

Condensed Interim Financial Statements and Dividend Announcement for the 3-Month and Half Year Financial Period ended 31 October 2024

The Board of Directors (the “Board” or “Directors”) of ecoWise Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”) is pleased to announce the unaudited condensed interim consolidated financial statements of the Group for the 3-month and half year financial period ended 31 October 2024. In view of the disclaimer of opinion issued by the Company’s independent auditor, Baker Tilly TFW LLP, for the financial year ended 30 April 2024 (“FY2024”), quarterly reporting announcement is mandatory pursuant to Singapore Exchange Securities Trading Limited’s (“SGX-ST”) requirements under Rule 705(2)(d) of the SGX-ST Listing Manual Section B: Rules of Catalyst (the “Catalist Rules”).

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

	Note	Group					
		3-month period ended 31 Oct 2024 (“2Q FY2025”) (S\$’000) Unaudited	3-month period ended 31 Oct 2023 (“2Q FY2024”) (S\$’000) Unaudited	% Change +/-	6-month period ended 31 Oct 2024 (“1H FY2025”) (S\$’000) Unaudited	6-month period ended 31 Oct 2023 (“1H FY2024”) (S\$’000) Unaudited	% Change +/-
Continuing operations							
Revenue	4	8,439	8,176	3	16,795	16,119	4
Cost of sales		(7,350)	(6,941)	6	(13,930)	(13,884)	0.33
Gross profit		1,089	1,235	(12)	2,865	2,235	28
Other income - net		257	26	>100	140	246	(43)
Operating expenses							
Marketing and distribution expenses		(127)	(161)	(21)	(251)	(313)	(20)
Administrative expenses		(1,235)	(1,276)	(3)	(2,543)	(2,610)	(3)
Finance costs		(177)	(210)	(16)	(362)	(445)	(19)
Loss before income tax	5	(193)	(386)	(50)	(151)	(887)	(83)
Income tax (expense)/credit		(13)	60	n/m	3	(144)	n/m
Loss from continuing operations		(206)	(326)	(37)	(148)	(1,031)	(86)
Discontinued operations							
Profit from discontinued operations		-	-	-	181	-	n/m
Total (loss)/profit		(206)	(326)	(37)	33	(1,031)	n/m
Other comprehensive income/(loss)							
Items that may be reclassified subsequently to profit or loss:							
Exchange differences on translating foreign operations, net of tax		299	(318)	n/m	492	(422)	n/m
Reclassification of FCTR of disposal group classified as held for sale to profit or loss upon disposal		-	-	-	497	-	n/m
Cash flow hedges, net of tax		(88)	(45)	96	34	(45)	n/m
Total other comprehensive income/(loss) for the period		211	(363)	n/m	1,023	(467)	n/m
Total comprehensive (loss)/income for the period		5	(689)	n/m	1,056	(1,498)	n/m

A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (cont'd)

	Note	Group					
		3-month period ended 31 Oct 2024 ("2Q FY2025") (S\$'000) Unaudited	3-month period ended 31 Oct 2023 ("2Q FY2024") (S\$'000) Unaudited	% Change +/-	6-month period ended 31 Oct 2024 ("1H FY2025") (S\$'000) Unaudited	6-month period ended 31 Oct 2023 ("1H FY2024") (S\$'000) Unaudited	% Change +/-
Total loss for the period attributable to:							
Owners of the company		(206)	(328)	(37)	34	(1,030)	n/m
Non-controlling interests		-	2	n/m	(1)	(1)	-
		(206)	(326)	(37)	33	(1,031)	n/m
Total loss for the period attributable to equity holders of the Company:							
Loss from continuing operations		(206)	(328)	(37)	(147)	(1,030)	(86)
Profit from discontinued operations		-	-	-	181	-	-
		(206)	(328)	(37)	34	(1,030)	n/m
Total comprehensive (loss)/income for the period attributable to:							
Owners of the company		5	(691)	n/m	1,057	(1,497)	n/m
Non-controlling interests		-	2	n/m	(1)	(1)	-
		5	(689)	n/m	1,056	(1,498)	n/m
(Loss)/earnings per share							
From continuing and discontinued operations							
Basic and diluted (S\$ cents)		(0.022)	(0.035)	(37)	0.004	(0.109)	n/m
From continuing operations							
Basic and diluted (S\$ cents)		(0.022)	(0.035)	(37)	(0.015)	(0.109)	(86)
From discontinued operations							
Basic and diluted (S\$ cents)		-	-	-	0.019	-	n/m

"n/m" denotes not meaningful.

B. Condensed Interim Consolidated Statements of Financial Position

	Note	Group		Company	
		As at 31 October 2024 (S\$'000) Unaudited	As at 30 April 2024 (S\$'000) Audited	As at 31 October 2024 (S\$'000) Unaudited	As at 30 April 2024 (S\$'000) Audited
ASSETS					
Current assets					
Inventories		2,621	2,335	-	-
Financial assets at fair value through profit or loss ("FVTPL")		1,111	1,013	-	-
Trade and other receivables	6	7,788	9,113	4,485	5,850
Lease receivables		1,599	1,516	-	-
Other current assets		881	848	80	26
Cash and cash equivalents		1,058	746	46	17
		15,058	15,571	4,611	5,893
Assets held for sale	7	6,336	6,000	-	-
Disposal group assets classified as held for sale	13	-	938	-	-
Total current assets		21,394	22,509	4,611	5,893
Non-current assets					
Property, plant and equipment	8	7,446	7,778	17	8
Right-of-use assets	9	1,111	1,165	160	175
Investment properties		1,155	1,200	-	-
Investments in subsidiaries		-	-	19,191	19,191
Lease receivables		2,137	2,925	-	-
Total non-current assets		11,849	13,068	19,368	19,374
Total assets		33,243	35,577	23,979	25,267

B. Condensed Interim Consolidated Statements of Financial Position (cont'd)

	Note	Group		Company	
		As at 31 October 2024 (S\$'000) Unaudited	As at 30 April 2024 (S\$'000) Audited	As at 31 October 2024 (S\$'000) Unaudited	As at 30 April 2024 (S\$'000) Audited
LIABILITIES					
Current liabilities					
Income tax payable		341	317	54	54
Trade and other payables	11	6,339	7,237	10,496	14,830
Provisions		531	771	-	-
Derivative financial liabilities		-	32	-	-
Loans and borrowings	12	4,234	4,674	-	-
Lease liabilities	14	205	410	19	19
		11,650	13,441	10,569	14,903
Liabilities directly associated with disposal group classified as held for sale	13	517	2,140	-	-
Total current liabilities		12,167	15,581	10,569	14,903
Non-current liabilities					
Provisions		372	338	-	-
Loans and borrowings	12	3,605	3,645	-	-
Lease liabilities	14	151	127	78	86
Deferred tax liabilities		728	722	-	-
Total non-current liabilities		4,856	4,832	78	86
Total liabilities		17,023	20,413	10,647	14,989
NET ASSETS		16,220	15,164	13,332	10,278
EQUITY					
Share capital		47,890	47,890	47,890	47,890
Accumulated losses		(28,689)	(28,723)	(34,558)	(37,612)
Foreign currency translation reserves ("FCTR")		(5,183)	(5,668)	-	-
FCTR of disposal group classified as held for sale		81	(423)	-	-
Other reserves		2,159	2,125	-	-
Equity attributable to owners of the Company		16,258	15,201	13,332	10,278
Non-controlling interests		(38)	(37)	-	-
Total equity		16,220	15,164	13,332	10,278

C. Condensed Interim Consolidated Statement of Cash Flows

	Group	
	6-month period ended 31 October 2024 (S\$'000) Unaudited	6-month period ended 31 October 2023 (S\$'000) Unaudited
<u>Cash flows from operating activities</u>		
Loss before tax from continuing operations	(151)	(887)
Profit from discontinued operations	181	-
	30	(887)
Adjustments for:		
Depreciation of property, plant and equipment	916	1,382
Depreciation of right-of-use assets	235	335
Depreciation of investment properties	45	45
Gain on disposal of property, plant and equipment	(25)	(56)
Gain on disposal of assets held for sale	-	(11)
Gain on reversal of provision for reinstatement cost	(84)	-
Fair value gain on financial assets at FVTPL	(98)	-
Net fair value loss on derivative financial instruments	-	45
Finance lease income	(228)	(302)
Finance costs	362	445
Net foreign exchange loss/(gain)	31	(526)
Operating cash flows before changes in working capital	1,184	470
Change in working capital:		
Inventories	(286)	1,310
Trade and other receivables	1,325	(443)
Lease receivables	933	923
Other current assets	(33)	184
Trade and other payables	(319)	(214)
Provision for reinstatement cost	(156)	-
Net cash flows from operations	2,648	2,230
Income tax paid	6	(428)
Net cash flows from operating activities	2,654	1,802
<u>Cash flows from investing activities</u>		
Acquisition of property, plant and equipment	(290)	(9)
Proceeds from disposal of property, plant and equipment	25	74
Proceeds from disposal of assets held for sale	-	15
Net cash flows (used in)/from investing activities	(265)	80
<u>Cash flows from financing activities</u>		
Repayments of loans and borrowings	(850)	(1,006)
Repayment of other payables to director and key management personnel	(656)	-
Lease liabilities – principal portion paid	(240)	(317)
Interest paid	(340)	(409)
(Increase)/decrease in restricted cash	(4)	8
Net cash flows used in financing activities	(2,090)	(1,724)
Net increase in cash and cash equivalents	299	158
Effect of exchange rate changes on cash and cash equivalents	9	(9)
Cash and cash equivalents, beginning balance	625	779
Cash and cash equivalents, ending balance	933	928
Cash and cash equivalents as per consolidated statement of financial position	1,058	1,049
Cash restricted in use	(125)	(121)
Cash and cash equivalents as per consolidated statement of cash flows	933	928

D. Condensed Interim Consolidated Statements of Changes in Equity

Group	Share capital (S\$'000)	Accumulated losses (S\$'000)	FCTR	FCTR of disposal group classified as held for sale (S\$'000)	Other reserves (S\$'000)	Equity attributable to owners of the Company (S\$'000)	Non-controlling interests (S\$'000)	Total equity (S\$'000)
At 1 May 2024	47,890	(28,723)	(5,668)	(423)	2,125	15,201	(37)	15,164
Profit/(loss) for the period	-	34	-	-	-	34	(1)	33
Other comprehensive income								
Exchange differences on translating foreign operations, net of tax	-	-	485	7	-	492	-	492
Reclassification of FCTR of disposal group classified as held for sale	-	-	-	497	-	497	-	497
Cash flow hedges, net of tax	-	-	-	-	34	34	-	34
Total comprehensive income/(loss) for the period	-	34	485	504	34	1,057	(1)	1,056
At 31 October 2024	47,890	(28,689)	(5,183)	81	2,159	16,258	(38)	16,220
Group	Share capital (S\$'000)	Accumulated losses (S\$'000)	FCTR (S\$'000)	FCTR of disposal group classified as held for sale (S\$'000)	Other reserves (S\$'000)	Equity attributable to owners of the Company (S\$'000)	Non-controlling interests (S\$'000)	Total equity (S\$'000)
At 1 May 2023	47,890	(27,428)	(5,327)	(525)	2,182	16,792	(36)	16,756
Loss for the period	-	(1,030)	-	-	-	(1,030)	(1)	(1,031)
Other comprehensive loss								
Exchange differences on translating foreign operations, net of tax	-	-	(422)	-	-	(422)	-	(422)
Cash flow hedges, net of tax	-	-	-	-	(45)	(45)	-	(45)
Total comprehensive loss for the period	-	(1,030)	(422)	-	(45)	(1,497)	(1)	(1,498)
At 31 October 2023	47,890	(28,458)	(5,749)	(525)	2,137	15,295	(37)	15,258

D. Condensed Interim Consolidated Statements of Changes in Equity (cont'd)

	Share capital (S\$'000)	Accumulated losses (S\$'000)	Total equity (S\$'000)
<u>Company</u>			
At 1 May 2024	47,890	(37,612)	10,278
Total comprehensive income for the period	-	3,054	3,054
At 31 October 2024	47,890	(34,558)	13,332
At 1 May 2023	47,890	(33,847)	14,043
Total comprehensive loss for the period	-	(876)	(876)
At 31 October 2023	47,890	(34,723)	13,167

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 Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The condensed interim consolidated financial statements as at and for the 3-month and half year financial period ended 31 October 2024 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
- 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 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore.

The condensed interim consolidated statement of financial position of the Group as at 31 October 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period then ended and certain explanatory notes have not been audited or reviewed by the Company’s auditors.

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 since the last annual financial statements for the financial year ended 30 April 2024. The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”), except for the adoption of amended standards as set out in Note 2.1.

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

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 30 April 2024. The Group has adopted new and revised SFRS (I) and interpretations of SFRS (I) applicable to the Group which are effective for the financial period beginning 1 May 2024. 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, 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 from differing from estimates.

*(i) Expected credit loss (“**ECL**”) allowance on trade receivables*

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of the customer’s actual default in the future. The estimates on ECL have included the expected effects that the current macroeconomic uncertainties and inflationary pressures have on the recoverability of the Group’s receivables.

2.2 Use of judgements and estimates (Cont'd)

(ii) Valuation of financial asset at fair value through profit or loss

The Group owned 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 amount of the financial asset is determined at S\$1,513,000 based on the Group's share of the net assets of CULCEC based on information provided by the liquidator.

As at 31 October 2024, the Group has re-assessed and determined the fair value of CULCEC to be S\$1.11 million (RMB5.5 million). This amount represents the net expected amount potentially realisable from the sale of CULCEC's assets by its appointed liquidators, after repayment of its obligations.

Management may also use qualitative assessment of whether changes or events subsequent to the relevant transaction would imply a change in the investment's fair value. Although management believes that the assumptions concerning the estimate of expected amounts to be realised are appropriate, changes in estimates and assumptions could result in changes in the carrying values of these financial assets. Because of the inherent uncertainty of the valuation, management's estimate of fair values which are derived from the reported proportionate share of the fair value of the underlying net assets of the investment, may differ significantly from the values that would have been used had a ready market existed for the investment.

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

An assessment is made for the reporting period to determine 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 unit are measured based on the higher of fair value less costs of disposal or value-in-use calculations. When value in use calculations are undertaken, significant assumptions will be used. Management is required to estimate the expected future cashflows from the asset or cash-generating unit and a suitable discount rate, in order to determine the present value of those cashflows.

(iv) Measurement of impairment of subsidiaries

The Company assesses at each balance sheet date whether there are any indicators of impairment for investments in subsidiaries. Investments in subsidiaries are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of the investment exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

When value-in-use calculations are undertaken, management is required to estimate the expected future cash flows from the business and a suitable terminal growth rate and pre-tax weighted average cost of capital, in order to determine the present value of those cash flows.

(v) 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.

(vi) Income tax

The entity recognises tax liabilities and assets 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 judgmental and not susceptible to precise determination.

2.3 Going concern

For 1H FY2025, the Group recorded a profit after tax of S\$33,000 (1H FY2024: loss after tax of S\$1,031,000) and it has continued to generate positive cash flows from operating activities of S\$2.65 million (1H FY2024: S\$1.80 million). Furthermore, the Group's working capital position has also improved significantly, with net current assets of S\$9.23 million as at 31 October 2024 compared to the net current assets of S\$6.93 million as at 30 April 2024.

Management expects the Group's operations, cash flows and financial position to improve further in line with management's sustained efforts in:

- a) Stabilising the operations in Singapore and Malaysia by
 - (i) securing more orders from existing customers;
 - (ii) obtaining orders from new customers; and
 - (iii) resuming former products and services that had been inactive or lost in the past;
- b) Working with strategic partners to offer more products and services that are synergistic with current operations;
- c) Exploring collaboration opportunities with various technology companies in areas such as digitalisation, ICA (instrumentation, computerisation, and automation) and modularisation of process units for developing and owning intellectual properties and proprietary know-how in the environmental industries;
- d) Monetising of the Group's non-core assets through disposal. The Group has actively pursued the sale of properties reclassified as non-current assets held for sale. Notably, a wholly-owned subsidiary has entered into sale and purchase agreements for the disposal of properties in Seremban and Sabah on 31 May 2024 and 25 November 2024 (Section E, paragraph 7); and
- e) The Company has, on 2 August 2024, entered into a Placement and Underwriting Agreement to raise additional funds through a private placement to enable the Group to further strengthen its balance sheet and financial health by increasing available resources for operational and growth needs. The placement transaction is conditional upon the resumption of trading of its shares.

Having considered the cash flows projection of the Group and the measures described above, the Group and the Company's financial statements have been prepared under the going concern assumption.

2.4 Comparative figures

Certain comparative figures presented in Section A, B, C and D were reclassified to conform with current period's presentation.

3. Seasonal operations

The Group's businesses are not significantly affected by seasonal or cyclical factors during the financial period. However, the Group's operations for the financial period ended 31 October 2024 have been affected by the Notice of Compliance ("NOC") dated 25 June 2021 issued by SGX-ST which requires significant management's attention. The Company has fulfilled all relevant requirements under the NOC with the last requirement, being the internal review and the expanded scope carried out by Ernst & Young Advisory Pte Ltd ("EY") in accordance with the NOC, were completed on 28 March 2024. Subsequently, on 30 April 2024, the Board had engaged another independent firm to act as internal auditor, and their scope of work, amongst others, includes the review and enhancement of the Company's operating procedures and corresponding internal controls in relation to the areas of concern identified in the independent review by EY. This review has been completed on 8 August 2024. Overall, the Board is satisfied that the subsequent enhancements that are put in place are adequate to address the areas of concern identified in the internal audit report by EY. On 23 October 2024, the Company has submitted a proposal for the resumption of trading of its Shares ("**Resumption Proposal**") through its continuing sponsor to the SGX-ST. The Company will make further announcements to update shareholders as and when there are any further material developments in relation to the Resumption Proposal.

4. Segment and revenue information

For management reporting purposes, the Group is organised into three strategic operating segments that offer different products and services. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

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

- Renewable Energy – Design, build and operate biomass tri-generation/co-generation systems, generate power for sale and provision of renewable energy.
- Resource Recovery – Process, recycle and repurpose food wastes and salvageable materials into environmentally friendly products, such as animal feeds and retreaded tyres.
- Integrated Environmental Management Solutions – Provision of resource management and integrated environmental engineering solutions for industrial waste and energy management, including technical and consultative services ranging from process design and optimisation; engineering, procurement and construction; testing and commissioning to operation and maintenance of the engineering facilities.

4.1 Financial information by operating segments

	Group					
	3-month period ended 31 October 2024 (S\$'000)	3-month period ended 31 October 2023 (S\$'000)	% Change +/-	6-month period ended 31 October 2024 (S\$'000)	6-month period ended 31 October 2023 (S\$'000)	% Change +/-
Revenue by segment						
Renewable energy	2,495	1,679	49	5,293	3,637	46
Resource recovery	5,913	6,469	(9)	11,443	12,427	(8)
Integrated environmental management solutions	31	28	11	59	55	7
Total	8,439	8,176	3	16,795	16,119	4
Gross profit	1,089	1,235	(12)	2,865	2,235	28
Gross profit margin	12.90%	15.11%		17.06%	13.87%	

4.1 Financial information by operating segments (cont'd)

Profit or loss from continuing operations and reconciliations

<u>Group</u>	<u>Renewable Energy</u>		<u>Resource Recovery</u>		<u>Integrated Environmental Management Solutions</u>		<u>Eliminations</u>		<u>Group</u>	
	6-month period ended	6-month period ended	6-month period ended	6-month period ended	6-month period ended	6-month period ended	6-month period ended	6-month period ended	6-month period ended	6-month period ended
	31 October 2024	31 October 2023	31 October 2024	31 October 2023	31 October 2024	31 October 2023	31 October 2024	31 October 2023	31 October 2024	31 October 2023
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Revenue										
Revenue from external customers	5,293	3,637	11,443	12,427	59	55	-	-	16,795	16,119
Inter-segment revenue	506	543	-	23	93	119	(599)	(685)	-	-
Segment revenue	5,799	4,180	11,443	12,450	152	174	(599)	(685)	16,795	16,119
Segment results before allocation of corporate management fees	1,380	596	620	487	(97)	142	(852)	(818)	1,051	407
Allocated corporate management Fees	(489)	(457)	(363)	(361)	-	-	852	818	-	-
Segment results	891	139	257	126	(97)	142	-	-	1,051	407
Unallocated corporate results									(840)	(849)
Loss before finance income, dividend income, finance costs and income tax expense									211	(442)
Finance costs									(362)	(445)
Income tax credit/(expense)									3	(144)
Loss from continuing operations, net of tax									(148)	(1,031)
Profit from discontinued operations, net of tax									181	-
Profit/(loss) for the period									33	(1,031)

4.1 Financial information by operating segments (cont'd)

Profit or loss from continuing operations and reconciliations (cont'd)

<u>Group</u>	<u>Renewable Energy</u>		<u>Resource Recovery</u>		<u>Integrated Environmental Management Solutions</u>		<u>Eliminations</u>		<u>Group</u>	
	3-month period ended	3-month period ended	3-month period ended	3-month period ended	3-month period ended	3-month period ended	3-month period ended	3-month period ended	3-month period ended	3-month period ended
	31 October 2024	31 October 2023	31 October 2024	31 October 2023	31 October 2024	31 October 2023	31 October 2024	31 October 2023	31 October 2024	31 October 2023
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Revenue										
Revenue from external customers	2,495	1,679	5,913	6,469	31	28	-	-	8,439	8,176
Inter-segment revenue	241	263	-	7	47	60	(288)	(330)	-	-
Segment revenue	2,736	1,942	5,913	6,476	78	88	(288)	(330)	8,439	8,176
Segment results before allocation of corporate management fees	525	301	321	413	(39)	242	(440)	(525)	367	431
Allocated corporate management Fees	(257)	(314)	(183)	(211)	-	-	440	525	-	-
Segment results	268	(13)	138	202	(39)	242	-	-	367	431
Unallocated corporate results									(383)	(607)
Loss before finance income, dividend income, finance costs and income tax expense									(16)	(176)
Finance costs									(177)	(210)
Income tax credit/(expense)									(13)	60
Loss from continuing operations, net of tax									(206)	(326)
Profit from discontinued operations, net of tax									-	-
Loss for the period									(206)	(326)

4.1 Financial information by operating segments (cont'd)

Assets and liabilities reconciliation

<u>Group</u>	<u>Renewable Energy</u>		<u>Resource Recovery</u>		<u>Integrated Environmental Management Solutions</u>		<u>Eliminations</u>		<u>Group</u>	
	As at	As at	As at	As at	As at	As at	As at	As at	As at	As at
	31 October 2024	30 April 2024	31 October 2024	30 April 2024	31 October 2024	30 April 2024	31 October 2024	30 April 2024	31 October 2024	30 April 2024
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Segment assets	23,655	22,606	39,143	32,948	8,365	10,192	(38,614)	(31,593)	32,549	34,153
Disposal group assets classified as held for sale	-	938	-	-	-	-	-	-	-	938
Income tax recoverable allocated to operating segments	-	38	283	217	-	-	-	-	283	255
Unallocated corporate assets									411	231
Total assets									33,243	35,577
Segment liabilities	50,283	48,473	14,919	16,767	3,750	10,959	(63,009)	(69,123)	5,943	7,076
Loans and borrowings allocated to operating segments	-	-	6,211	6,597	1,628	1,722	-	-	7,839	8,319
Income tax payable allocated to operating segments	(11)	-	202	168	96	96	-	-	287	264
Unallocated income tax payable									54	54
Deferred tax liabilities									728	722
Liabilities directly associated with disposal group classified as held for sale	-	1,620	384	386	133	134	-	-	517	2,140
Unallocated corporate liabilities									1,655	1,838
Total liabilities									17,023	20,413
Capital expenditure allocated to operating segments:										
Property, plant and equipment	259	11	20	28	-	-	-	-	279	39
Right-of-use assets	156	-	-	-	-	-	-	-	156	-
Unallocated corporate capital expenditure									11	192
Total capital expenditure									446	231

4.1 Financial information by operating segments (cont'd)

Other material items

<u>Group</u>	<u>Renewable Energy</u>		<u>Resource Recovery</u>		<u>Integrated Environmental Management Solutions</u>		<u>Eliminations</u>		<u>Group</u>	
	6-month period ended	6-month period ended	6-month period ended	6-month period ended	6-month period ended	6-month period ended	6-month period ended	6-month period ended	6-month period ended	6-month period ended
	31 October 2024	31 October 2023	31 October 2024	31 October 2023	31 October 2024	31 October 2023	31 October 2024	31 October 2023	31 October 2024	31 October 2023
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Depreciation of property, plant and equipment and investment properties:										
Allocated to operating segments	347	614	505	659	108	144	-	-	960	1,372
Unallocated corporate depreciation									1	10
									<u>961</u>	<u>1,382</u>
Depreciation of right-of-use assets:										
Allocated to operating segments	116	204	105	131	-	-	-	-	221	335
Unallocated corporate depreciation									14	-
									<u>235</u>	<u>335</u>
(Gain)/loss on disposal of property, plant and equipment	(2)	(60)	(23)	4	-	-	-	-	(25)	(56)
Gain on disposal of asset held for sale	-	-	-	(11)	-	-	-	-	-	(11)
Reversal of allowance for doubtful receivables	-	-	(7)	(81)	-	-	-	-	(7)	(81)

4.1 Financial information by operating segments (cont'd)

Other material items (cont'd)

<u>Group</u>	<u>Renewable Energy</u>		<u>Resource Recovery</u>		<u>Integrated Environmental Management Solutions</u>		<u>Eliminations</u>		<u>Group</u>	
	3-month period ended	3-month period ended	3-month period ended	3-month period ended	3-month period ended	3-month period ended	3-month period ended	3-month period ended	3-month period ended	3-month period ended
	31 October 2024	31 October 2023	31 October 2024	31 October 2023	31 October 2024	31 October 2023	31 October 2024	31 October 2023	31 October 2024	31 October 2023
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Depreciation of property, plant and equipment and investment properties:										
Allocated to operating segments	173	407	259	89	54	58	-	-	486	554
Unallocated corporate depreciation									-	5
									<u>486</u>	<u>559</u>
Depreciation of right-of-use assets:										
Allocated to operating segments	37	118	52	50	-	-	-	-	89	168
Unallocated corporate depreciation									7	-
									<u>96</u>	<u>168</u>
Provision for doubtful receivables	-	-	-	67	-	-	-	-	-	67
Gain on disposal of property, plant and equipment	-	-	(14)	-	-	-	-	-	(14)	-
Gain on disposal of asset held for sale	-	-	-	1	-	-	-	-	-	1
Reversal of allowance for doubtful receivables	-	-	(3)	(11)	-	-	-	-	(3)	(11)

4.2 Disaggregation of revenue

	Group			
	3-month period ended 31 October 2024 (S\$'000)	3-month period ended 31 October 2023 (S\$'000)	6-month period ended 31 October 2024 (S\$'000)	6-month period ended 31 October 2023 (S\$'000)
#A. Revenue classified by type of good or service:				
Sale of goods	6,709	6,403	13,004	12,582
Service income	1,589	1,600	3,504	3,180
Finance lease income	110	146	228	302
Others	31	27	59	55
Total revenue	8,439	8,176	16,795	16,119
#B. Revenue classified by duration of contract:				
Short term contracts	7,358	7,181	14,330	13,982
Long term contracts	1,081	995	2,465	2,137
Total revenue	8,439	8,176	16,795	16,119
#C. Revenue classified by timing of revenue recognition:				
Point in time	7,358	7,181	14,330	13,982
Over time	1,081	995	2,465	2,137
Total revenue	8,439	8,176	16,795	16,119

4.3 Geographical segment

The following table shows the distribution of the Group's combined sales based on geographical location of customers:

	Group			
	3-month period ended 31 October 2024 (S\$'000)	3-month period ended 31 October 2023 (S\$'000)	6-month period ended 31 October 2024 (S\$'000)	6-month period ended 31 October 2023 (S\$'000)
Revenue				
Australia	2,950	3,825	5,837	7,870
Singapore	2,590	2,787	5,774	5,467
Malaysia	2,775	1,384	4,798	2,305
Others	124	180	386	477
	8,439	8,176	16,795	16,119

5. Loss before income tax

Loss before income tax for the financial periods from continuing operations is arrived after charging/(crediting) the following:

	Group					
	3-month period ended 31 October 2024 (S\$'000)	3-month period ended 31 October 2023 (S\$'000)	% Change +/-	6-month period ended 31 October 2024 (S\$'000)	6-month period ended 31 October 2023 (S\$'000)	% Change +/-
Depreciation of property, plant and equipment	463	539	(14)	916	1,382	(34)
Depreciation of right-of-use assets	96	168	(43)	235	335	(30)
Depreciation of investment properties	23	20	15	45	45	-
Gain on disposal of property, plant and equipment	(14)	-	n/m	(25)	(56)	(55)
Gain on disposal of assets held for sale	-	1	n/m	-	(11)	n/m
Gain on reversal of provision for reinstatement cost	-	-	-	(84)	-	n/m
Reversal of allowance for doubtful debts	(3)	(11)	(73)	(7)	(81)	(91)
Finance lease income	(110)	(146)	(25)	(228)	(302)	(25)
Currency exchange (gain)/loss, net	(219)	(4)	>100	14	(72)	n/m
Government grant	(21)	(10)	>100	(37)	(24)	54

6. Trade and other receivables

	Group		Company	
	As at 31 October 2024 (S\$'000)	As at 30 April 2024 (S\$'000)	As at 31 October 2024 (S\$'000)	As at 30 April 2024 (S\$'000)
<u>Trade receivables</u>				
Third parties	8,433	9,667	86	30
Less: allowance for impairment	(974)	(861)	(25)	(25)
Net	7,459	8,806	61	5
Subsidiaries	-	-	3,013	2,531
Subtotal	7,459	8,806	3,074	2,536
<u>Other receivables</u>				
Third parties	396	370	-	-
Less: allowance for impairment	(67)	(63)	-	-
Net	329	307	-	-
Subsidiaries	-	-	1,411	3,314
Subtotal	329	307	1,411	3,314
Total trade and other receivables	7,788	9,113	4,485	5,850

7. Assets Held for Sale

As at 31 October 2024, the assets held for sale is comprised of the following assets.

	GROUP	
	As at 31 October 2024 (S\$'000)	As at 30 April 2024 (S\$'000)
Property, plant and equipment	2,297	2,175
Right-of-use assets	4,039	3,825
Assets held for sale	6,336	6,000

The Group has reclassified certain non-core assets in Seremban and Sabah, Malaysia with a net book value of MYR12.63 million (S\$3.81 million) and MYR8.38 million (S\$2.53 million), respectively, as assets held for sale. The estimated market values of these properties are MYR14 million (S\$4.22 million) and MYR10.50 million (S\$3.17 million), respectively, based on the latest valuation report.

On 31 May 2024, Sunrich entered into a conditional Sale and Purchase Agreement (“SPA”) with a third party buyer. Please refer to the Company’s announcements dated 13 May 2024 and 3 June 2024 for more information.

Furthermore, on 25 November 2024, Sunrich entered into Sale and Purchase Agreements and a Supplementary Agreement (collectively the “Agreements”) with two purchasers who are unrelated to the Group, in respect of the sale of abovementioned Sabah properties for an aggregate purchase price of MYR10.50 million. Please refer to the Company’s announcement dated 25 November 2024 for more information.

8. Property, plant and equipment (“PPE”)

During 1H FY2025, additions to PPE amounted to S\$290,000 (1H FY2024:S\$9,000), whilst the carrying amount of PPE disposed of is Nil (1H FY2024: S\$18,000).

9. Right-of-use assets

During 1H FY2025, the Group acquired motor vehicle under finance lease amounting to S\$156,000. Depreciation for the current half year financial period amounted to S\$235,000. Additionally, right-of-use assets were impacted by an upward currency translation adjustment of S\$19,000, transfer from PPE of S\$25,000, and disposal of S\$19,000. There was no acquisitions or disposals of right-of-use assets in 1H FY2024.

10. Net asset value

	Group		Company	
	As at 31 October 2024	As at 30 April 2024	As at 31 October 2024	As at 30 April 2024
Net assets attributable to owners of the Company (S\$'000)	16,258	15,201	13,332	10,278
Number of shares at the end of the financial 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 the financial period/year (S\$ cents)	1.71	1.60	1.41	1.08

11. Trade and other payables

	Group		Company	
	As at 31 October 2024 (S\$'000)	As at 30 April 2024 (S\$'000)	As at 31 October 2024 (S\$'000)	As at 30 April 2024 (S\$'000)
<u>Trade payables</u>				
Outside parties and accrued liabilities	4,526	4,572	808	849
Subsidiaries	-	-	1,721	3,114
Subtotal	4,526	4,572	2,529	3,963
<u>Other payables</u>				
Outside parties	965	1,188	3	3
Director	848	879	848	879
Key management	-	598	-	-
Subsidiaries	-	-	7,116	9,985
Subtotal	1,813	2,665	7,967	10,867
Total trade and other payables	6,339	7,237	10,496	14,830

Other payables to subsidiaries are unsecured, interest-free and repayable on demand.

Other payable to a director is unsecured, with an interest rate of 6.5% (FY2024: 6.5%) per annum and repayable on demand. Please refer to paragraph 10 of Section F for more details.

Other payable to a key management which was settled during 1Q FY2025 was unsecured, interest-free and repayable on demand. Total amount paid for the full settlement was MYR2.05 million (approximately S\$598,000) plus MYR23,000 (approximately S\$7,000) for reimbursement of incidental expenses.

12. Loans and borrowings

	Group			
	At 31 October 2024		At 30 April 2024	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	4,234	-	4,674	-
Amount repayable after one year	3,605	-	3,645	-

Details of collateral

As at 31 October 2024, secured loans and borrowings comprised:

- Loans and borrowings of S\$6.21 million (30 April 2024: S\$6.60 million), secured by property, plant and equipment and assets held for sale in Malaysia.
- Loans and borrowings of S\$1.63 million (30 April 2024: S\$1.72 million), secured by property, plant and equipment and investment properties of subsidiary in Singapore.

13. Discontinued operations and disposal group classified as held for sale

In FP2023, following the resignation of the former executive director who was the legal representative for Chongqing ecoWise Investment Management Co., Ltd. ("CQEIM"), Chongqing eco-CTIG, Rubber Technology Co., Ltd. ("CECRT") and Changyi Enersave Biomass to Energy Co., Ltd ("CEBEC") in China, Management and the Board decided to discontinue the operations and dispose of them when the opportunity arose (or hereinafter also referred to as the "China Subsidiaries"). Accordingly, the assets and liabilities related to CQEIM, CECRT and CEBEC (which previously contributed to the Integrated Environmental Management Solutions, Resource Recovery and Renewable Energy segments, respectively in China) have been presented as a disposal group held for sale, and the results from the China Subsidiaries are presented separately on the income statement as "Discontinued operations". The China Subsidiaries did not contribute any revenue to the Group for the current reporting period.

The Group is in the midst of changing the legal representative for the China subsidiaries.

On 31 July 2024, the Company's subsidiary, ecoWise New Energy Pte. Ltd., entered into a share sale and purchase agreement with a third-party buyer to divest its entire interests in Hivern Investments Pte Ltd ("Hivern") and its subsidiary, CEBEC. This disposal has been completed on 31 July 2024.

Simultaneously, the Company entered into similar agreements for the sale of its entire interests in ecoWise Solutions Pte. Ltd. ("EWS") and ecoWise RubberTech Pte. Ltd. ("ERT"), together with their subsidiaries, CQEIM and CECRT. The completion of this agreement is conditional upon a key condition relating to the transfer out of certain assets belonging to the Group, which were excluded from the disposal. This transfer out has not been completed.

For further details, please refer to the Company's announcement dated 1 August 2024.

As of 31 October 2024, the disposal group liabilities held for sale primarily consist of the carrying amounts of liabilities of CQEIM and CECRT.

14. Lease liabilities

	Group		Company	
	As at 31 October 2024 S\$'000	As at 30 April 2024 S\$'000	As at 31 October 2024 S\$'000	As at 30 April 2024 S\$'000
Current	205	410	19	19
Non-current	151	127	78	86
	356	537	97	105

As at 31 October 2024, finance lease liabilities of S\$356,000 (30 April 2024: S\$537,000) were secured by the lessors' charge over the leased assets.

15. Related party transactions

There are no material related party transactions aside from the outstanding loan from a director as disclosed in paragraph 10 of Section F, and the loan from a key management as disclosed in Note 11 of Section E which was fully settled during 1Q FY2025.

16. Subsequent events

On 25 November 2024, the Company announced that it had, on the same date, entered into Sale and Purchase Agreements and a Supplementary Agreement with two unrelated purchasers in respect of the sale of Sabah properties classified as Assets Held for Sale, for an aggregate purchase price of MYR10.50 million (S\$3.17 million). Please refer to the Company's announcement dated 25 November 2024 for further information.

There are no other subsequent events which may require disclosure and/or adjustment to this set of interim financial statements.

F. Other Information Required by Catalist Rule Appendix 7C

1 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.

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.

	Issued and paid-up ordinary shares	Share capital (S\$'000)
As at 31 October 2024 and 30 April 2024	957,483,029	48,170
	Number of treasury shares	Percentage of the aggregate number of treasury shares held against total number of shares outstanding
As at 31 October 2024 and 30 April 2024	8,637,300	0.90%

The Company does not have any subsidiary holdings as at 31 October 2024, 31 July 2024 and 30 April 2024. There were no outstanding convertibles as at 31 October 2024, 31 July 2024 and 30 April 2024.

As at 31 October 2024, the total number of issued and paid-up ordinary shares (excluding treasury shares and subsidiary holdings) held was 948,845,729 shares (30 April 2024: 948,845,729 shares).

2 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 were no sales, transfers, cancellation and/or use of treasury shares during 2Q FY2025 and 1H FY2025.

3 A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/or use of subsidiary holdings during 2Q FY2025 and 1H FY2025.

4 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 independent auditor of the Company, Baker Tilly TFW LLP ("**Baker Tilly**"), issued a disclaimer of opinion on the consolidated financial statements of the Group and the Company for FY2024. The basis for the disclaimer of opinion is in relation to the following:

1. Opening balances and limitation of scope in relation to the China subsidiaries (Disposal Group classified as held for sale)
 - 1a. Limitation of scope in relation to the China subsidiaries (Disposal group classified as held for sale)
 - 1b. Internal audit under "*Notice of Compliance*" ("**NOC**")
2. Impairment assessment of the Group's property, plant and equipment in Malaysia
3. Valuation of equity investment at fair value through profit and loss

The Company's announcement dated 16 August 2024, which includes the Independent Auditor's Report of Baker Tilly, provides more details on the first basis for disclaimer regarding opening balances and the limitation of scope in relation to the China Subsidiaries (Disposal Group classified as held for sale). As announced on 1 August 2024, on 31 July 2024, the Group has entered into Share Sale and Purchase Agreements with a third-party buyer, Mr. Chhoa Kiat Lim, Thomas for the disposal and sale of all the issued and paid-up equity interest of ecoWise Solutions Pte. Ltd. ("**EWS**"), ecoWise RubberTech Pte. Ltd. ("**ERT**") and Hivern Investments Pte. Ltd. ("**Hivern**") (collectively, the "**Disposals**"). The total consideration of Disposals is S\$3, at S\$1 for each entity. The Disposals excludes the investment properties and 100% equity interests in ecoWise Materials Pte. Ltd. owned by EWS ("**Excluded Assets**"). Despite the Disposals, the issue identified by Baker Tilly regarding the opening balance relating to the China Subsidiaries will carry over into at least two more financial years assuming the Disposals are completed in FY2025. For more information regarding the results of internal audit under NOC affecting the China Subsidiaries, please refer to the Executive Summary of the independent review conducted by EY attached to the Company's announcement dated 28 March 2024.

Regarding the second basis for disclaimer concerning the impairment assessment of the Group's property, plant and equipment in Malaysia ("**Malaysian PPE**"), Baker Tilly was unable to confirm the opening balance of Malaysian PPE as at 1 November 2021 due to insufficient audit evidence. This limitation prevented them from assessing the appropriateness of the impairment loss of S\$452,000 recognised in FP2023 and the comparability of the FY2024 figures with FP2023 corresponding figures. This issue will not be carried over to FY2025 financial statements.

The third basis for disclaimer relates to the valuation of the equity investment at fair value through profit or loss in CULCEC, a company that entered into liquidation in China in March 2020. Baker Tilly was unable to verify the fair value of this investment as at 1 May 2023 due to insufficient audit evidence. As a result, they could not assess the appropriateness of the S\$500,000 fair value loss recognised in FY2024 or the comparability of this loss with FY2023 corresponding figures. This issue will continue to impact the FY2025 financial statements due to comparability of FY2025 figures with FY2024 corresponding figures.

The Board confirms that the impact of the outstanding audit issues on the financial statements have been adequately disclosed.

5 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/(loss) per ordinary share for the period based on loss for the period attributable to the owners of the Company as follows:

	Group			
	3-month period ended 31 October 2024	3-month period ended 31 October 2023	6-month period ended 31 October 2024	6-month period ended 31 October 2023
(Loss)/profit for the period attributable to the owners of the Company (S\$'000)	(206)	(328)	34	(1,030)
Weighted average number of shares in issue ('000)	948,846	948,846	948,846	948,846
(i) Basic earnings/(loss) per shares (S\$ cents)	(0.022)	(0.035)	0.004	(0.109)
(ii) On a fully diluted basis (S\$ cents)	(0.022)	(0.035)	0.004	(0.109)

The basic and diluted earnings/(loss) per share for the respective periods were the same as there were no outstanding convertible securities during the respective periods.

6 Review of performance of the Group

Statement of Comprehensive Income

Revenue

Revenue for 2Q FY2025 rose to S\$8.44 million, a 3% growth compared to 2Q FY2024. This increase was primarily attributable to stronger performance in the Renewable Energy segment, which saw revenue grew by S\$816,000, whilst revenue from Resource Recovery segment dipped by S\$556,000. Overall, the positive impact from Renewable Energy segment drove the Group's top-line growth.

The increase in Renewable Energy revenue was largely attributable to a new contract secured with a major food manufacturer in March 2024. This contract boosted revenue from spent grain by S\$825,000. Additionally, revenue from ISO-tank heating increased by S\$124,000. However, a decrease of S\$161,000 in revenue from the tri-generation plant, due to annual maintenance shutdown during the period, partially offset the abovementioned revenue growth.

Resource Recovery revenue declined primarily due to a significant decrease in orders from a key overseas customer. This downturn led to a reduction of S\$419,000 in revenue from rubber compound business. Revenue from tyre retreading business continue to decline and posted a decrease of \$149,000. However, concurrent increase in rental income of S\$15,000 partially offset these negative impact, mitigating the overall revenue decrease of Resource Recovery segment.

Revenue for 1H FY2025 of S\$16.80 million was S\$675,000 or 4% higher than revenue for 1H FY2024 mainly due to the same reasons as explained above.

Cost of Sales

Cost of sales for 2Q FY2025 increased by S\$409,000, a 6% increase compared to 2Q FY2024 mainly due to overall increase in revenue as explained above. Likewise, cost of sales for 1H FY2025 increased by S\$46,000 compared to 1H FY2024. However, such increase in cost of sales is considered low as compared to increase in sales of S\$675,000 for the same period, mainly due to positive impact of management's strategic cost-reduction initiatives. The Group were able to achieve this improvement through a combination of process improvements and tighter cost management.

The increase in cost of sales was primarily driven by increase in raw materials and manpower cost brought about by overall increase in revenue and offset by decrease in depreciation and repairs and maintenance cost.

Gross Profit and Gross Profit Margin

Gross profit for 2Q FY2025 declined by 12%, from S\$1.24 million in 2Q FY2024 to S\$1.09 million in 2Q FY2025. The gross profit margin for 2Q FY2025 declined by 2%, from 15% in 2Q FY2024 to 13% in 2Q FY2025. This was mainly due to annual shutdown and maintenance work on the tri-generation biomass power plant.

The improvement in gross profit and gross profit margin in 1H FY2025 compared to 1H FY2024 was primarily driven by a combination of factors as discussed above, i.e., increase in revenue, coupled with effective cost-saving measures and operational efficiencies, which contributed to this improved performance.

Other Income - Net

Other income - net in 2Q FY2025 of S\$257,000 was primarily attributable to (i) currency translation gain of S\$219,000; (ii) gain from disposal of fixed assets of S\$14,000; (iii) government grants of S\$21,000; and (iv) other income of S\$5,000.

Other income - net in 1H FY2025 of S\$140,000 primarily consists of (i) gain from disposal of fixed assets of S\$25,000; (ii) reversal of allowance for doubtful debts of S\$7,000; (iii) government grants of S\$37,000; (iv) gain on reversal of provision for reinstatement of leased properties of S\$84,000; and (v) currency exchange loss of S\$14,000.

Marketing and Distribution Expenses

In 2Q FY2025, marketing and distribution expenses declined by 21% or S\$34,000 compared to the same period in the previous year (2Q FY2024). This decrease was primarily driven by a reduction in depreciation expenses of S\$15,000 and a decrease in manpower costs of S\$37,000 due to a reduction in the sales department's headcount. This is offset by an increase in upkeep and maintenance expense for two transport vehicles.

Marketing and distribution expenses for 1H FY2025 decreased by S\$62,000 or 20% compared to 1H FY2024 mainly due to same reasons as explained above.

Administrative Expense

During the second quarter of the current financial year (2Q FY2025), administrative expenses decreased by S\$41,000 or 3% compared to the same period in the previous year (2Q FY2024), primarily due to a reduction in legal and professional fees of S\$94,000 and depreciation expenses of S\$33,000, partially offset by increase in manpower cost of S\$55,000, insurance expense of S\$9,000 and other expenses of S\$22,000.

For 1H FY2025, administrative expenses decreased by S\$67,000 or 3% mainly due to same factors mentioned above.

Finance Costs

During the second quarter of the current financial year (2Q FY2025), finance costs decreased by S\$33,000 or 16% compared to the same period in the previous financial year (2Q FY2024). This is primarily attributable to a decrease in interest-bearing obligations resulting from the timely repayment of debt.

Finance cost for 1H FY2025 decreased by S\$83,000 or 19% due to decrease in interest-bearing obligations as mentioned above.

Income Tax Expense/(Credit)

Income tax expense of S\$13,000 for 2Q FY2025 represents current tax expense recognised in Malaysian entities. There is no taxable profit in 2Q FY2025 for Singapore entities.

For 1H FY2025, the S\$3,000 income tax credit represents the net amount after aggregating the deferred tax assets and current tax provision recognised in Malaysian entities and income tax refunds in Singapore entities.

Profit from Discontinued Operations

Profit from discontinued operations of S\$181,000 for 1H FY2025 (Nil for 1H FY2024) pertains to gain on disposal of investments in Hivern, and its subsidiary CEBEC, which are included in the "Disposal group classified as held for sale" as discussed in Section E paragraph 13 above.

Profit/(Loss) Net of Tax

As a result of the above, the Group recorded a loss from continuing operations of S\$206,000 for 2Q FY2025 as compared to a loss of S\$326,000 for 2Q FY2024.

For 1H FY2025, the Group recorded a loss from continuing operations of S\$148,000 (1H FY2024: loss of S\$1.03 million) and total profit from continuing and discontinued operations of S\$33,000 for 1H FY2025 (1H FY2024: total loss of S\$1.03 million).

Statement of Financial Position

Assets

Property, plant and equipment decreased by S\$332,000 from S\$7.78 million as at 30 April 2024 to S\$7.45 million as at 31 October 2024, mainly due to (i) depreciation of S\$916,000; (ii) additions of S\$290,000; and (iii) upward translation adjustment on property, plant and equipment denominated in foreign currency of S\$318,000.

Right-of-use assets decreased by S\$54,000 from S\$1.17 million as at 30 April 2024 to S\$1.11 million as at 31 October 2024 mainly due to (i) depreciation of S\$235,000; (ii) additions of S\$156,000; (iii) upward translation adjustment on right-of-use assets denominated in foreign currency of S\$19,000; and (iv) disposal of S\$19,000.

Investment properties refer to the Group's properties leased to third parties. Movement during 1H FY2025 pertains solely to depreciation.

Financial assets at fair value through profit or loss relate to the Group's investment in CULCEC which is in the process of liquidation. As at 31 October 2024, the Group has determined the fair value of CULCEC to be S\$1.11 million (RMB5.5 million) based on the latest information provided by the liquidator as at 21 June 2024. This amount represents the net expected amounts to be received by Group upon the completion of liquidation and the distribution of remaining funds to the shareholders.

Lease receivables (non-current and current) relate to the Group's investment in the biomass tri-generation power plant at Gardens by the Bay which is accounted for as a finance lease. Total non-current and current lease receivables decreased by S\$705,000 from S\$4.44 million as at 30 April 2024 to S\$3.74 million as at 31 October 2024, mainly attributable to the conversion of billings to collections from the customer.

Inventories level increased by S\$286,000 or 12% from S\$2.33 million as at 30 April 2024 to S\$2.62 million as at 31 October 2024. This increase was primarily driven by the customers' orders placed towards the end of the quarter leading the Group to top-up inventories to ensure adequate availability of materials to meet current and potential surges in orders.

Trade and other receivables decreased by S\$1.32 million from S\$9.11 million as at 30 April 2024 to S\$7.79 million as at 31 October 2024. This decrease was primarily attributed to a reduction in trade receivables in Malaysia's rubber compound business, mainly due to a decline in sales to a major customer overseas.

Other current assets comprising prepayments and deposits increased by S\$33,000 from S\$848,000 as at 30 April 2024 to S\$881,000 as at 31 October 2024 mainly due to increase in prepaid expenses incurred during the first half of the financial year.

Cash and cash equivalents increased by S\$312,000 from S\$746,000 as at 30 April 2024 to S\$1.06 million as at 31 October 2024. Please refer to the "Statement of Cash Flow" section below for explanations on the net increase in cash and cash equivalents of the Group.

Liabilities

Loans and borrowings (non-current and current) decreased by S\$480,000 from S\$8.32 million as at 30 April 2024 to S\$7.84 million as at 31 October 2024 mainly due to regular loan repayments to Malaysian banks and monthly installments on property loans in Singapore.

Lease liabilities (non-current and current) decreased by S\$181,000 from S\$537,000 as at 30 April 2024 to S\$356,000 as at 31 October 2024 mainly due to (i) principal repayments of S\$240,000; (ii) additions of S\$101,000; and (iii) other adjustments of S\$19,000.

Trade and other payables decreased by S\$898,000 from S\$7.24 million as at 30 April 2024 to S\$6.34 million as at 31 October 2024 mainly due to (i) repayment of loan from key management of S\$598,000; (ii) net decrease in other payable to director of S\$58,000; and (iii) net decrease in trade and other payables to third parties of about S\$242,000.

Working Capital

The Group's working capital improved from S\$6.93 million as at 30 April 2024 to S\$9.23 million as at 31 October 2024.

Statement of Cash Flow

Net cash flows from operating activities for 1H FY2025 were S\$2.65 million, mainly attributable to (i) net cash inflows before changes in working capital of S\$1.18 million; (ii) decrease in trade and other receivables of S\$1.33 million; (iii) decrease in lease receivables of S\$933,000; (iv) increase in inventories of S\$286,000; (v) increase in other current assets of S\$33,000; (vi) decrease in trade and other payables of S\$319,000, and (vii) decrease in provision for reinstatement cost of S\$156,000.

Net cash flows used in investing activities for 1H FY2025 were S\$265,000, attributable to additions to PPE of S\$290,000, and partly offset by proceeds from disposal of PPE of S\$25,000.

Net cash flows used in financing activities for 1H FY2025 were S\$2.09 million, mainly attributable to (i) repayments of loans and borrowings of S\$850,000; (ii) repayments of other payables to director and key management personnel of S\$656,000; (iii) interest expense paid of S\$340,000; and (iv) repayments of lease liabilities of S\$240,000.

7 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.

8 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 Board and Management have taken and are continuing to take steps to stabilise the Group's operations and financial position. These include implementing cost-saving measures, divesting non-core assets, and optimising the Renewable Energy and Resource Recovery segments. These efforts have yielded positive results, with the Group reporting a total profit from continuing and discontinued operations of S\$33,000 in 1H FY2025 (1H FY2024: total loss of S\$1.03 million) and generating positive operating cash flow of S\$2.65 million for 1H FY2025 (1H FY2024: S1.80 million). Furthermore, as of 31 October 2024, the Group's net current assets stood at S\$9.23 million, which is a significant improvement compared with the net current assets of S\$6.93 million as of 30 April 2024.

The Group's tyre retreading business recorded a loss of S\$408,000 for 1H FY2025, a decrease from the S\$595,000 loss in 1H FY2024. Despite this improvement, the segment's performance remains challenged by competitive pressures from lower-priced new tyres, particularly from China. The Group is actively addressing these challenges by focusing on niche markets, improving operational efficiency, exploring strategic partnerships and promoting the environmental benefits of re-treaded tyres. Notwithstanding, the Group will also consider restructuring this segment of its business.

In the same financial period, the rubber compound business, on the other hand, reported a loss of S\$72,000 (1H FY2024 S\$508,000 profit), after deducting management fee due to the Company of S\$300,000.

The Group's net current assets have improved significantly, further strengthening its financial position. The Board and Management are exploring opportunities to replicate the Group's successful Renewable Energy projects and continue to monetise non-core assets to reduce debt and enhance working capital.

The Group remains cautiously optimistic about its future business prospects, as shown by its ability to navigate recent challenges, which it believes demonstrated a resilience and adaptability that will serve the Group well in meeting any future challenges. The Board and Management will continue to pursue new opportunities with a focus on innovation and strategic growth. The broader industry trend towards renewable energy investments presents growth opportunities for the Group. However, as previously stated, the rapid technological advancements in this sector may pose a challenge, particularly when competing with larger, well-resourced companies. The Group will continue to leverage its agility and innovation to secure projects and will consider strategic collaborations or joint ventures for larger opportunities. The Group's focus on sustainability aligns with global initiatives such as the 2030 Agenda for Sustainable Development, further reinforcing its commitment to responsible and environmentally conscious practices.

9 Dividend information

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) Date payable

Not applicable

(e) Record date

Not applicable

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

No dividend has been declared or recommended for the 3-month and half year financial period ended 31 October 2024 as the Group has no distributable reserves available for the payment of dividends.

10 Interested Party Transaction (“IPT”) – 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) of the Catalist Rules. 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.

As previously reported, on 28 July 2022, Mr Lee Thiam Seng, Executive Chairman and CEO of the Company, granted a short-term and unsecured 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 to be mutually agreed upon by both parties. Since 1 January 2023, the loan bears an interest rate of 6.5% per annum and is repayable on demand. On 25 March 2024, Mr Lee Thiam Seng granted an additional loan of S\$200,000 for additional working capital to meet certain refundable deposits required for new contract secured by the Group. As at 31 October 2024, the loan from Mr Lee Thiam Seng has a remaining balance of S\$821,000 (30 April 2024: S\$821,000) plus accrued interest amounting to S\$27,000 (30 April 2024: S\$58,000).

For the current financial period ended 31 October 2024 and for the financial year ending on 30 April 2025, the total amount of interest paid and payable to Mr Lee Thiam Seng will not exceed 3% of the Group’s latest audited net tangible assets.

11 Confirmation by the Board of Directors pursuant to Rule 705(5) of the Catalist Rules

The Board of Directors of the Company hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements for 2Q FY2025 and 1H FY2025 to be false or misleading in any material aspect.

12 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H of the Catalist Rules) under Rule 720(1) of the Catalist Rules

The Company confirms that all the required undertakings under the Rule 720(1) of the Catalist Rules have been obtained from its Directors and Executive Officers in the format set out in Appendix 7H of the Catalist Rules.

13 Disclosures pursuant to Rule 706A of the Catalist Rules

As announced on 1 August 2024, the Group has, on 31 July 2024, entered into Share Sale and Purchase Agreements with a third-party buyer, Mr. Chhoa Kiat Lim, Thomas for the disposal and sale of all the issued and paid-up equity interest of EWS, ERT and Hivern. The total consideration of the Disposals is \$3, at \$1 for each entity. The Disposals excludes the investment properties and 100% equity interests in ecoWise Materials Pte. Ltd. owned by EWS.

The following entities have ceased to be the subsidiaries of the Group upon completion of disposal on 31 July 2024:

- (i) Hivern, and
- (ii) CEBEC (wholly owned subsidiary of Hivern).

Pending for completion of the remaining Disposals, the following entities will cease to be the subsidiaries of the Group:

- (i) EWS,
- (ii) ERT,
- (iii) CQEIM (wholly subsidiary of EWS), and
- (iv) CECRT (35% equity interest owned by CQEIM and 65% equity interest owned by ERT).

Save for the Disposals, there were no acquisition or sale of shares in any of the Group’s subsidiary or associated company nor incorporation or winding up or striking off of any subsidiary or associated company by the Company or any of the Group’s entities during 6-month financial period ended 31 October 2024.

BY ORDER OF THE BOARD

Lee Thiam Seng

Executive Chairman and CEO

13 December 2024

This announcement has been reviewed by the Company’s sponsor, SAC Capital Private Limited (“**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.

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