

Condensed Interim unaudited Financial Statements for the Half Year Ended 30 April 2022

A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Group		
	1H FY2022 (S\$'000) (Unaudited)	1H FY2021 (S\$'000) (Audited)	% Change + / (-)
Revenue	10,771	23,708	(55)
Cost of Sales	(10,051)	(19,371)	(48)
Gross Profit	720	4,337	(83)
<u>Other Items of Income</u>			
Finance Income	3	11	(73)
Other Gains	108	2,286	(95)
<u>Other Items of Expenses</u>			
Marketing and Distribution Expenses	(441)	(823)	(46)
Administrative Expenses	(2,692)	(4,004)	(33)
Finance Costs	(305)	(479)	(36)
Other Losses	(3)	(706)	n/m
Share of Losses from an Associate and a Jointly- Controlled Entity, Net of Tax	-	(266)	n/m
(Loss)/Profit Before Income Tax	(2,610)	356	n/m
Tax Expense	(26)	(196)	87
(Loss)/Profit, Net of Tax	(2,636)	160	n/m
<u>Other Comprehensive (Loss)/Income</u>			
Exchange Differences on Translating Foreign Operations, Net of Tax	(459)	(449)	2
Effective Portion of Changes in Fair Value of Cash Flow Hedges	6	(518)	n/m
Defined Benefit Plan - Actuarial Gain	-	76	n/m
Other Comprehensive Loss, Net of Tax	(453)	(891)	49
Total Comprehensive Loss, Net of Tax	(3,089)	(731)	n/m
(Loss)/Profit, Net of Tax, attributable to:			
Owners of the Company	(2,641)	(22)	n/m
Non-Controlling Interests	5	182	(97)
	(2,636)	160	n/m

	Group		
	1H FY2022 (S\$'000) (Unaudited)	1H FY2021 (S\$'000) (Audited)	% Change +/(-)
Total Comprehensive (Loss)/Income, Net of Tax, attributable to:			
Owners of the Company	(3,084)	(926)	n/m
Non-Controlling Interests	(5)	195	n/m
Total Comprehensive Loss, Net of Tax	(3,089)	(731)	n/m

"n/m" denotes not meaningful.

A(1) Notes to Condensed Interim Consolidated Statement of Comprehensive Income/(Loss)

Profit/(Loss) for the period is after crediting/(charging):

	Group		
	1H FY2022 (S\$'000) (Unaudited)	1H FY2021 (S\$'000) (Audited)	% Change +/(-)
Finance Lease Income ⁽¹⁾	385	462	(17)
Depreciation of Property, Plant and Equipment ⁽²⁾	(1,124)	(1,458)	(23)
Depreciation of Investment Properties	(103)	(103)	-
Depreciation of Right-of-use Assets	(234)	(234)	-
Amortisation of Intangible Assets	-	(37)	n/m
Gain on Disposal of Property, Plant and Equipment	-	38	n/m
Foreign Exchange (Loss)/Gain, Net ⁽³⁾	(3)	640	n/m
Government Grant Income ⁽⁴⁾	46	94	(51)
Allowance for Impairment on Other Non-Financial Assets ⁽⁵⁾	-	(114)	n/m
Gain on Disposal of Subsidiary ⁽⁶⁾	-	1,467	n/m
Reversal of Allowance for Impairment on Trade and Other Receivables	62	19	n/m
Fines ⁽⁷⁾	-	(105)	n/m
Legal Claims ⁽⁷⁾	-	(320)	n/m
Write-off of Land-Use-Rights ⁽⁸⁾	-	(167)	n/m
Interest Income from Financial Institutions	3	11	(73)
Amortisation of Land Use Rights ⁽⁸⁾	(28)	(28)	n/m
Provision for Retirement Benefit Obligations Expenses, Net	(6)	(13)	(54)
Adjustments for (Under)/Over Provision of Taxation in Respect of Prior Years ⁽⁹⁾	(26)	84	n/m

"n/m" denotes not meaningful.

Notes:

- (1) Finance lease income relates to income generated by the Group's plant acquired under finance lease agreements. Finance lease income decreased systematically over lease terms.
- (2) Decrease in depreciation due to assets that have been fully depreciated in prior years.
- (3) Net foreign exchange loss was due to fluctuations in Australian dollar ("AUD") against Malaysian Ringgit cushioned by the significant reductions in AUD denominated sales as a result of decrease in sales of rubber compound.
- (4) Government grant income was lower in 1H FY2022 as compared to 1H FY2021, mainly due to higher jobs credit grant and jobs support scheme received during 1H FY2021.
- (5) Allowance for impairment on other non-financial assets relate to prepayments that have been fully provided for in prior year. No such allowance for 1H FY2022.
- (6) The gain on disposal of subsidiary in 1H FY2021 relates to the sale of Saiko Rubber (Malaysia) Sdn Bhd which was completed on 23 April 2021. There was no disposal of subsidiary in 1H FY2022.
- (7) There were no provision for fines and legal claims in 1H FY2022 as these were fully provided in prior year.
- (8) Write-off of land use rights and amortisation of land use rights relate to a parcel of land located in People's Republic of China that has been adjusted to its fair value in prior year hence no further write-off has been made in the current financial period.
- (9) Adjustments for under-provision of taxation in respect of prior years in 1H FY2022 relate to under-provision of income tax as compared to final submission to the Inland Revenue Board of Malaysia.

B. Condensed Interim Statements of Financial Position

	Group		Company	
	30 April 2022 (S\$'000) (Unaudited)	31 October 2021 (S\$'000) (Audited)	30 April 2022 (S\$'000) (Unaudited)	31 October 2021 (S\$'000) (Audited)
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	26,136	27,260	338	372
Right-of-use Assets	1,075	1,309	-	-
Investment Properties	1,575	1,678	-	-
Intangible Assets	-	-	-	-
Land Use Rights	1,112	1,140	-	-
Investments in Subsidiaries	-	-	26,470	26,470
Investment in an Associate	1,513	1,513	-	-
Finance Lease Receivables	4,616	6,472	-	-
Other Non-Financial Assets	293	293	-	-
Total Non-Current Assets	36,320	39,665	26,808	26,842
Current Assets				
Cash and Cash Equivalents	1,880	1,900	36	12
Trade and Other Receivables	7,758	7,881	2,153	1,362
Inventories	5,316	4,876	-	-
Finance Lease Receivable	1,226	1,254	-	-
Derivative Financial Instruments	12	9	-	-
Other Non-Financial Assets	1,003	1,026	(21)	59
Total Current Assets	17,195	16,946	2,168	1,433
Total Assets	53,515	56,611	28,976	28,275
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	48,170	48,170	48,170	48,170
Treasury Shares	(280)	(280)	(280)	(280)
Accumulated Losses	(16,037)	(13,396)	(27,558)	(27,506)
Foreign Currency Translation Reserve	(5,484)	(5,025)	-	-
Other Reserves	2,226	2,220	-	-
Equity Attributable to Owners of the Company	28,595	31,689	20,332	20,384
Non-Controlling Interests	19	14	-	-
Total Equity	28,614	31,703	20,332	20,384
LIABILITIES				
Non-Current Liabilities				
Provision for Retirement Benefit Obligations and Reinstatement Cost	1,127	1,121	-	-
Loans and Borrowings	4,019	4,384	-	-
Financial Liabilities – Lease Liabilities	1,013	1,388	114	138
Deferred Tax Liabilities	993	993	-	-
Total Non-Current Liabilities	7,152	7,886	114	138

	Group		Company	
	30 April 2022 (S\$'000) (Unaudited)	31 October 2021 (S\$'000) (Audited)	30 April 2022 (S\$'000) (Unaudited)	31 October 2021 (S\$'000) (Audited)
Current Liabilities				
Income Tax Payables	197	361	44	44
Trade and Other Payables	7,871	8,583	8,438	7,661
Derivative Financial Instruments	2	2	-	-
Loans and Borrowings	8,861	7,161	-	-
Financial Liabilities – Lease Liabilities	818	915	48	48
Total Current Liabilities	17,749	17,022	8,530	7,753
Total Liabilities	24,901	24,908	8,644	7,891
Total Equity and Liabilities	53,515	56,611	28,976	28,275

C. Condensed Interim Consolidated Statement of Cash Flows

	Group	
	1H FY2022 (S\$'000) (Unaudited)	1H FY2021 (S\$'000) (Audited)
<u>Cash Flows From Operating Activities</u>		
(Loss)/Profit Before Income Tax	(2,610)	356
Depreciation of Property, Plant and Equipment	1,124	1,458
Depreciation of Investment Properties	103	103
Depreciation of Right-of-use Assets	234	234
Gain on Disposal of Property, Plant and Equipment	-	(38)
Amortisation of Intangible Assets	-	37
Amortisation of Land Use Rights	28	28
Write-off of Land Use Rights	-	167
Share of Loss from an Associate and a Jointly-Controlled Entity, Net of Tax	-	266
Gain on Disposal of Subsidiary	-	(1,467)
Net Fair Value Gain on Derivative Financial Instruments	(3)	-
Provision for Retirement Benefit Obligations Expenses, Net	6	13
Finance Income	(3)	(11)
Finance Costs	273	479
Net Foreign Exchange	(459)	(533)
Operating Cash Flows Before Changes in Working Capital	(1,307)	1,092
Inventories	(440)	(1,318)
Trade and Other Receivables	123	(1,304)
Finance Lease Receivable	1,884	505
Other Non-Financial Assets	23	567
Trade and Other Payables	(253)	(1,266)
Provisions	-	(235)
Net Cash Flows From/(Used In) Operations Before Income Tax	30	(1,959)
Income Tax Paid	(190)	(245)
Net Cash Flows Used In Operating Activities	(160)	(2,204)
<u>Cash Flows From Investing Activities</u>		
Acquisition of Property, Plant and Equipment	-	(1,623)
Proceeds from Disposal of Property, Plant and Equipment	-	1,914
Repayment from a Jointly-Controlled Entity	-	82
Acquisition of a Subsidiary, Net of Cash	-	(12)
Interest Received	3	11
Proceeds from Disposal of a Subsidiary	-	1,648
Net Cash Flows From Investing Activities	3	2,020
<u>Cash Flows From Financing Activities</u>		
Net Proceeds from Loans and Borrowings	1,335	1,338
Principal Elements of Lease Payments	(925)	(922)
Interest Paid	(273)	(436)
Purchase of Treasury Shares	-	(200)
Decrease in Cash Restricted in Use Over 3 Months ^(a)	-	1,953
Net Cash Flows From Financing Activities	137	1,733
Net (Decrease)/Increase in Cash and Cash Equivalents	(20)	1,549
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-	(112)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	1,772	3,355
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	1,752	4,792

	Group	
	1H FY2022 (S\$'000) (Unaudited)	1H FY2021 (S\$'000) (Audited)
Cash and Cash Equivalents in the Statement of Cash Flows		
Cash and Cash Equivalents ^(b)	1,880	4,948
Cash Restricted in Use	(128)	(130)
Bank Overdrafts	-	(26)
Cash and Cash Equivalents At End of Period	1,752	4,792

(a) Comprised fixed deposits held by banks for revolving banking and credit facilities.

(b) Included in cash and cash equivalents are fixed deposits of S\$128,000 as at 30 April 2022 (30 April 2021: S\$128,000).

D. Condensed Interim Statements of Changes in Equity

	Share Capital (S\$'000)	Treasury Shares (S\$'000)	Accumulated Losses (S\$'000)	Foreign Currency Translation Reserve (S\$'000)	Other Reserves (S\$'000)	Equity Attributable to Owners of the Company Subtotal (S\$'000)	Non- Controlling Interests (S\$'000)	Total Equity (S\$'000)
Group								
At 1 November 2021	48,170	(280)	(13,396)	(5,025)	2,220	31,689	14	31,703
Changes in Equity								
Total comprehensive (loss)/income for the period	–	–	(2,641)	(459)	6	(3,094)	5	(3,089)
At 30 April 2022	48,170	(280)	(16,037)	(5,484)	2,226	28,595	19	28,614
At 1 November 2020	48,090	-	(6,461)	(5,018)	2,409	39,020	4,001	43,021
Changes in Equity								
Total comprehensive (loss)/income for the period	-	-	(22)	(409)	(557)	(988)	182	(806)
Defined Benefit Plan – Actuarial	-	-	62	-	-	62	14	76
Disposal of Equity Interests of Subsidiary	-	-	-	-	-	-	(4,181)	(4,181)
Purchase of Equity Interests of Subsidiaries	-	-	-	-	(24)	(24)	12	(12)
Purchase of Treasury Shares	-	(200)	-	-	-	(200)	-	(200)
	-	(200)	40	(409)	(581)	(1,150)	(3,973)	(5,123)
At 30 April 2021	48,090	(200)	(6,421)	(5,427)	1,828	37,870	28	37,898

<u>Company</u>	Share Capital (S\$'000)	Treasury Shares (S\$'000)	Accumulate d Losses (S\$'000)	Total Equity (S\$'000)
At 1 November 2021	48,170	(280)	(27,506)	20,384
Total Comprehensive Loss for the Period	—	—	(52)	(52)
At 30 April 2022	48,170	(280)	(27,558)	20,332
At 1 November 2020	48,170	(80)	(21,022)	27,068
Total Comprehensive Loss for the Period	-	-	(143)	(143)
Treasury shares	-	(200)	-	(200)
At 30 April 2021	48,170	(280)	(21,165)	26,725

E. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate Information

ecoWise Holdings Limited (the "**Company**") is incorporated in Singapore with limited liability. It is listed on the Catalyst Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The condensed interim consolidated financial statements as at and for the six-month period ended 30 April 2022 comprise the Company and its subsidiaries (collectively, the "**Group**"). The principal activity of the Company is that of investment holding.

The principal activities of the major subsidiaries are:

- Operation and maintenance of biomass co-generation plant;
- Processing and recycling of non-metal waste, horticultural waste and other waste and the operating of a biomass co-generation plant; and
- Manufacturing and trading of retread tyres and related rubberised products.

The registered office and principal place of business of the Company is located at 1 Commonwealth Lane, #07-28 One Commonwealth, Singapore 149544.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 April 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 October 2021. The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as with the most recently audited financial statements for the financial year ended 31 October 2021.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

As at the date of this result announcement, there are material uncertainties on the ability of the Group to continue as a going concern. Management is discussing with the Board on the feasibility of the future plans in order for the Group to carry on as a going concern. Management notes that the Group's operations have been significantly impacted by the COVID-19 pandemic over the course of the last two years. Within the Group, the Notice of Compliance ("**NOC**"), dated 25 June 2021, from the SGX and the suspension from trading of our shares have also contributed to the difficulties and challenges already faced by the Group in the current financial year. This has resulted in a decline in revenue for 1H FY2022 compared to the corresponding period of 1H FY2021 which also caused significant cash flow pressure on the Group.

Whilst the Group successfully restructured its banking facilities with Affin Bank Berhad and Al Rahji Banking and Investment Corporation (Malaysia) Bhd, the negotiation with Malayan Banking Berhad is yet to be completed as at the date of this result announcement.

As a result of these matters there is a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern and therefore whether the Group will realise its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements.

Management is taking proactive steps to evaluate and implement the following actions: -

- i) Stabilise the operations in Singapore and Malaysia. This includes:
 - a) Assessing and improving various aspects of the biomass plants in Singapore;
 - b) Conducting repairs and refitting of equipment in Malaysia; and
 - c) Restructuring of the bank facilities in Malaysia. To date, banking facilities with two out of the three banks in Malaysia have been restructured as announced on 6 June 2022 and 28 June 2022.
- ii) Monetise non-core assets in Singapore, Malaysia and the People's Republic of China; and
- iii) Explore opportunities to generate funds for working capital purposes

Although it is not certain that these efforts will be successful, the Company has determined that the actions that it has taken and will take are sufficient to mitigate the uncertainties and has therefore prepared the financial reporting on a going concern basis.

If the Group and Company are unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded on the statements of financial positions of the Group and the Company. In addition, the Group and Company may have to reclassify non-

current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

Shareholders should note that trading in the shares of the Company has been suspended since 18 June 2021.

The Company will make necessary announcement if there are any developments, either favourable or adverse.

2.1 New and amended standards adopted by the Group

The condensed interim financial statements have been prepared based on accounting policies and methods of computation consistent with those adopted in the most recent audited financial statements of the Group for the financial year ended 31 October 2021. The Group has adopted new and revised SFRS (I) and interpretations of SFRS (I) applicable to the Group which are effective for the financial year beginning 1 November 2021. These are not expected to have a material impact on the Group's condensed interim financial statements.

2.2 Use of Judgements and estimates

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting period are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

(i) Expected credit loss allowance on trade receivables

The allowance for expected credit losses ("ECL") assessment requires a degree of estimation and judgement. It is based on the lifetime ECL for trade receivables. In measuring the expected credit losses, management considers all reasonable and supportable information such as the reporting entity's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions (including the impact of the Covid-19 pandemic). The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year.

(ii) Impairment assessment of property, plant and equipment and land use rights in relation to Changyi Enersave Biomass to Energy Co Ltd ("CEBEC")

The Group owns a 24 MW biomass co-generation power plant (the "CEBEC Plant") located in Changyi, Shandong Province, People's Republic of China ("PRC"). The CEBEC Plant is held by Changyi Enersave Biomass to Energy Co., Ltd. ("CEBEC"), a Company registered in the PRC. The immediate parent Company of CEBEC is Hivern Investments Pte. Ltd. ("Hivern"). Both CEBEC and Hivern are wholly-owned subsidiaries in the Group.

As at 30 April 2022 and 31 October 2021, the carrying values of CEBEC Plant and land use rights where the plant is located were RMB10.80 million (approximately S\$2.30 million) and RMB5.42 million (approximately S\$1.10 million) respectively.

The CEBEC Plant has not commenced operations since it was acquired by the Group in the reporting period ended 2013. The plant requires major retrofitting and recommissioning before it can be placed into commercial operations as the contractor engaged by CEBEC did not deliver the plant to the Company in accordance with the technical specifications set out in the Engineering, Procurement and Construction Contract (the "EPC Contract").

For the purpose of assessment of impairment of the carrying values of CEBEC Plant and land use rights where the plant is located as at 31 October 2021, management had obtained an independent valuation report for CEBEC Plant and land use right. The indicative market value of CEBEC Plant and the land use rights owned by CEBEC is approximately RMB33.40 million (approximately S\$7.00 million). In relying on the independent valuation report, management has exercised judgement to ensure the valuation method and estimates are reflective of the current market conditions including implication from the Covid-19 pandemic. No independent valuation is performed as at 30 April 2022.

Management is of the view that no impairment loss allowance is necessary as the indicative market value of CEBEC plant and land use rights was higher than the carrying amounts.

(iii) Impairment assessment of investment in an associate

The Group owns a 20% equity interest in China-UK Low Carbon Enterprise Co. Ltd., ("CULCEC"). The Group's application for the liquidation of CULCEC was approved by the court in PRC on 21 December 2020. The carrying value of the Group's investment in the associate net of foreign currency translation reserve amounts to approximately S\$1.20 million as at 31 October 2021. Based on the valuation report prepared by a valuation firm for the liquidation of CULCEC that was obtained by management, the Group's share of the net assets of CULCEC is approximately RMB7.00 million (approximately S\$1.50 million) as of 31 December 2020. Management has exercised and determined that the Group's share of net assets of CULCEC as of 30 April 2022 and 31 October 2021 is not materially different from RMB7.00 million as the associate did not operate since the commencement of liquidation. Therefore, management concluded that there is no impairment in the carrying value of the investment in associate as the estimated recoverable amount approximates the carrying value. No independent valuation is performed as at 30 April 2022.

(iv) Assessment of carrying values of other property, plant and equipment, right-of-use assets and intangible assets

An assessment is made for the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units if applicable is measured based on the fair value less costs of disposal or value in use calculations. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected.

(v) Measurement of impairment of subsidiaries

Where an investee is in net equity deficit and or has suffered losses a test is made whether the investment and loans in the investee have suffered any impairment loss. This measurement requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the asset or liability affected.

(vi) Net realisable value of inventories

The allowance for impairment of inventories assessment requires a degree of estimation and judgement. The level of the loss allowance is assessed by taking into account the recent sales experience, the ageing of inventories, other factors that affect inventory obsolescence and subsequent events. Possible changes in these estimates could result in revisions to the stated value of the inventories.

(vii) Income tax

The entity recognises tax liabilities and assets tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition, management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgemental and not susceptible to precise determination.

(viii) Accrual of land use rights tax and property tax

The Group accrued for estimated property and land use taxes in the financial statements. Management has previously been submitting applications to local tax authority for waiver to pay land use rights tax and property tax in prior years in accordance with local regulations. Management has taken the view that the local tax authority would grant the waiver for payment of these taxes as they believe CEBEC met the conditions for the waiver and there was neither a response from nor enforcement by the local tax authority previously. Management submitted new applications to the local tax authority for waiver of these taxes after making payments in July, August and September 2021. If the outcome of CEBEC's application is favourable, the accruals made would be reversed in the relevant reporting year.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period. However, the Group's businesses are seriously affected by the impact of the COVID-19 pandemic and the NOC which requires management's attention.

4. Segment and revenue information

For management purposes, the Group is organised into three major business segments/operating divisions based on their services as follows:

The segments and the types of products and services are as follows:

- Renewable Energy – Design, build and operate biomass co-generation systems, generate power for sale and provision of services related to the applications of heat.
- Resource Recovery – Process, recycle and repurpose waste and salvageable materials into environmentally friendly products for industrial applications, such as washed copper slag, compost and retreaded tyres.
- Integrated Environmental Management Solutions – Provision of resource management and integrated environmental engineering solutions for industrial waste and energy management, including designing, optimising, engineering, procurement, fabricating, commissioning, managing and maintenance of waste, energy management facilities and vertically integrated waste-to-feed process for fish and aquaculture business.

These operating segments are reported in a manner consistent with internal reporting provided to management who are responsible for allocating resources and assessing performance of the operating segments.

F. Other Information required by Catalyst Listing Rule Appendix 7C

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Please refer to Section A – Condensed Interim Consolidated Statements of Profit or Loss and Other Comprehensive Income

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Please refer to Section B – Condensed Interim Statements of Financial Position.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	Group			
	As at 30 April 2022		As at 31 October 2021	
	Secured	Unsecured	Secured	Unsecured
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Amount repayable in one year or less, or on demand	9,679	-	8,076	-
Amount repayable after one year	5,032	-	5,772	-

Details of any collateral

As at 30 April 2022, secured loans and borrowings comprised:

- Finance lease liabilities of S\$1,831,000 (31 October 2021: S\$2,303,000), secured by the lessors' charge over the leased assets.
- Loans and borrowings of S\$10,790,000 (31 October 2021: S\$9,363,000), secured by property, plant and equipment and assets of certain subsidiaries in Malaysia.
- Loans and borrowings of S\$2,090,000 (31 October 2021: S\$2,182,000), secured by property, plant and equipment of subsidiaries in Singapore.

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Please refer to Section C – Condensed Interim Consolidated Statement of Cash Flows.

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Please refer to Section D – Condensed Interim Statements of Changes in Equity.

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.**

State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Issued and paid-up ordinary shares	Share capital (S\$'000)
As at 31 October 2021 and 30 April 2022	957,483,029	48,170
	Number of treasury shares	Percentage of the aggregate number of treasury shares held against the total number of shares outstanding
As at 31 October 2021 and 30 April 2021	8,637,300	0.90%

As at 30 April 2022, the total number of treasury shares held was 8,637,300 shares, representing 0.90% of total number of issued shares.

The Company does not have any subsidiary holdings as at 30 April 2022 and 30 April 2021. There were no outstanding convertibles as at 30 April 2022 and 30 April 2021.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares, excluding treasury shares, was 948,845,729 ordinary shares as at 30 April 2022 (31 October 2021: 948,845,729 ordinary shares).

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There was no sale, transfer, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of matter).

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: to provide (a) updates on the efforts taken to resolve each outstanding audit issue; and (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

The former independent auditor, RSM Chio Lim LLP ("RSM"), has issued a disclaimer of opinion on the consolidated financial statements of the Group and the Company for FY2021. The basis for the disclaimer of opinion is in relation to the following:

- A. Service agreements entered by Chongqing ecoWise Investment Management Co., Ltd;
- B. Disclosures of related party relationships, transactions and balances
- C. Unconsolidated entities;
- D. Internal audit under NOC;
- E. Accounting of long outstanding payable;
- F. Bank confirmation replies not received;
- G. Documents required for review of subsequent events;
- H. Recoverability of receivables;
- I. Impairment assessment of property, plant and equipment in Malaysia; and
- J. Going concern

On 11 May 2022, the Company announced that SGX RegCo has directed Ernst & Young Advisory Pte Ltd to expand the scope of the internal audit to include, *inter alia*, the following:

- a) the service agreements entered by Chongqing ecoWise Investment Management Co., Ltd;
- b) the disclosures of related party relationships, transactions and balances;
- c) the unconsolidated entities highlighted in RSM's auditor's report;
- d) recoverability of assets in a jointly controlled entity; and
- e) potential breaches of the Listing Manual Section B: Rules of Catalyst

With regards to going concern, the Group continued its efforts to:

- i) Stabilise the operations in Singapore and Malaysia. This includes:
 - a) Assessing and improving various aspects of the biomass plants in Singapore;
 - b) Conducting repairs and refitting of equipment in Malaysia
 - c) Restructuring of the bank facilities in Malaysia. To date, banking facilities with two out of the three banks in Malaysia have been restructured as announced on 6 June 2022 and 28 June 2022.
- ii) Monetising non-core assets in Singapore, Malaysia and the People's Republic of China; and
- iii) Exploring opportunities to generate funds for working capital purposes

The Company will continue to engage with external and internal auditors and other relevant professionals to address all matters raised in RSM's independent auditor's report for FY2021. Announcements will be made in the event these matters resulted in any significant or material impact on the Group's operations and financial statements.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as with the most recently audited financial statements for the financial year ended 31 October 2021.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Please refer to section 4 above.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per ordinary share for the period based on profit for the period attributable to owners of the Company:

	Group	
	1H FY2022	1H FY2021
(Loss)/Profit for the period attributable to the owners of the Company (S\$'000)	(2,641)	(22)
Weighted average number of shares in issue ('000)	948,846	948,846
(i) Basic profit per shares (S\$ cents)	(0.278)	(0.002)
(ii) On a fully diluted basis (S\$ cents)	(0.278)	(0.002)

The basic and diluted profit per share for the respective periods were the same as there were no outstanding convertible securities during the respective periods.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30 April 2022	31 October 2021	30 April 2022	31 October 2021
Net assets attributable to owners of the Company (S\$'000)	28,595	31,689	20,332	20,384
Number of shares at the end of the period/year, excluding treasury shares	948,845,729	948,845,729	948,845,729	948,845,729
Net asset value per ordinary share at the end of period/year (S\$ cents)	3.01	3.34	2.14	2.15

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of Comprehensive Income

	Group		
	1H FY2022 (S\$'000) (Unaudited)	1H FY2021 (S\$'000) (Audited)	% Change +/-
<u>Revenue</u>			
Renewable Energy Segment	3,420	3,663	(7)
Resource Recovery Segment	7,297	19,929	(63)
Integrated Environmental Management Solutions Segment	54	116	(53)
Total	10,771	23,708	(55)
Gross Profit	720	4,337	(83)
Gross Profit Margin	7%	18%	

Revenue

Revenue for 1H FY2022 of S\$10.77 million was S\$12.94 million or 55% lower as compared to 1H FY2021. The decrease in revenue was mainly attributable to:

- Decrease in revenue from retreaded tyre and rubber compound business in Malaysia (Resource Recovery Segment) of \$12.60 million or 63% due to low production as a result of shortage in workers and equipment breakdowns; and
- Decrease in revenue from Renewable Energy segment of \$243,000 or 7% due to lower output yield and decline in spent grain revenue as one of the supply contracts is about to expire.

Cost of Sales, Gross Profit and Gross Profit Margin

Cost of sales decreased by S\$9.31 million or 48% in-line with the decrease in revenue.

Gross profit in 1H FY2022 decreased by S\$3.62 million or 83% as compared to 1H FY2021 due to the significant decrease in revenue from retreaded tyre and rubber compound business.

Gross profit margin also deteriorated from 18% in 1H FY2021 to 7% in 1H FY2022 due to the decrease in revenue and higher repairs and maintenance cost coupled by operational inefficiencies.

Other Gains

Other gains decreased by S\$2.18 million or 95% mainly due to the following:

	Group		
	1H FY2022 (S\$'000) (Unaudited)	1H FY2021 (S\$'000) (Audited)	% Change +/(-)
Reversal of Allowance for Impairment on Trade and Other Receivables	62	19	n/m
Government Grant Income	46	94	(51)
Gain on Disposal of Subsidiary	-	1,467	n/m
Net Foreign Exchange Gain	-	640	n/m
Gain on Disposal of Property, Plant and Equipment	-	38	n/m
Others	-	28	n/m
Total	108	2,286	(95)

Marketing and Distribution Expenses

Marketing and distribution expenses decreased by S\$382,000 or 46% in 1H FY2022 as compared to 1H FY2021. The decrease is attributable to the following expenses which are in-line with the overall decline in the business operations:

	Group		
	1H FY2022 (S\$'000) (Unaudited)	1H FY2021 (S\$'000) (Audited)	% Change +/(-)
Staff cost and staff related expenses	290	589	(51)
Depreciation	21	54	(61)
Repairs and maintenance	17	55	(69)
Other marketing and distribution expenses	113	125	(10)
Total	441	823	(46)

Administrative Expenses

Administrative expenses decreased by S\$1.34 million or 33% in 1H FY2022 as compared 1H FY2021. These are in-line with the overall decline in the business operations as a whole.

	Group		
	1H FY2022 (S\$'000) (Unaudited)	1H FY2021 (S\$'000) (Audited)	% Change +/(-)
Staff cost and staff related expenses	1,211	1,535	(21)
Professional fees	636	636	-
Depreciation	403	512	(21)
Directors' fees	133	109	22
Property and land use tax	61	656	(91)
Bank charges	49	42	17
Insurance	44	40	10
Amortisation of land use rights	28	28	-
Rental	17	77	(78)
Repairs and maintenance	16	46	(65)
Travelling, representation and entertainment	4	75	(95)
Write-off of land use rights	-	167	n/m
Other administrative expenses	90	81	11
Total	2,692	4,004	(33)

Finance Costs

Finance costs decreased by 36% mainly due to repayments made during the current period.

Other Losses

Other losses decreased by S\$703,000 due to fines and legal claims in 1H FY2021 that have been fully provided for in prior year.

Share of Losses from an Associate and a Jointly-Controlled entity, Net of Tax

In 1H FY2021, share of results from an associate relates to the Group's share of profit or loss in China-UK Low Carbon Enterprise Co. Ltd. ("CULCEC"), and share of results from jointly-controlled entity relates to the Group's share of profit or loss in Chongqing eco-CTIG Rubber Technology Co. Ltd. ("CECRT"). In May 2021, the Group completed the acquisition of the remaining shares of 35% in CECRT and as a result, CECRT has become a wholly-owned subsidiary of the Group. There was no share of profit or loss in CULCEC for 1H FY2022 as its already under liquidation.

Profit/Loss, Net of Tax

As a result of the above, the Group recorded net loss of S\$2.64 million in 1H FY2022 as compared to net profit of S\$160,000 in 1H FY2020.

Statement of Financial Position

Assets

Property, plant and equipment decreased by S\$1.12 million, from S\$27.26 million as at 31 October 2021 to S\$26.14 million as at 30 April 2022 mainly due to depreciation expenses.

Right-of-use assets relates to the Group's plants in Lim Chu Kang and Sungei Kadut.

Investment properties relates to the Group's properties leased to third parties.

Intangible assets, relate mainly to the Group's trademarks and customer relationship. These have been fully impaired in prior year.

Land use rights relate to the property where CEBEC plant is located.

Investment in an associate relates to the Group's investment in CULCEC which is in the process of liquidation. There is no change in the carrying amount of this investment.

Finance lease receivables (non-current and current) relate to the Group's investment in biomass co-generation power plant at Gardens by the Bay which is accounted for as a finance lease. Total non-current and current finance lease receivables decreased from S\$7.73 million as at 31 October 2021 to S\$5.84 million as at 30 April 2022, mainly attributable to billings to, and the collections from, the customer.

Trade and other receivables remained comparable to the balance as at 31 October 2021 due to decrease in revenue and slow collection from customers.

Inventories increased by S\$440,000 from S\$4.88 million as at 31 October 2021 to S\$5.32 million as at 30 April 2022 mainly due to increase in raw materials.

Other assets relate to prepayments and deposit payment. Other assets (non-current and current) remain comparable to the balance as at 31 October 2021.

Cash and cash equivalents remained at S\$1.90 million as compared to balance as at 31 October 2021.

Please refer to "Statement of Cash Flow" section below for explanations on the decrease in cash and cash equivalents of the Group.

Liabilities

Provision for retirement benefit obligations and reinstatement cost were approximately S\$1.13 million as at 31 October 2021 and 30 April 2022.

Loans and borrowings (non-current and current) increased by S\$1.34 million from S\$11.55 million as at 31 October 2021 to S\$12.88 million as at 30 April 2022 mainly due to net proceeds from loans and borrowings.

Lease liabilities (non-current and current) reduced by S\$472,000 from S\$2.30 million as at 31 October 2021 to S\$1.83 million as at 30 April 2022 due to repayment of lease liabilities.

Deferred tax liabilities remained at the same balance as at 31 October 2021.

Trade and other payables decreased by S\$712,000 from S\$8.58 million as at 31 October 2021 to S\$7.87 million as at 30 April 2022 mainly due to repayment to suppliers.

Working Capital

As at 30 April 2022, the Group has a negative working capital of S\$554,000 (31 October 2021: S\$76,000). Arrangements have been made with the major shareholder to provide unsecured and interest-free short-term loans as and when the Group requires additional funds for working capital.

Statement of Cash Flow

Net cash flows used in operating activities for 1H FY2022 was S\$160,000 mainly attributable to (i) operating cash flows before changes in working capital of S\$1.31 million, (ii) increase in inventories of S\$440,000, (iii) decrease in trade and other receivables of \$123,000, (iv) decrease in finance lease receivables of S\$1.88 million, (v) decrease in trade and other payables of S\$253,000, and (vi) income tax paid of S\$190,000.

Net cash flows from investing activities for 1H FY2022 was S\$3,000 representing interest received.

Net cash flows from financing activities for 1H FY2022 was S\$137,000 mainly attributable to net proceeds from loans and borrowings of S\$1.34 million, offset by (i) repayments of lease liabilities of S\$925,000, and (ii) interest expenses paid of S\$273,000.

As a result of the above, the Group's cash and cash equivalents decreased by S\$20,000 in 1H FY2022.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Directors remain cautious in the near term as the markets that the Group operates in have recently just come out of the various restrictions imposed during the height of the COVID-19 pandemic. The adverse effects of lockdowns, work stoppages and supply chain challenges brought about by the COVID-19 pandemic and headwinds to the world economy posed by a high interest rate and high inflation period in the world, geo-political events, such as the Russian-Ukraine war as well as continued tensions between the United States and China remain factors and challenges that combine to create a lot of uncertainties for the economies of Malaysia and Singapore where the Group has its main operations. The performance and health of the overall world economy will also have a direct impact on the Group's business and operations as the Group's customers are both local and overseas.

Coupled with the challenges posed by the events which occurred prior to and since the issue of the NOC on 25 July of 2021, the Group's operations have been significantly affected, including by the departure of finance, managerial and technical employees, in response to which the Group has been on a recruitment drive to fill up vacancies left by employees who left the Group. The Group will continue to monitor these developments and will take appropriate measures to mitigate against any potential adverse impact caused by the factors described in this section.

While the Group's main business segments are in the growth industries of renewable energy, resource recovery and environmental management, the challenges posed by the factors described in this section will continue to put pressure to bear on the costs of operations for the Group.

In the short term of the next 12 months, the Group will evaluate its overall operational costs and efficiency closely to improve its revenue and profitability and to resolve the issues caused by default on some of its credit facilities with the various financial institution by restructuring these credit facilities. In particular, the Group will concentrate its efforts on the following to continue to capitalise on growth opportunities and deliver value for its shareholders while seizing opportunities to scale new heights:

- Stabilise the operations in Singapore and Malaysia which includes (i) assessing and improving various aspects of the biomass plant in operations in Singapore; (ii) conducting repairs and refitting of equipment in Malaysia to increase the production capacity which will lead to increase in sales; and (iii) discussion and negotiations with its banks in Malaysia to restructure overdue payments and payments coming due. To date, banking facilities with two out of the three banks in Malaysia have been restructured.
- Monetise non-core assets in Singapore, Malaysia and the People's Republic of China; and.
- Explore opportunities to generate additional funds for working capital purposes.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended)

None

(b)(i) Amount per share

Nil

(b)(ii) Previous corresponding period

Nil

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not Applicable

(d) The date dividend is payable.

Not Applicable

(e) The date on which Registrable Transfers received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not Applicable

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the 1H FY2022 as the Group made a net loss for 1H FY2022.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained an IPT general mandate from the Company's shareholders.

On 28 July 2022, Mr Lee Thiam Seng, Chairman and CEO of the Company, granted a short-term, unsecured and interest-free loan for a total amount of S\$750,000 to the Company. The loan is repayable on or before 31 December 2022, subject to an extension that has to be mutually agreed by both parties.

14. Confirmation by the Board pursuant to Rule 705(5) of the Catalyst Rules

Lee Thiam Seng and Tan Poh Chye Allan, being two directors of the Company, have confirmed on behalf of the board of directors of the Company (the "Board") that to the best of the knowledge of the Board, nothing has come to the attention of the Board which may render the unaudited interim financial statements of the Company and the Group for the half year ended 30 April 2022 to be false or misleading in any material aspect.

15. Confirmation pursuant to Rule 720(1) of the Catalyst Rules

The Company confirms that the undertakings as required under Rule 720(1) of the Catalyst Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalyst Rules.

16. Disclosure pursuant to Rule 706(A) of the Catalist Rules

There was no acquisition or sale of shares by the Company during 1H FY2022 which requires disclosure pursuant to Rule 706(A) of the Catalist Rules.

BY ORDER OF THE BOARD

Lee Thiam Seng
Chairman and CEO

13 August 2022

This announcement has been prepared by ecoWise Holdings Limited ("**Company**") and its contents have been reviewed by the Company's sponsor, W Capital Markets Pte. Ltd. ("**Sponsor**").

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("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 Sheila Ong, Registered Professional, W Capital Markets Pte. Ltd., at 65 Chulia Street, #43-01, OCBC Centre, Singapore 049513, telephone (65) 6513 3543.

MATTERS ARISING DURING FY2022

On 25 June 2021, the NOC was issued to the Company by the Singapore Exchange Regulation Pte. Ltd, (“**SGX Regco**”) which required among other matters, an audit of the interim financial statements of the Group for the six months ended 30 April 2021 (“**1H FY2021 Audit**”). In the auditor’s report for the 1H FY2021 Audit and the FY2021 audit undertaken by RSM (the Company’s previous external auditor), a disclaimer of opinion was issued in respect of the financial statements of the Group. The matters disclaimed are listed under item 3A of the section on “Other Information required by Catalist Listing Rule Appendix 7C”.

During 1H FY2022, there were quite a number of resignations in Singapore, Malaysia and China. These resignations include key positions such as General Managers, Assistant General Managers, Group Financial Controller, Chief HR/Admin Officer, Group IT Managers and engineering personnel.

In March 2022, two subsidiaries in Malaysia defaulted on certain bank borrowings with Affin Bank Berhad, Al Rahji Banking & Investment Corporation (Malaysia) Bhd and Malayan Banking Berhad. Consequently, the three Malaysian banks issued legal demand letters. In the same month, the Group appointed Rodgers Reidy & Co. to act as Financial Adviser to the Group to perform an independent business review and position assessments as well as to advise the Board on the longer-term viability of various aspects of the Group’s business. Rodgers Reidy & Co. has been assisting the Group in discussions with the three Malaysian banks on the overdue payments and payments coming due.

An internal audit was also required under the NOC which has been undertaken by EY. On 11 May 2022, the Company announced that SGX RegCo directed EY to expand its scope of work to include the items listed under item 3A of the section on “Other Information required by Catalist Listing Rule Appendix 7C”.

Recently, the Group saw an effective leadership transition with the cessation on 13 April 2022 of Mr Cao Shixuan, who was Executive Director and Deputy CEO and had overall responsibility of the Group’s business and operations. Three new independent directors were also appointed by shareholders at an extraordinary general meeting on 14 April 2022.

At the annual general meeting of the Company on 30 May 2022 (“**FY2021 AGM**”), the Company’s external auditor, RSM, declined to stand for re-appointment and effectively resigned as and from the conclusion of the FY2021 AGM. 2 other independent directors who had been appointed by the then Board pursuant to the NOC also declined to stand for re-election.

Following the FY2021 AGM, the Company revamped its board composition and board committees. To stabilise the Group’s operations, new talents were recruited to join the management bench. In particular, the Company engaged Mr. Rodolfo S Alviedo Jr (“Jojo Alviedo”), in the interim on a contract basis to take charge of the Group’s finances and preparation of financial statements. In addition, Mr. Steven Gan was appointed as director of all the Company’s subsidiaries in Malaysia to oversee the Group’s operations in Malaysia.

Further as mentioned above, banking facilities previously granted by two out of the three banks in Malaysia have been restructured as announced on 6 June 2022 and 28 June 2022.

On 28 July 2022, Mr Lee Thiam Seng, Chairman and CEO, granted a short-term, unsecured and interest-free loan for a total amount of S\$750,000 to the Company to augment the Group’s working capital requirements. The loan is repayable on or before 31 December 2022, subject to an extension that has to be mutually agreed by both parties.

The Group is confident that it will steer through this challenging period and any challenges the future may bring. Moving forward, the Group will concentrate its efforts on the following to continue to capitalise on growth opportunities and deliver value for our shareholders while seizing on opportunities to scale new heights:

- Stabilise the operations in Singapore and Malaysia which will include (i) assessing and improving various aspects of the biomass plant operations in Singapore; (ii) conducting repairs and refitting of equipment in Malaysia to eventually increase the production capacity which will lead to increase in sales; and (iii) discussion with the banks in Malaysia on overdue payments and payments coming due.
- Monetise non-core assets in Singapore, Malaysia and the People’s Republic of China; and
- Explore opportunities to generate additional funds for working capital purposes.

The Company will make announcements on the SGX-Net to update shareholders as and when there is material information and development on any of these matters outlined in this section.