 are available for inspection at the registered office of the Company at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor during normal office hours from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 28 November 2025.