



**ECOWISE HOLDINGS LIMITED**  
Company Registration No. 200209835C

**Condensed Interim Financial Statements and Dividend Announcement for the 12- Month Financial Period Ended 31 October 2022**

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

	Group					
	6-month period ended 31 October 2022 (S\$'000) Unaudited	6-month period ended 31 October 2021 (S\$'000) Unaudited	% Change +/( -)	12-month period ended 31 October 2022 (S\$'000) Unaudited	12-month period ended 31 October 2021 (S\$'000) Audited	% Change +/( -)
<b>Revenue</b>	<b>18,810</b>	11,858	59	<b>29,581</b>	35,566	(17)
Cost of Sales	(16,597)	(11,349)	46	(26,648)	(30,720)	(13)
<b>Gross Profit</b>	<b>2,213</b>	509	n/m	<b>2,933</b>	4,846	(39)
<b><u>Other Items of Income</u></b>						
Finance Income	-	1	n/m	3	12	(75)
Other Gains/(Losses)	58	(1,608)	n/m	163	(28)	n/m
<b><u>Other Items of Expenses</u></b>						
Marketing and Distribution Expenses	(388)	(559)	(31)	(829)	(1,382)	(40)
Administrative Expenses	(2,498)	(5,121)	(51)	(5,190)	(9,125)	(43)
Finance Costs	(489)	(343)	43	(794)	(822)	(3)
Share of Losses from Associate and Jointly Controlled Entity, Net of Tax	-	(287)	n/m	-	(553)	n/m
<b>Loss Before Income Tax</b>	<b>(1,104)</b>	(7,408)	(85)	<b>(3,714)</b>	(7,052)	(47)
Tax Income	122	416	(71)	96	220	(56)
<b>Loss for the Period</b>	<b>(982)</b>	(6,992)	(86)	<b>(3,618)</b>	(6,832)	(47)
<b><u>Other Comprehensive Income/(Loss)</u></b>						
<b>Items that may be Reclassified Subsequently to Profit or Loss:</b>						
Exchange Differences on Translating Foreign Operations, Net of Tax	605	406	49	146	(43)	n/m
Effective Portion of Changes in Fair Value of Cash Flow Hedges	4	389	(99)	10	(129)	n/m
Defined Benefit Plan - Actuarial gain	(6)	3	n/m	(6)	79	n/m
<b>Total Other Comprehensive Income/(Loss) for the Period</b>	<b>603</b>	798	(24)	<b>150</b>	(93)	n/m
<b>Total Comprehensive (Loss)/Income for the Period</b>	<b>(379)</b>	(6,194)	(94)	<b>(3,468)</b>	(6,925)	(50)

	Group					
	6-month period ended 31 October 2022 (S\$'000) Unaudited	6-month period ended 31 October 2021 (S\$'000) Unaudited	% Change + / (-)	12-month period ended 31 October 2022 (S\$'000) Unaudited	12-month period ended 31 October 2021 (S\$'000) Audited	% Change + / (-)
<b>Loss for the Period Attributable to:</b>						
Owners of the Company	(967)	(6,977)	(86)	(3,608)	(6,999)	(48)
Non-Controlling Interests	(15)	(15)	-	(10)	167	n/m
<b>Loss for the Period</b>	<b>(982)</b>	<b>(6,992)</b>	<b>(86)</b>	<b>(3,618)</b>	<b>(6,832)</b>	<b>(47)</b>
<b>Total Comprehensive Loss for the Period Attributable to:</b>						
Owners of the Company	(384)	(6,181)	(94)	(3,458)	(7,107)	(51)
Non-Controlling Interests	5	(13)	n/m	(10)	182	n/m
<b>Total Comprehensive Loss for the Period</b>	<b>(379)</b>	<b>(6,194)</b>	<b>(94)</b>	<b>(3,468)</b>	<b>(6,925)</b>	<b>(50)</b>

"n/m" denotes not meaningful.

#### Change of Financial Year End

On 6 September 2022, the Company announced a change of financial year end from 31 October to 30 April to better reflect the new management's efforts and performance for a full financial year from the date of the effective change of its management and board members in April 2022. Therefore, the unaudited financial statements presented in this announcement covers a 6-month period from 1 May to 31 October 2022 and a 12-month period from 1 November 2021 to 31 October 2022. The next set of financial statements for the financial period ending 30 April 2023 will cover a period of 18 months from 1 November 2021 to 30 April 2023.

A(1)

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

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

	Group					
	6-month period ended 31 October 2022	6-month period ended 31 October 2021	% Change	12-month period ended 31 October 2022	12-month period ended 31 October 2021	% Change
	(S\$'000)	(S\$'000)	+/(−)	(S\$'000)	(S\$'000)	+/(−)
Finance Lease Income <sup>(1)</sup>	379	434	(13)	779	896	(13)
Depreciation of Property, Plant and Equipment	(1,085)	(1,449)	(25)	(2,413)	(2,907)	(17)
Depreciation of Investment Properties	(174)	(143)	22	(277)	(246)	13
Depreciation of Right-of-use Assets	(257)	(234)	10	(491)	(468)	5
Amortisation of Intangible Assets	-	(36)	n/m	-	(73)	n/m
Amortisation of Land Use Rights	(28)	(28)	n/m	(56)	(56)	n/m
Allowance for Doubtful Receivables <sup>(2)</sup>	(48)	(315)	(85)	81	(324)	n/m
Provision for Retirement Benefit Obligations Expenses, Net	(10)	(10)	n/m	(37)	(23)	61

"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) Allowance for doubtful receivables decreased for the 6-month period ended 31 October 2022 as compared to 6-month period ended 31 October 2021 as collection from customers has been satisfactory.

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

Other Gains/(Losses) comprised of:

	Group					
	6-month period ended 31 October 2022 (S\$'000)	6-month period ended 31 October 2021 (S\$'000)	% Change +/(−)	12-month period ended 31 October 2022 (S\$'000)	12-month period ended 31 October 2021 (S\$'000)	% Change +/(−)
Gain on disposal of property, plant and Equipment <sup>(1)</sup>	195	48	n/m	202	86	n/m
Government grant income <sup>(2)</sup>	15	113	(87)	61	207	(71)
Foreign exchange transaction gain/(loss), net <sup>(3)</sup>	(346)	(216)	60	(182)	424	n/m
Recovery of/(Allowance for) impairment on trade and other receivables, net <sup>(4)</sup>	194	(154)	n/m	82	(135)	n/m
Impairment loss on investment properties <sup>(5)</sup>	-	(283)	n/m	-	(283)	n/m
Allowance for impairment on non-financial assets	-	-	-	-	(114)	n/m
Gain recognised on disposal of subsidiaries <sup>(6)</sup>	-	-	-	-	1,467	n/m
Impairment loss on goodwill <sup>(7)</sup>	-	(115)	n/m	-	(115)	n/m
Impairment loss on trademark <sup>(7)</sup>	-	(645)	n/m	-	(645)	n/m
Impairment loss on leasehold properties <sup>(8)</sup>	-	(367)	n/m	-	(367)	n/m
Write down of land use rights	-	1	n/m	-	(166)	n/m
Fines	-	-	-	-	(105)	n/m
Legal claim	-	-	-	-	(320)	n/m
Other gains	-	10	n/m	-	38	n/m
Net	58	(1,608)	n/m	163	(28)	n/m

"n/m" denotes not meaningful.

**Notes:**

- (1) Gain on disposal of property, plant and equipment for the 6-month period ended 31 October 2022 as compared to 6-month period ended 31 October 2021 increased as the Group disposed assets which were no longer used in operations. This also explains the increase in gain on disposal of property, plant and equipment for the 12-month period ended 31 October 2022 as compared to 12-month period ended 31 October 2021.
- (2) Government grant decreased for the 6-month period and 12-month period ended 31 October 2022 as the financial assistance from government has been tapered down.
- (3) Foreign exchange gain for the 6-month period and 12-month period ended 31 October 2022 was due to the weakening of Malaysia Ringgit against Australian Dollar ("AUD") and US Dollar ("USD") as the majority of the revenue generated in Malaysia is denominated in AUD while the majority of its purchases is denominated in USD.
- (4) Doubtful debts were reversed upon subsequent receipt of payment from customers.
- (5) No impairment loss for investment properties were made for the 6-month period and 12-month period ended 31 October 2022. Management will re-assess at year-end and make the necessary adjustment if required.
- (6) Gain on disposal of a subsidiary for the 12-month period ended 31 October 2021 relates to the disposal of Saiko Rubber (Malaysia) Sdn Bhd which was completed on 23 April 2021. No other disposal took place in the current periods.
- (7) Impairment of purchase goodwill and impairment loss on trademark was provided for the 12-month period ended 31 October 2021 in view of the decline in performance of the two subsidiaries in Malaysia. No such impairment has been made for the current periods.
- (8) No impairment loss on leasehold properties were made for the 6-month period and 12-month period ended 31 October 2022. Management will re-assess at year-end and make the necessary adjustment if required.

**B. Condensed Interim Statements of Financial Position**

	Group		Company	
	As at 31 October 2022 (S\$'000) Unaudited	As at 31 October 2021 (S\$'000) Audited	As at 31 October 2022 (S\$'000) Unaudited	As at 31 October 2021 (S\$'000) Audited
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	25,151	27,260	99	372
Right-of-use Assets	818	1,309	-	-
Investment Properties	1,401	1,678		
Land Use Rights	1,084	1,140	-	-
Investments in Subsidiaries	-	-	26,470	26,470
Investment in an Associate	1,513	1,513	-	-
Finance Lease Receivables	5,298	6,472	-	-
Other Non-Financial Assets	288	293	-	-
<b>Total Non-Current Assets</b>	<b>35,553</b>	<b>39,665</b>	<b>26,569</b>	<b>26,842</b>
<b>Current Assets</b>				
Inventories	4,584	4,876	-	-
Trade and Other Receivables	12,850	7,881	4,954	1,362
Finance Lease Receivables	1,293	1,254	-	-
Derivative Financial Instruments	7	9	-	-
Other Non-Financial Assets	1,308	1,026	189	59
Cash and Cash Equivalents	1,004	1,900	89	12
<b>Total Current Assets</b>	<b>21,046</b>	<b>16,946</b>	<b>5,232</b>	<b>1,433</b>
<b>Total Assets</b>	<b>56,599</b>	<b>56,611</b>	<b>31,801</b>	<b>28,275</b>

	Group		Company	
	As at 31 October 2022 (S\$'000) Unaudited	As at 31 October 2021 (S\$'000) Audited	As at 31 October 2022 (S\$'000) Unaudited	As at 31 October 2021 (S\$'000) Audited
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share Capital	47,890	47,890	47,890	47,890
Accumulated Losses	(17,004)	(13,396)	(28,081)	(27,506)
Foreign Currency Translation Reserves ("FCTR")	(4,879)	(5,025)	-	-
Other Reserves	2,224	2,220	-	-
<b>Equity Attributable to Owners of the Company</b>	<b>28,231</b>	<b>31,689</b>	<b>19,809</b>	<b>20,384</b>
Non-Controlling Interests	4	14	-	-
<b>Total Equity</b>	<b>28,235</b>	<b>31,703</b>	<b>19,809</b>	<b>20,384</b>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
Provision for Retirement Benefit Obligations	448	411	-	-
Loans and Borrowings	9,792	4,384	-	-
Financial Liabilities – Lease Liabilities	491	1,388	-	138
Deferred Tax Liabilities	780	993	-	-
Provision for Reinstatement Cost	710	710	-	-
<b>Total Non-Current Liabilities</b>	<b>12,221</b>	<b>7,886</b>	<b>-</b>	<b>138</b>
<b>Current Liabilities</b>				
Income Tax Payable	198	361	67	44
Trade and Other Payables	11,507	8,583	11,906	7,661
Derivative Financial Instruments	11	2	-	-
Loans and Borrowings	3,664	7,161	-	-
Financial Liabilities – Lease Liabilities	763	915	19	48
<b>Total Current Liabilities</b>	<b>16,143</b>	<b>17,022</b>	<b>11,992</b>	<b>7,753</b>
<b>Total Liabilities</b>	<b>28,364</b>	<b>24,908</b>	<b>11,992</b>	<b>7,891</b>
<b>Total Equity and Liabilities</b>	<b>56,599</b>	<b>56,611</b>	<b>31,801</b>	<b>28,275</b>

**C. Condensed Interim Consolidated Statement of Cash Flows**

	Group			
	6-month period ended 31 October 2022 (S\$'000) Unaudited	6-month period ended 31 October 2021 (S\$'000) Unaudited	12-month period ended 31 October 2022 (S\$'000) Unaudited	12-month period ended 31 October 2021 (S\$'000) Audited
<b><u>Cash Flows From Operating Activities</u></b>				
Loss Before Income Tax	(1,104)	(7,408)	(3,714)	(7,052)
Depreciation of Property, Plant and Equipment	1,085	1,449	2,413	2,907
Depreciation of Investment Properties	174	143	277	246
Depreciation of Right-of-use Assets	257	234	491	468
Gain on Disposal of Property, Plant and Equipment	(195)	(48)	(202)	(86)
Impairment Loss on Investment Properties	-	283	-	283
Impairment Loss on Goodwill	-	115	-	115
Impairment Loss on Trademark	-	645	-	645
Impairment Loss on Property, Plant and Equipment	-	367	-	367
Impairment loss on land use right	-	(1)	-	-
Write-down of land use right	-	-	-	166
Amortisation of Intangible Assets	-	36	-	73
Amortisation of Land Use Rights	28	28	56	56
Share of Results from an Associate and a Jointly- Controlled Entity, Net of Tax	-	287	-	553
Gain on Disposal of Subsidiary	-	-	-	(1,467)
Net Fair Value Loss on Derivative Financial Instruments	14	-	11	-
Provision for Retirement Benefit Obligations Expenses, Net	31	10	37	23
Finance Income	-	(1)	(3)	(12)
Finance Costs	489	343	794	822
Net Foreign Exchange Loss/(Gain)	346	84	182	(449)
<b>Operating Cash Flows Before Changes in Working Capital</b>	<b>1,125</b>	<b>(3,434)</b>	<b>342</b>	<b>(2,342)</b>
Inventories	732	1,457	292	139
Trade and Other Receivables	(5,092)	6,686	(4,969)	5,381
Finance Lease Receivables	(749)	532	1,135	1,037
Other Non-Financial Assets	(300)	1,138	(277)	1,705
Trade and Other Payables	3,636	(1,683)	2,924	(2,957)
Deferred Income	-	(90)	-	(82)
Provisions	-	(3)	-	(238)
<b>Net Cash Flows From Operations Before Income Tax</b>	<b>(648)</b>	<b>4,603</b>	<b>(553)</b>	<b>2,643</b>
Income Tax Paid	(212)	(277)	(376)	(522)
<b>Net Cash Flows (Used In)/From Operating Activities</b>	<b>(860)</b>	<b>4,326</b>	<b>(929)</b>	<b>2,121</b>
<b><u>Cash Flows From Investing Activities</u></b>				
Acquisition of Property, Plant and Equipment <sup>(a)</sup>	(358)	(253)	(597)	(1,876)
Proceeds from Disposal of Property, Plant and Equipment	504	157	546	2,071
Loan to a Jointly-controlled Entity	-	(82)	-	-
Proceeds from Disposal of Subsidiary	-	-	-	1,648
Acquisition of subsidiaries	-	(397)	-	(397)
Interest Received	-	12	3	12
<b>Net Cash Flows (Used In)/From Investing Activities</b>	<b>146</b>	<b>(563)</b>	<b>(48)</b>	<b>1,458</b>

	Group			
	6-month period ended 31 October 2022 (S\$'000) Unaudited	6-month period ended 31 October 2021 (S\$'000) Unaudited	12-month period ended 31 October 2022 (S\$'000) Unaudited	12-month period ended 31 October 2021 (S\$'000) Audited
<b><u>Cash Flows From Financing Activities</u></b>				
Share Buy-back	-	-	-	(200)
Proceeds from Loans and Borrowings	4,628	(2,206)	13,642	-
Repayments of Loans and Borrowings	(3,822)	(3,486)	(11,793)	(4,354)
Principal Elements of Lease Payments	(628)	(792)	(1,100)	(1,714)
Interest Paid	(289)	(332)	(585)	(768)
Dividends Paid to Non-Controlling Interests of Subsidiaries	-	(12)	-	(12)
Increase in Cash Restricted in Use Over 3 Months	-	2	3	1,955
<b>Net Cash Flows Used In Financing Activities</b>	<b>(111)</b>	<b>(6,826)</b>	<b>167</b>	<b>(5,093)</b>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(825)</b>	<b>(3,063)</b>	<b>(810)</b>	<b>(1,514)</b>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(56)	43	(91)	(69)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	1,752	4,792	1,772	3,355
<b>Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance</b>	<b>871</b>	<b>1,772</b>	<b>871</b>	<b>1,772</b>
<b>Cash and Cash Equivalents in the Statement of Cash Flows</b>				
Cash and Cash Equivalents <sup>(b)</sup>	1,004	1,900	1,004	1,900
Cash Restricted in Use	(133)	(128)	(133)	(128)
<b>Cash and Cash Equivalents At End of Period</b>	<b>871</b>	<b>1,772</b>	<b>871</b>	<b>1,772</b>

#### Non-Cash Transactions

- (a) Property, plant and equipment amounting to S\$51,000 and Nil (12-month period ended 31 October 2021: S\$202,000 and S\$2,698,000) were acquired through finance leases and borrowings respectively.

#### Comprised fixed deposits held by banks for revolving banking and credit facilities.

- (b) Included in cash and cash equivalents are fixed deposits of S\$133,000 as at 31 October 2022 (31 October 2021: S\$128,000).



**D. Condensed Interim Statements of Changes in Equity**

	Share Capital (S\$'000)	Treasury Shares (S\$'000)	Accumulated Losses (S\$'000)	FCTR (S\$'000)	Other Reserves (S\$'000)	Equity Attributable to Owners of the Company (S\$'000)	Non- Controlling Interests (S\$'000)	Total Equity (S\$'000)
<b>Group</b>								
<b>For the 12-month period ended 31 October 2022</b>								
At 1 November 2021	48,090	(200)	(13,396)	(5,025)	2,220	31,689	14	31,703
<b>Changes in Equity</b>								
Total Comprehensive (Loss)/Income for the period	-	-	(3,608)	146	4	(3,458)	(10)	(3,468)
<b>At 31 October 2022</b>	48,090	(200)	(17,004)	(4,879)	2,224	28,231	4	28,235
	Share Capital (S\$'000)	Treasury Shares (S\$'000)	Accumulated Losses (S\$'000)	FCTR (S\$'000)	Other Reserves (S\$'000)	Equity Attributable to Owners of the Company (S\$'000)	Non- Controlling Interests (S\$'000)	Total Equity (S\$'000)
<b>Group</b>								
<b>For the 12-month period ended 31 October 2021</b>								
At 1 November 2020	48,090	-	(6,461)	(5,018)	2,409	39,020	4,001	43,021
<b>Changes in Equity</b>								
Total Comprehensive Income for the year	-	-	(6,999)	(7)	(165)	(7,171)	167	(7,004)
Disposal of Equity Interests of Subsidiary	-	-	-	-	-	-	(4,181)	(4,181)
Purchase of Equity Interests of Subsidiary	-	-	-	-	(24)	(24)	12	(12)
Purchase of Treasury Shares	-	(200)	-	-	-	(200)	-	(200)
Defined benefit plan	-	-	64	-	-	64	15	79
	-	(200)	(6,935)	(7)	(189)	(7,331)	(3,987)	(11,318)
<b>At 31 October 2021</b>	48,090	(200)	(13,396)	(5,025)	2,220	31,689	14	31,703

	Share Capital (S\$'000)	Accumulated Losses (S\$'000)	Total Equity (S\$'000)
<b><u>Company</u></b>			
<b>For the 12-month period ended 31 October 2022</b>			
<b>At 1 November 2021</b>	47,890	(27,506)	20,384
Total Comprehensive Loss for the Period	-	(575)	(575)
<b>At 31 October 2022</b>	47,890	(28,081)	19,809
<b>For the 12-month period ended 31 October 2021</b>			
<b>At 1 November 2020</b>	48,090	(21,022)	27,068
Total Comprehensive Loss for the Period	-	(6,484)	(6,484)
Treasury Shares	(200)	-	(200)
<b>At 31 October 2021</b>	47,890	(27,506)	20,384

**E. Financial information by operating segments**

**1. 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>	
	12-month period ended 31 October 2022 (S\$'000)	12-month period ended 31 October 2021 (S\$'000)	12-month period ended 31 October 2022 (S\$'000)	12-month period ended 31 October 2021 (S\$'000)	12-month period ended 31 October 2022 (S\$'000)	12-month period ended 31 October 2021 (S\$'000)	12-month period ended 31 October 2022 (S\$'000)	12-month period ended 31 October 2021 (S\$'000)	12-month period ended 31 October 2022 (S\$'000)	12-month period ended 31 October 2021 (S\$'000)
Revenue										
Revenue from external customers	8,051	7,486	21,421	27,896	109	184	-	-	29,581	35,566
Inter-segment revenue	2,317	811	6,716	1,277	426	812	(9,459)	(2,900)	-	-
Segment Revenue	10,368	8,297	28,137	29,173	535	996	(9,459)	(2,900)	29,581	35,566
Segment results before allocation of corporate management fees	2,399	(1,052)	(1,506)	713	(336)	(595)	(2,097)	(2,348)	(1,540)	(3,282)
Allocated corporate management fees	(733)	(1,007)	(1,364)	(1,341)	-	-	2,097	2,348	-	-
Segment results	1,666	(2,059)	(2,870)	(628)	(336)	(595)	-	-	(1,540)	(3,282)
Share of results from associates and jointly-controlled entity, allocated to operating segments	-	(95)	-	(458)	-	-	-	-	-	(553)
Unallocated corporate results									(1,383)	(2,407)
(Loss)/profit before finance income, dividend income, finance costs and income tax expense									(2,923)	(6,242)
Finance income									3	12
Finance costs									(794)	(822)
Income tax expense									96	220
(Loss)/profit net of tax									(3,618)	(6,832)

<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 2022	31 October 2021	31 October 2022	31 October 2021	31 October 2022	31 October 2021	31 October 2022	31 October 2021	31 October 2022	31 October 2021
	(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	<b>4,442</b>	3,823	<b>14,313</b>	7,967	<b>55</b>	68	-	-	<b>18,810</b>	11,858
Inter-segment revenue	<b>1,088</b>	474	<b>4,017</b>	681	<b>213</b>	537	<b>(5,318)</b>	(1,692)	-	-
Segment Revenue	<b>5,530</b>	4,297	<b>18,330</b>	8,648	<b>268</b>	605	<b>(5,318)</b>	(1,692)	<b>18,810</b>	11,858
Segment results before allocation of corporate management fees	<b>1,568</b>	1,050	<b>(632)</b>	(6,238)	<b>(39)</b>	(344)	<b>(850)</b>	(1,336)	<b>47</b>	(6,868)
Allocated corporate management fees	<b>(232)</b>	(664)	<b>(618)</b>	(672)	-	-	<b>850</b>	1,336	-	-
Segment results	<b>1,336</b>	386	<b>(1,250)</b>	(6,910)	<b>(39)</b>	(344)	-	-	<b>47</b>	(6,868)
Share of results from associates and jointly-controlled entity, allocated to operating segments	-	(48)	-	(239)	-	-	-	-	-	(287)
Unallocated corporate results									<b>(662)</b>	556
(Loss)/profit before finance income, dividend income, finance costs and income tax expense									<b>(615)</b>	(6,599)
Finance income									-	1
Finance costs									<b>(489)</b>	(343)
Income tax expense									<b>122</b>	(51)
(Loss)/profit net of tax									<b>(982)</b>	(6,992)

2. 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>	
	12-month period ended	12-month period ended	12-month period ended	12-month period ended	12-month period ended	12-month period ended	12-month period ended	12-month period ended	12-month period ended	12-month period ended
	31 October 2022	31 October 2021	31 October 2022	31 October 2021	31 October 2022	31 October 2021	31 October 2022	31 October 2021	31 October 2022	31 October 2021
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Segment assets	14,242	15,399	35,066	32,594	3,363	3,567	2,100	2,979	54,771	54,539
Investments in associates, allocated to operating segments	1,513	1,513	-	-	-	-	-	-	1,513	1,513
Unallocated corporate assets									315	559
Total assets									56,599	56,611
Segment liabilities	48,083	32,738	24,776	12,715	6,234	10,394	(66,594)	(44,818)	12,499	11,029
Loans and borrowings allocated to operating segments	-	-	10,707	9,363	2,749	2,182	-	-	13,456	11,545
Income tax payable allocated to operating segments	-	107	71	168	7	42	-	-	78	317
Unallocated income tax payable									120	44
Deferred tax liabilities									780	993
Unallocated corporate liabilities									1,431	980
Total liabilities									28,364	24,908
Capital expenditure allocated to operating segments:										
Property, plant and equipment	93	584	555	3,694	-	23	-	-	648	4,301
Investment properties	-	-	-	-	-	190	-	-	-	190
Unallocated corporate capital expenditure on property, plant and equipment									-	285
Total capital expenditure									648	4,776

### 3. 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>	
	12-month period ended	12-month period ended	12-month period ended	12-month period ended	12-month period ended	12-month period ended	12-month period ended	12-month period ended	12-month period ended	12-month period ended
	31 October 2022	31 October 2021	31 October 2022	31 October 2021	31 October 2022	31 October 2021	31 October 2022	31 October 2021	31 October 2022	31 October 2021
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Depreciation of property, plant and equipment and investment properties:										
Allocated to operating segments	622	676	1,512	2,113	253	304	-	-	2,387	3,093
Unallocated corporate depreciation									26	60
									2,413	3,153
Depreciation of right-of-use assets	351	303	140	165	-	-	-	-	491	468
Gain on disposal of property, plant and equipment:										
Allocated to operating segments	20	(2,399)	143	97	-	88	-	2,342	163	128
Unallocated corporate depreciation									39	(42)
									202	86
Amortisation of intangible assets	-	-	-	73	-	-	-	-	-	73
Amortisation of land use rights	56	56	-	-	-	-	-	-	56	56
Impairment loss on property, plant and equipment-	-	-	-	-	-	-	-	-	-	-
Impairment loss on investment properties	-	-	-	-	-	283	-	-	-	283
Provision for retirement benefit obligations expenses, net	-	-	(37)	23	-	-	-	-	(37)	23
Allowance for doubtful receivables	204	105	(123)	(1)	-	-	-	26	81	130

<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 2022	31 October 2021	31 October 2022	31 October 2021	31 October 2022	31 October 2021	31 October 2022	31 October 2021	31 October 2022	31 October 2021
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
<hr/>										
Capital expenditure allocated to operating segments:										
Property, plant and equipment	95	-	314	63	-	-	-	-	409	63
Investment properties	-	-	-	-	-	190	-	-	-	190
Total capital expenditure									409	253
Depreciation of property, plant and equipment and investment properties:										
Allocated to operating segments	326	411	617	876	126	129	-	-	1,069	1,416
Unallocated corporate depreciation									16	33
									1,085	1,449
Depreciation of right-of-use assets	202	179	55	55	-	-	-	-	257	234
Gain on disposal of property, plant and equipment:										
Allocated to operating segments	20	-	136	86	-	-	-	-	156	86
Unallocated corporate depreciation									39	-
									195	86
Amortisation of land use rights	28	28	-	-	-	-	-	-	28	28
Provision for retirement benefit obligations expenses, net	-	-	31	10	-	-	-	-	31	10
Allowance for doubtful receivables	-	-	194	(149)	-	-	-	-	194	(149)

## **F. 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 6-month period and 12-month period 31 October 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 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 financial period ended 31 October 2021. The accounting policies adopted are consistent with those of the previous financial period 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 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 period 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 period but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting period.

##### *(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 31 October 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.



## 2.2 Use of Judgements and estimates (Cont'd)

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

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 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 31 October 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 31 October 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 31 October 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.

## 2.2 Use of Judgements and estimates (Cont'd)

### (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 Notice of Compliance ("NOC") dated 25 June 2021 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.

#### 4.1 Revenue breakdown

	Group		
	12-month period ended 31 October 2022 (S\$'000)	12-month period ended 31 October 2021 (S\$'000)	Change %
Sales reported for the first half year	10,771	23,708	(55)
Operating loss after tax before deducting non-controlling interests reported for the first half year	(3,084)	(1,713)	80
Sales reported for the second half year	18,810	11,858	59
Operating loss after tax before deducting non-controlling interests reported for the second half year	(530)	(5,286)	(90)

#### G. 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			
	At 31 October 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	3,677	750	8,076	-
Amount repayable after one year	10,283	-	5,772	-

##### Details of any collateral

As at 31 October 2022, secured loans and borrowings comprised:

- Finance lease liabilities of S\$1,254,000 (31 October 2021: S\$2,303,000), secured by the lessors' charge over the leased assets.
- Loans and borrowings of S\$10,707,000 (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\$1,999,000 (31 October 2021: S\$2,182,000), secured by property, plant and equipment of subsidiaries in Singapore.
- To date, banking facilities with the three banks in Malaysia have been restructured as announced on 6 June 2022, 28 June 2022 and 10 November 2022.

- 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 31 October 2022	957,483,029	48,170
		Percentage of the aggregate number of treasury shares held against total number of shares outstanding
	Number of treasury shares	
As at 31 October 2021 and 31 October 2022	8,637,300	0.90%

As at 31 October 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 31 October 2022 and 31 October 2021. There were no outstanding convertibles as at 31 October 2022 and 31 October 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 31 October 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 the accounting of long outstanding payables, notwithstanding that the external law firm engaged by the Group as management's expert advised on 2 March 2022 that the subsidiary is not liable to repay the amount in the event there has been no request for repayment from the creditor concerned within the statutory time bar period and the statutory time bar period has been met; however, owing to different representations given by previous management, RSM was not able to obtain sufficient audit evidence to determine that the statutory time bar applied to these long outstanding payables. The current management will at the next audit cycle endeavour to satisfy the Company's new auditors with sufficient evidence showing that no claims have been made by the relevant creditors since expiry of the statutory time periods.

With regards to documents required for review of subsequent events, the current management will ensure that all corporate records, including statutory books of its Malaysian subsidiaries are up to date and all resolutions and minutes of directors as required to be sighted by the Company's new auditors are available.

With regards to the recoverability of receivables of the amounts of \$200,000 and \$1,690,000, the current management will at the next audit cycle endeavour to satisfy the Company's new auditors with sufficient evidence to support the management's assessment of the recoverability of these receivables.

With regards to bank confirmation replies not received by RSM during their audit of the 31 October 2021 financial statements, the Company will ensure that such confirmations as required by the Company's new auditors will be furnished as management understands that such bank confirmations were available but not provided within the time required by RSM.

With respect to the impairment assessment of property, plant and equipment in Malaysia, the current management will reassess these at year end and make the necessary adjustments.

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. These have been completed in June 2022;
  - c) Restructuring of the bank facilities in Malaysia. To date, banking facilities with the three banks in Malaysia have been restructured as announced on 6 June 2022, 28 June 2022 and 10 November 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. 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 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 periods 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			
	6-month period ended 31 October 2022	6-month period ended 31 October 2021	12-month period ended 31 October 2022	12-month period ended 31 October 2021
Loss for the period attributable to the owners of the Company (S\$'000)	(967)	(6,977)	(3,608)	(6,999)
Weighted average number of shares in issue ('000)	948,846	948,846	948,846	948,846
(i) Basic (loss)/profit per shares (S\$ cents)	(0.10)	(0.74)	(0.38)	(0.74)
(ii) On a fully diluted basis (S\$ cents)	(0.10)	(0.74)	(0.38)	(0.74)

The basic and diluted (loss)/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	
	12-month period ended 31 October 2022	12-month period ended 31 October 2021	12-month period ended 31 October 2022	12-month period ended 31 October 2021
Net assets attributable to owners of the Company (S\$'000)	28,231	31,689	19,809	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)	2.98	3.34	2.09	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					
	6-month period ended 31 October 2022 (S\$'000)	6-month period ended 31 October 2021 (S\$'000)	% Change +/-	12-month period ended 31 October 2022 (S\$'000)	12-month period ended 31 October 2021 (S\$'000)	% Change +/-
<b>Revenue</b>						
Renewable Energy Segment	4,442	3,823	16	8,051	7,486	8
Resource Recovery Segment	14,313	7,967	80	21,421	27,896	(23)
Integrated Environmental Management Solutions Segment	55	68	(19)	109	184	(41)
<b>Total</b>	<b>18,810</b>	<b>11,858</b>	<b>59</b>	<b>29,581</b>	<b>35,566</b>	<b>(17)</b>
<b>Gross Profit</b>	<b>2,213</b>	<b>509</b>	<b>n/m</b>	<b>2,933</b>	<b>4,846</b>	<b>(39)</b>
<b>Gross Profit Margin</b>	<b>11.77%</b>	<b>4.29%</b>		<b>9.92%</b>	<b>13.63%</b>	

**Revenue**

Revenue for the 6-month period ended 31 October 2022 of S\$18.81 million was S\$6.95 million or 58.63% higher than the revenue for the 6-month period ended 31 October 2021 mainly due to:

- Increase in revenue from Malaysia of S\$6.59 million as it resumed normal operations after completing major repairs of equipment in June 2022;
- Increase in revenue from spent grain and ISO tank heating services of S\$502,000; and
- Decrease in other sources of revenue of approximately S\$0.14 million.

Revenue for the 12-month period ended 31 October 2022 of S\$29.58 million was S\$5.99 million or 16.83% lower than revenue for the 12-month period ended 31 October 2021 mainly due to

- Decrease in revenue of S\$6.00 million from Malaysia operations as a result of equipment breakdown from March to June 2022 and the residual impact of Covid-19 in late 2021.

#### Gross Profit and Gross Profit Margin

Gross profit of S\$2.21 million for the 6-month period ended 31 October 2022 was higher than the gross profit for the 6-month period ended 31 October 2021 as a result of overall increase in revenue. This also explains the improvement in gross profit margin from 4.29% for the 6-month period ended 31 October 2021 to 11.77% for the 6-month period ended 31 October 2022.

Gross profit of S\$2.93 million for the 12-month period ended 31 October 2022 was lower than the gross profit for the 12-month period ended 31 October 2021 as a result of decrease in revenue. This also explains the 3.71% decrease in gross profit margin from 13.63% for the 12-month period ended 31 October 2021 to 9.92% for the 12-month period ended 31 October 2022.

#### Other Gains/(Losses)

Refer to section A(1) for detailed analysis of other gains/(losses).

#### Marketing and Distribution Expenses

Marketing and distribution expenses decreased by S\$171,000 for the 6-month period ended 31 October 2022 and S\$553,000 for the 12-month period ended 31 October 2022 as compared to the same periods for the financial periods ended 31 October 2021 mainly due to tighter cost control measures undertaken by the Group as well as lesser marketing and distributing activities since the Group focused its efforts in stabilising its operations in Singapore and Malaysia for the 12 months ended 31 October 2022.

#### Administrative Expenses

Administrative expenses decreased by S\$2.62 million for the 6-month period ended 31 October 2022 as compared to 6-months period ended 31 October 2022 mainly due to decrease in the following expenses:

- Legal and other professional fees decreased by S\$733,000;
- Staff costs and other staff related costs decreased by S\$674,000 due to lesser head count needed in Malaysia's operation with the stoppage of production;
- Legal claims and fines decreased by S\$255,000;
- Depreciation decreased by S\$249,000;
- Tax fine and penalties decreased by S\$243,000; and
- Directors' remuneration and directors' fees decreased by S\$140,000 due to the resignation of Mr Cao Shixuan who was the executive director and Deputy Chief Executive Office of the Company in April 2022.

Administrative expenses decreased by S\$3.94 million for the 12-month period ended 31 October 2022 as compared to 12-months period ended 31 October 2022 mainly due to decrease in the following expenses:

- Staff costs and other staff related costs decreased by S\$1.05 million due to lesser head count needed in Malaysia's operation with the stoppage of production;
- Legal and other professional fees decreased by S\$733,000;
- Property tax and land use tax decreased by S\$503,000;
- Depreciation decreased by S\$494,000;
- Legal claims and fines decreased by S\$255,000;
- Rental expenses decreased by S\$154,000 due to reduced number of employees that needed lodgings; and
- Directors' remuneration and directors' fees decreased by S\$50,000 as the composition of the Board has stabilised and directors' fees paid and payable are now more in line with market rates.

#### Finance Costs

Finance costs increased by S\$146,000 for the 6-month period ended 31 October 2022 as compared to the 6-month period ended 31 October 2021 due to interests charged on bank borrowings during the period. Finance costs decreased by S\$28,000 for the 12-month period ended 31 October 2022 as compared to the 12-month period ended 31 October 2021 due to repayment of bank borrowings.

#### Share of Losses from Associate and Jointly-Controlled Entity, Net of Tax

Share of results from an associate and a jointly-controlled entity relates to the Group's share of profit or loss in China-UK Low Carbon Enterprise Co. Ltd. ("CULCEC") and Chongqing eco-CTIG Rubber Technology Co Ltd ("CECRT") for the 6-month period and 12-month period ended 31 October 2022. No such share of results of associate and jointly-controlled entity as CULCEC ceased its operations and have been under liquidation since December 2020 while CECRT became a wholly-owned subsidiary in May 2021.



### Tax Income

The Group recorded income tax credit of S\$122,000 for the 6-month period and S\$96,000 for the 12-month period ended 31 October 2022 due to overprovision of income tax in prior years and utilisation of deferred tax benefit.

### Loss, Net of Tax

As a result of the above, the Group recorded net loss of S\$982,000 and S\$3.62 million for the 6-month period and 12-month period ended 31 October 2022 respectively, as compared to net loss of S\$6.99 million and S\$6.83 million for the 6-month period and 12-month period ended 31 October 2021 respectively.

### Statement of Financial Position

#### Assets

Property, plant and equipment decreased by S\$2.11 million from S\$27.26 million as at 31 October 2021 to S\$25.15 million as at 31 October 2022 mainly due to (i) depreciation of S\$2.41 million and (ii) disposal of motor vehicles of S\$344,000 offset by major repairs that have been capitalised and acquisition of motor vehicles of S\$648,000.

Right-of-use assets arose due to the adoption of SFRS(I) 16 in FY2020, and relates to the Group's plants in Lim Chu Kang and Sungei Kadut. The decrease of S\$491,000 relates to depreciation for the 12-month period ended 31 October 2022.

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

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 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\$6.59 million as at 31 October 2022, mainly attributable to the billing to, and the collections from the customer.

Inventories decreased by S\$292,000 from S\$4.88 million as at 31 October 2021 to S\$4.58 million as at 31 October 2022 as Malaysia adopted the "just-in-time" system for better cashflow management.

Trade and other receivables increased by S\$4.97 million from S\$7.88 million as at 31 October 2021 to S\$12.85 million as at 31 October 2022, mainly due to (i) increase in trade receivables of Malaysia operations of S\$4.60 million as a result of increase in revenue and longer credit term extended to customers and (ii) income tax receivable of Malaysia amounting to S\$276,000.

Other non-financial assets (non-current and current) comprise of prepayments and deposits, decreased by S\$277,000 from S\$1.32 million as at 31 October 2021 to S\$1.60 million as at 31 October 2022 mainly due to reduction of deposits placed with vendors amounting to S\$241,000 from Malaysia's operations.

Cash and cash equivalents decreased by S\$896,000 from S\$1.90 million as at 31 October 2021 to S\$1.00 million as at 31 October 2022. 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 costs were approximately S\$1.13 million as at 31 October 2021 and 31 October 2022.

Loans and borrowings (non-current and current) increased by S\$1.90 million from S\$11.55 million as at 31 October 2021 to S\$13.45 million as at 31 October 2022 mainly due to trade facilities utilised for Malaysia operations partially offset by the repayments for the 12-month period ended 31 October 2022.

Financial liabilities - lease liabilities (non-current and current) decreased by S\$1.05 million, from S\$2.30 million as at 31 October 2021 to S\$1.25 million as at 31 October 2022 due to repayments.

Trade and other payables increased by S\$2.92 million from S\$8.58 million as at 31 October 2021 to S\$11.51 million as at 31 October 2022 mainly due to increase in purchases of raw materials as a result of increase in Malaysia business activities and slower payment of trade payables for cashflow management purposes.

Deferred tax liabilities decreased by S\$213,000 from S\$993,000 as at 31 October 2021 to S\$780,000 as at 31 October 2022 due to utilisation of deferred tax benefit.

#### Working Capital

The Group's working capital improved from negative working capital of S\$76,000 as at 31 October 2021 to a positive working capital of S\$4.90 million as at 31 October 2022.

### **Statement of Cash Flow**

Net cash flows used in operating activities for the 6-month period ended 31 October 2022 was S\$860,000, mainly attributable to (i) operating cash flows before changes in working capital of S\$1.13 million, (ii) increase in trade and other payables of S\$3.64 million and (iii) decrease inventories of S\$732,000, partially offset by (i) decrease in trade and other receivables of S\$5.09 million, (ii) decrease in finance lease receivables of S\$749,000 and (iii) decrease in other non-financial assets of S\$300,000.

Net cash flows from investing activities for the 6-month period ended 31 October 2022 was S\$146,000, mainly attributable to acquisition and disposal of property, plant and equipment.

Net cash flows used in financing activities for the 6-month period ended 31 October 2022 was S\$111,000, mainly attributable to (i) net proceeds from loans and borrowing of S\$806,000, (ii) repayment of finance lease of S\$628,000 and (iii) interest expenses paid of S\$289,000.

Net cash used in operating activities for the 12-month period ended 31 October 2022 was S\$929,000, mainly attributable to (i) operating cash flows before changes in working capital of S\$342,000, (ii) increase in trade and other payables by S\$2.92 million, (iii) increase in finance lease receivables of S\$1.14 million and (iv) decrease in inventories of S\$292,000, partially offset by (i) decrease in trade and other receivables of S\$4.97 million and (ii) decrease in other non-financial assets of S\$277,000.

Net cash flows used in investing activities of S\$48,000 for the 12-month period ended 31 October 2022 was mainly attributable to acquisition and disposal of property, plant and equipment.

Net cash flows from financing activities of S\$167,000 for the 12-month period ended 31 October 2022 comprised mainly (i) net proceeds from loans and borrowings of S\$1.85 million, (ii) repayment of finance lease of S\$1.10 million and (iii) interest expenses paid of S\$585,000.

As a result of the above, the Group's cash and cash equivalents decreased by S\$825,000 for the 6-month period and S\$810,000 for the 12-month period ended 31 October 2022.

**B. 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.

**C. 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.**

#### **All segments**

The Group is rationalising, reorganising and restructuring its business segments so as to achieve higher levels of efficiency, economies of scale and effectiveness with a view to improving profitability.

#### **Resource Recovery segment**

The Group's rubber compound, new and retreaded tyres business under the SRR Group is declining due to the economic and market uncertainties arising from raw materials, end-products, foreign currency fluctuations and the continuing effects of the COVID-19 pandemic. The decline in value of the Malaysian Ringgit has also impacted the SRR Group.

The Group continues to expect sales of rubber compound and the retreading businesses to slow down in the near future as these are labour intensive segments and with rising inflation and labour costs, as a result, the Group foresees challenges in being able to hire the required amount of labour force as well as limited working capital to operate at optimal level.

#### **Renewable Energy segment**

The Group expects continuous supply and stable consumption of energy by Gardens by the Bay from its biomass co-generation power plant under the design, build and operate agreement.

The capacity of the waste steam applications for drying of spent grains from the Group's biomass co-generation power plant and ISTO Tank Heating services at Sungei Kadut are expected to be stable.

#### **Integrated Environmental Management Solutions Segment**

The Group will continue to actively tender for projects relating to design and build of gas boiler and the provision of technical support.

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 lock-downs, work stoppages and supply chain challenges brought about by the COVID-19 pandemic and head-winds 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. While the Group has managed to hire and re-hire certain key staff members for its various operations, the Group is still very much in the stabilisation phase of its recovery.

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 addition, the Company understands that certain larger and better funded entities have joined forces to form joint-ventures to compete with the Group's businesses. In this respect, the Group anticipates the business environment it operates in to become increasingly challenging.

In the short term, the Group will continue to evaluate its overall operational costs and efficiency closely to improve its revenue and profitability. As stated above, while the Group's banks in Malaysia have all restructured the outstanding amounts owed into new loans with new repayment periods, the Group will continue to face challenges in obtaining fresh credit facilities owing to the fact that the Company's shares remain suspended from trading.

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 12-month period ended 31 October 2022 as the Group made a net loss and there is no distributable income or reserves available for the payment of dividends.

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 Catalist 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 12-month period ended 31 October 2022 to be false or misleading in any material aspect.

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

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

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

There was no acquisition or sale of shares by the Company during the 12-month period ended 31 October 2022 which requires disclosure pursuant to Rule 706(A) of the Catalist Rules.

**BY ORDER OF THE BOARD**

**Lee Thiam Seng**

Chairman and CEO

**15 December 2022**

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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.