ECOWISE HOLDINGS LIMITED
Company Registration No. 200209835C

Unaudited Financial Statements And Dividend Announcement for the Second Quarter and Half Year Ended 30 April 2014

PART I **INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), 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.**

	Group					
	Q2 FY2014 (S$'000)	Q2 FY2013 (S$'000)	% Change	1H FY2014 (S$'000)	1H FY2013 (S$'000)	% Change
Revenue	17,738	18,246	(2.8%)	35,317	39,369	(10.3%)
Cost of Sales	(13,927)	(14,318)	(2.7%)	(27,842)	(30,382)	(8.4%)
Gross Profit	3,811	3,928	(3.0%)	7,475	8,987	(16.8%)
Other Items of Income						
Finance Income	20	9	122.2%	37	19	94.7%
Other Credits	251	174	44.3%	464	356	30.3%
Other Items of Expenses						
Marketing and Distribution Expenses	(879)	(949)	(7.4%)	(1,794)	(1,841)	(2.6%)
Administrative Expenses	(2,302)	(2,033)	13.2%	(4,600)	(4,954)	(7.1%)
Finance Costs	(254)	(251)	1.2%	(524)	(526)	(0.4%)
Other Charges	(284)	(2)	n/m	(171)	(37)	362.2%
Share of Results from Associates and Jointly-Controlled Entity, Net of Tax	(220)	(136)	61.8%	(433)	(230)	88.3%
Profit Before Income Tax	143	740	(80.7%)	454	1,774	(74.4%)
Income Tax Expense	(258)	(425)	(39.3%)	(428)	(926)	(53.8%)
(Loss)/Profit for the Period	(115)	315	(136.5%)	26	848	(96.9%)
Other Comprehensive (Loss)/Income						
Items that may be reclassified subsequently to profit or loss:						
Exchange Differences on Translating Foreign Operations, Net of Tax	(1,264)	316	n/m	(404)	386	n/m
Defined Benefit Plan Actuarial Loss	(104)	-	n/m	(104)	-	n/m
Effective Portion of Changes in Fair Value of Cash Flow Hedges	(5)	12	n/m	(13)	(18)	(27.8%)
Other Comprehensive (Loss)/Income for the Period	(1,373)	328	n/m	(521)	368	n/m
Total Comprehensive (Loss)/Income for the Period	(1,488)	643	n/m	(495)	1,216	n/m
(Loss)/Profit for the Period Attributable to:						
Owners of the Company	(133)	317	(142.0%)	75	938	(92.0%)
Non-Controlling Interests	18	(2)	n/m	(49)	(90)	(45.6%)
(Loss)/Profit for the Period	(115)	315	(136.5%)	26	848	(96.9%)

	Group					
	Q2 FY2014 (S$'000)	Q2 FY2013 (S$'000)	% Change	1H FY2014 (S$'000)	1H FY2013 (S$'000)	% Change
Total Comprehensive (Loss)/Income for the Period Attributable to:						
Owners of the Company	(1,520)	795	n/m	(338)	1,435	n/m
Non-Controlling Interests	32	(152)	n/m	(157)	(219)	(28.3%)
Total Comprehensive (Loss)/Income for the Period	(1,488)	643	n/m	(495)	1,216	n/m

"n/m" denotes not meaningful.

1(aii) Notes to Consolidated Statement of Comprehensive Income

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

	Group			
	Q2 FY2014 (S$'000)	Q2 FY2013 (S$'000)	1H FY2014 (S$'000)	1H FY2013 (S$'000)
Finance Lease Income	354	363	710	650
Finance Income	20	9	37	19
Finance Costs	(254)	(251)	(524)	(526)
Depreciation of Property, Plant and Equipment	(726)	(841)	(1,431)	(1,642)
Reversal of Impairment Loss on Property, Plant and Equipment	-	-	188	-
Amortisation of Intangible Assets	(24)	(25)	(49)	(51)
Amortisation of Land Use Rights	(20)	(5)	(40)	(11)
Gain on Disposal of Property, Plant and Equipment	62	45	68	41
Amortisation of Deferred Expenses	(1)	-	(3)	-
Impairment Loss on Other Financial Assets	-	-	(26)	-
Net Fair Value Gain/(Loss) on Derivative Financial Instruments	17	(2)	128	(37)
Foreign Exchange (Loss)/Gain, Net	(248)	108	(135)	200
Government Grant Income	47	16	71	41
Adjustments for Over Provision for Taxation in Respect of Prior Years	2	13	96	13
Provision for Retirement Benefit Obligations Expenses, Net	21	(8)	(53)	(17)
Amortisation of Deferred Income	2	2	4	4
Equity-Settled Share-Based Expenses	(48)	-	(48)	-
Allowance for Doubtful Receivables – (Made)/Reversed	(35)	-	(9)	64
Allowance for Inventory Obsolescence – Reversed/(Made)	37	9	12	(106)

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.

	Group		Company	
	30 April 2014 (S$'000)	31 October 2013 (S$'000)	30 April 2014 (S$'000)	31 October 2013 (S$'000)
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	42,412	42,273	409	466
Intangible Assets	1,760	1,846	-	-
Land Use Rights	3,405	3,492	-	-
Investments in Subsidiaries	-	-	46,439	43,081
Investments in Associates	4,964	4,675	-	-
Investment in Jointly-Controlled Entity	4,595	4,812	-	-
Other Financial Assets	1,057	1,092	-	-
Finance Lease Receivables	12,837	13,116	-	-
Amount Due from an Associate	600	600	-	-
Other Assets	262	269	-	-
Deferred Tax Assets	394	318	-	-
Total Non-Current Assets	72,286	72,493	46,848	43,547
Current Assets				
Inventories	9,066	9,748	-	-
Income Tax Receivables	479	329	-	-
Trade and Other Receivables	18,304	20,315	4,641	7,375
Finance Lease Receivables	568	544	-	-
Derivative Financial Instruments	-	31	-	-
Other Assets	952	1,974	108	153
Cash and Cash Equivalents	9,876	15,271	513	1,535
Total Current Assets	39,245	48,212	5,262	9,063
Total Assets	111,531	120,705	52,110	52,610
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	46,191	46,191	46,191	46,191
Retained Earnings	6,142	6,622	1,641	2,155
Other Reserves	424	697	48	-
Equity Attributable to Owners of the Company	52,757	53,510	47,880	48,346
Non-Controlling Interests	6,771	7,135	-	-
Total Equity	59,528	60,645	47,880	48,346
LIABILITIES				
Non-Current Liabilities				
Provision for Retirement Benefit Obligations	766	620	-	-
Loans and Borrowings	9,354	9,748	58	81
Deferred Tax Liabilities	2,535	2,563	-	-
Deferred Income	42	47	-	-
Total Non-Current Liabilities	12,697	12,978	58	81
Current Liabilities				
Dividend Payable	463	-	463	-
Income Tax Payable	418	524	41	61
Trade and Other Payables	22,789	24,413	914	1,064
Other Liabilities	2,235	5,000	-	-
Derivative Financial Instruments	36	103	-	-
Loans and Borrowings	13,348	17,025	2,754	3,058
Deferred Income	17	17	-	-
Total Current Liabilities	39,306	47,082	4,172	4,183
Total Liabilities	52,003	60,060	4,230	4,264
Total Equity and Liabilities	111,531	120,705	52,110	52,610

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

	Group			
	As at 30 April 2014		As at 31 October 2013	
	Secured	Unsecured	Secured	Unsecured
	(S$'000)	(S$'000)	(S$'000)	(S$'000)
Amount repayable in one year or less, or on demand	10,296	3,052	12,068	4,957
Amount repayable after one year	9,146	208	9,540	208

Details of any collateral

As at 30 April 2014, secured loans and borrowings comprised:

- Finance lease liabilities of S$1,045,000 (31 October 2013: S$1,174,000) were secured by the lessors' charge over the leased assets.
- Loans and borrowings of S$8,689,000 (31 October 2013: S$8,341,000) were secured by property, plant and equipment and assets of certain subsidiaries in Malaysia.
- Loans and borrowings of S$434,000 (31 October 2013: S$479,000) were secured by property, plant and equipment of subsidiaries in Singapore.
- As at 31 October 2013, loans and borrowings of S$2,156,000 were secured by property, plant and equipment of subsidiaries in Singapore and China.
- Loans and borrowings of S$7,706,000 (31 October 2013: S$7,764,000) were secured by an assignment of a supply agreement with a customer and a fixed and floating charge over present and future undertakings, property assets, revenue and rights in relation to the biomass co-generation plant at Gardens by the Bay (Marina South). The Group's investment in the biomass co-generation power plant is classified as finance lease receivables.
- Loans and borrowings of S$1,568,000 were secured by an assignment of contracts and contracts proceeds and a floating charge over certain cash balances of a subsidiary placed with a bank. As at 31 October 2013, loans and borrowings of S$1,694,000 were secured by cash balances and fixed deposits of a subsidiary placed with a bank.

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.

	Group			
	Q2 FY2014 (S$'000)	**Q2 FY2013 (S$'000)**	**1H FY2014 (S$'000)**	**1H FY2013 (S$'000)**
Cash Flows From Operating Activities				
Profit Before Income Tax	143	740	454	1,774
Depreciation of Property, Plant and Equipment	726	841	1,431	1,642
Gain on Disposal of Property, Plant and Equipment	(62)	(45)	(68)	(41)
Reversal of Impairment Loss on Property, Plant and Equipment	-	-	(188)	-
Amortisation of Intangible Assets	24	25	49	51
Amortisation of Land Use Rights	20	5	40	11
Share of Results from Associates and Jointly-Controlled Entity, Net of Tax	220	136	433	230
Impairment Loss on Other Financial Assets	-	-	26	-
Net Fair Value Loss/(Gain) on Derivative Financial Instruments	38	(19)	(49)	16
Amortisation of Deferred Expenses	1	-	3	-
Provision for Retirement Benefit Obligations Expenses, Net	(21)	8	53	17
Amortisation of Deferred Income	(2)	(2)	(4)	(4)
Finance Lease Income	(354)	(363)	(710)	(650)
Finance Income	(20)	(9)	(37)	(19)
Finance Costs	254	251	524	526
Equity-Settled Share-Based Expenses	48	-	48	-
Operating Cash Flows Before Changes in Working Capital	1,015	1,568	2,005	3,553
Inventories	709	(170)	(48)	527
Trade and Other Receivables	357	725	1,876	1,445
Finance Lease Receivables	128	123	255	668
Other Assets	-	(270)	1,043	(316)
Trade and Other Payables	(336)	(114)	(1,790)	606
Other Liabilities	(683)	-	(2,765)	-
Finance Lease Income Received	354	363	710	650
Retirement Benefit Obligations Paid	-	(8)	(5)	(29)
Decrease in Cash Restricted in Use Over 3 Months[(a)]	-	735	-	462
Net Cash Flows From Operations Before Income Tax	1,544	2,952	1,281	7,566
Income Tax Paid	(559)	(587)	(760)	(990)
Net Cash Flows From Operating Activities	985	2,365	521	6,576
Cash Flows From Investing Activities				
Acquisition of Property, Plant and Equipment	(848)	(236)	(1,386)	(570)
Deposits Placed for Acquisition of Property, Plant and Equipment	-	(457)	-	(825)
Proceeds from Disposal of Property, Plant and Equipment	14	97	80	97
Acquisition and Investment in Associates	-	(1,566)	-	(5,126)
Proceeds from Disposal of Other Financial Assets	8	-	8	-
Interest Income Received	20	9	37	19
Net Cash Flows Used In Investing Activities	(806)	(2,153)	(1,261)	(6,405)

	Group			
	Q2 FY2014 (S$'000)	Q2 FY2013 (S$'000)	1H FY2014 (S$'000)	1H FY2013 (S$'000)
Cash Flows From Financing Activities				
Proceeds from Loans and Borrowings	304	1,110	1,070	2,500
Repayments of Loans and Borrowings	(2,744)	(1,523)	(5,356)	(3,503)
Interest Expenses Paid	(250)	(231)	(499)	(492)
Dividends Paid to Owners of the Company	-	(924)	-	(924)
Dividends Paid to Non-Controlling Interests of Subsidiaries	(207)	-	(207)	-
(Increase)/Decrease in Cash Restricted in Use Over 3 Months[(b)]	(11)	(4)	484	69
Net Cash Flows Used In Financing Activities	(2,908)	(1,572)	(4,508)	(2,350)
Net Decrease in Cash and Cash Equivalents	(2,729)	(1,360)	(5,248)	(2,179)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(24)	157	135	204
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	12,159	15,678	14,519	16,450
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	9,406	14,475	9,406	14,475
Cash and Cash Equivalents in the Statement of Cash Flows				
Cash and Cash Equivalents[(c)]	9,876	15,888	9,876	15,888
Cash Restricted in Use	(267)	(1,195)	(267)	(1,195)
Bank Overdrafts	(203)	(218)	(203)	(218)
Cash and Cash Equivalents At End of Period	9,406	14,475	9,406	14,475

(a) Comprised bank balances set aside for payments to specific creditors.
(b) Comprised fixed deposits held by banks for revolving credit facilities.
(c) Included in cash and cash equivalents were fixed deposits of S$1,926,000 (30 April 2013: S$859,000).

Non-Cash Transactions

Property, plant and equipment amounting to S$148,000 (1H FY2013: Nil) were acquired through finance leases.

Acquisition of Subsidiary

On 30 May 2013, the Group acquired 99% equity interests in Hivern Investments Pte. Ltd. and its wholly-owned subsidiary in China, Changyi Enersave Biomass to Energy Co., Ltd. ("Hivern Group").

The provisional amounts of the fair values of the identifiable assets acquired and liabilities recorded at the date of acquisition were as follows:

	At Date of Acquisition (S$'000)
Provisional Fair Values of Assets Acquired and Liabilities Recorded	
Property, Plant and Equipment	14,031
Land Use Rights	2,479
Inventories	54
Trade and Other Receivables	870
Other Assets	282
Cash and Cash Equivalents	4
Income Tax Payable	(57)
Trade and Other Payables	(13,774)
Loans and Borrowings	(3,799)
Total Identifiable Net Assets at Provisional Fair Values	90
Provisional Goodwill Recognised	
Total Purchase Consideration Fully Paid in Cash	90
Non-Controlling Interests at Fair Value	-#
Total Identifiable Net Assets at Provisional Fair Values	(90)
Provisional Goodwill Arising from Acquisition	-
Acquisition of a Subsidiary, Net of Cash	
Total Purchase Consideration Fully Paid in Cash	90
Less: Cash and Cash Equivalents Acquired	(4)
Acquisition of a Subsidiary, Net of Cash	86

# denotes less than S$1,000.

The provisional amounts of the fair values of the identifiable assets acquired and liabilities recorded at the date of acquisition are subject to changes upon completion of the purchase price allocation exercise as required under FRS 103 - Business Combinations. The purchase price allocation exercise is expected to be completed not later than 12 months from the date of acquisition.

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.**

	Share Capital (S$'000)	Retained Earnings (S$'000)	Other Reserves (S$'000)	Parent Sub - Total (S$'000)	Non-Controlling Interests (S$'000)	Total Equity (S$'000)
Group						
Current Period						
At 1 November 2013	46,191	6,622	697	53,510	7,135	60,645
Movements in Equity						
Total Comprehensive Loss for the Period	-	(17)	(321)	(338)	(157)	(495)
Equity-Settled Share-Based Expenses	-	-	48	48	-	48
Dividends to Owners of the Company	-	(463)	-	(463)	-	(463)
Dividends Paid to Non-Controlling Interests of Subsidiaries	-	-	-	-	(207)	(207)
	-	(480)	(273)	(753)	(364)	(1,117)
At 30 April 2014	46,191	6,142	424	52,757	6,771	59,528
Previous Period						
At 1 November 2012	45,927	5,383	1,699	53,009	7,473	60,482
Movements in Equity						
Total Comprehensive Income/(Loss) for the Period	-	938	497	1,435	(219)	1,216
Issue of Ordinary Shares under ecoWise Performance Share Plan	264	-	(264)	-	-	-
Dividends Paid to Owners of the Company	-	(924)	-	(924)	-	(924)
	264	14	233	511	(219)	292
At 30 April 2013	46,191	5,397	1,932	53,520	7,254	60,774

	Share Capital (S$'000)	Retained Earnings (S$'000)	Other Reserves (S$'000)	Total Equity (S$'000)
Company				
Current Period				
At 1 November 2013	46,191	2,155	-	48,346
Movements in Equity				
Total Comprehensive Loss for the Period	-	(51)	-	(51)
Equity-Settled Share-Based Expenses	-	-	48	48
Dividends to Owners of the Company	-	(463)	-	(463)
	-	(514)	48	(466)
At 30 April 2014	46,191	1,641	48	47,880
Previous Period				
At 1 November 2012	45,927	3,438	528	49,893
Movements in Equity				
Total Comprehensive Income for the Period	-	118	-	118
Issue of Ordinary Shares under ecoWise Performance Share Plan	264	-	(264)	-
Dividends Paid to Owners of the Company	-	(924)	-	(924)
	264	(806)	(264)	(806)
At 30 April 2013	46,191	2,632	264	49,087

1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

	Number of Ordinary Shares	Paid-up Capital (S$'000)
At 1 November 2013 and 30 April 2014	926,697,315	46,191

On 29 January 2014, pursuant to ecoWise Performance Share Plan, the Company granted share awards of 2,000,000 shares in the share capital of the Company to eligible participant.

As at 30 April 2014, the number of outstanding share awards under ecoWise Performance Share Plan was 2,000,000 shares (30 April 2013: Nil).

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 926,697,315 ordinary shares as at 30 April 2014 and 31 October 2013.

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

There were no treasury shares held by the Company as at 30 April 2014, 31 October 2013 and 30 April 2013.

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

These financial statements 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 qualifications or emphasis of a matter).**

Not applicable.

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 and the Company have applied the same accounting policies and methods of computation and new and revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are effective for the period beginning on 1 November 2013 (see item 5) in the preparation of the financial statements for the current period as compared with the audited financial statements for the year ended 31 October 2013.

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.

From 1 November 2013, as a result of FRS 19 (2011) – Employee Benefits (Revised), the Group changed its accounting policy with respect to the basis for determining the income or expense related to employees' retirement defined benefit plans.

With effect from 1 November 2013, the Group applied the amendments to FRS 16 - Amendment to FRS 16 Property, Plant and Equipment (Annual Improvements). The amendments state that items such as spare parts, stand-by equipment and servicing equipment are recognised in accordance with FRS 16 when they meet the definition of property, plant and equipment. Following the application of the amendments to FRS 16, the Group accounted for small value supplies in plant and equipment instead of inventories and the corresponding annual depreciation recognised in the profit or loss.

The adoption of new and revised FRS and INT FRS does not have any significant effect on the financial performance or position of the Group and Company.

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 (loss)/profit for the period attributable to owners of the Company:

	Group			
	Q2 FY2014 (cents)	**Q2 FY2013 (cents)**	**1H FY2014 (cents)**	**1H FY2013 (cents)**
(i) Based on weighted average number of ordinary shares in issue	(0.014)	0.034	0.008	0.101
(ii) On a fully diluted basis	(0.014)	0.034	0.008	0.101

Earnings per share for the quarter ended 30 April 2014

Basic earnings per share for Q2 FY2014 is calculated based on the loss attributable to owners of the Company of S$133,000 (Q2 FY2013: profit attributable to owners of the Company of S$317,000) and on 926,697,315 (Q2 FY2013: 925,385,313) weighted average number of ordinary shares in issue during the period.

Fully diluted earnings per share for Q2 FY2014 is calculated based on 928,697,315 (Q2 FY2013: 925,385,313) weighted average number of ordinary shares in issue during the period.

Earnings per share for the half-year ended 30 April 2014

Basic earnings per share for 1H FY2014 is calculated based on the profit attributable to owners of the Company of S$75,000 (1H FY2013: S$938,000) and on 926,697,315 (1H FY2013: 924,761,931) weighted average number of ordinary shares in issue during the period.

Fully diluted earnings per share for 1H FY2014 is calculated based on 928,697,315 (1H FY2013: 924,761,931) weighted average number of ordinary shares in issue during the period.

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

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

	Group		Company	
	30 April 2014 (cents)	31 October 2013 (cents)	30 April 2014 (cents)	31 October 2013 (cents)
Net asset value per ordinary share at end of period/year	5.69	5.77	5.17	5.22

The Group's net asset value per ordinary share was calculated based on net assets attributable to owners of the Company of S$52,757,000 (31 October 2013: S$53,510,000) and 926,697,315 (31 October 2013: 926,697,315) ordinary shares.

The Company's net asset value per ordinary share was calculated based on net assets of S$47,880,000 (31 October 2013: S$48,346,000) and 926,697,315 (31 October 2013: 926,697,315) ordinary shares.

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					
	Q2 FY2014 (S$'000)	Q2 FY2013 (S$'000)	% Change	1H FY2014 (S$'000)	1H FY2013 (S$'000)	% Change
Renewable Energy Segment	2,701	2,507	7.7%	5,173	4,974	4.0%
Resource Recovery Segment	14,841	15,666	(5.3%)	29,619	34,322	(13.7%)
Integrated Environmental Management Solutions Segment	196	73	168.5%	525	73	619.2%
Total	17,738	18,246	(2.8%)	35,317	39,369	(10.3%)

The Group's revenue for the second quarter ended 30 April 2014 ("Q2 FY2014") of S$17.74 million was S$0.51 million or 2.8% lower as compared to the corresponding period of last financial period ("Q2 FY2013"). The Group's revenue for the half-year ended 30 April 2014 ("1H FY2014") of S$35.32 million was S$4.05 million or 10.3% lower as compared to the corresponding period of last financial year ("1H FY2013").

The decline was due to lower revenue recorded by the Resource Recovery segment. The sales recorded by the Group's retreaded tyres and rubber compounds businesses under Sunrich Integrated Sdn. Bhd. and its subsidiaries ("SRIT Group") had decreased due to lower export prices of rubber compound as a result of lower raw material prices as compared to Q2 FY2013 and lower retreaded tyres sales volumes. The Group retreaded tyres and rubber compounds business for 1H FY2014 decreased due to lower export and sales volumes and lower prices as a result of lower raw material prices as compared to 1H FY2013.

The Renewable Energy segment revenue increased by 7.7% to S$2.70 million in Q2 FY2014 and 4.0% to S$5.17 million in 1H FY2014 when compared to Q2 FY2013 and 1H FY2013, respectively. The Renewable

Energy segment higher revenue is mainly attributed to an increase in waste steam applications and other services.

Due to lower revenue, the Group's gross profit of S$3.81 million in Q2 FY2014 was S$0.12 million lower as compared to Q2 FY2013. However, the Group's overall gross profit margin remained stable at 21.5% for Q2 FY2014 and Q2 FY2013.

The Group's overall gross profit decreased by S$1.51 million to S$7.48 million in 1H FY2014 due to lower revenue and lower gross profit margin of 21.2% in 1H FY2014 as compared to 22.8% in 1H FY2013. This was mainly attributed to lower margins from the Resource Recovery segment from the sale of retreaded tyres and rubber compounds.

Other credits increased by S$0.08 million to S$0.25 million in Q2 FY2014 mainly due to the absence of foreign exchange gain in Q2 FY2013, partially offset by higher gain on disposal of plant and equipment and government grant income.

Other credits increased to S$0.46 million in 1H FY2014 mainly due to reversal of impairment loss on plant and equipment, net fair value gain on derivative financial instruments, government grant income and gain on disposal of plant and equipment.

Marketing and distribution expenses decreased by 7.4% and 2.6% respectively to S$0.88 million in Q2 FY2014 and S$1.79 million in 1H FY2014 mainly attributed to lower revenue recorded by the retreaded tyres and rubber compounds businesses under the Resource Recovery segment.

Administrative expenses increased by 13.2% to S$2.30 million in Q2 FY2014 mainly due to increase in consultancy and professional fees (increased by S$0.03 million), manpower related costs (increased by S$0.15 million) and utilities expense (increased by S$0.03) as compared to Q2 FY2013.

Administrative expenses however decreased by 7.1% to S$4.60 million in 1H FY2014 mainly due to lower manpower related costs (decreased by S$0.22 million) and legal and professional fees (decreased by S$0.12 million).

Depreciation expenses decreased by 13.7% to S$0.73 million in Q2 FY2014 and by 12.9% to S$1.43 million in 1H FY2014 despite higher carrying amounts of property, plant and equipment mainly due to newly acquired Hivern Group's property, plant and equipment being recorded as "assets under construction" and not subjected to depreciation charges and lower depreciable assets from the Resource Recovery segment.

Finance costs increased marginally by 1.2% to S$0.25 million in Q2 FY2014 and decreased marginally by 0.4% to S$0.52 million in 1H FY2014 mainly due to similar level of average of outstanding loans and borrowings during the periods under comparison.

Other charges of S$0.28 million in Q2 FY2014 mainly comprised of foreign exchange losses. Other charges increased to S$0.17 million in 1H FY2014 mainly due to foreign exchange losses and impairment loss on other financial assets.

Share of losses from associates and jointly-controlled entity comprised the Group's share of losses of S$0.43 million was mainly due to the Group's share of start-up costs of S$0.32 million incurred by Chongqing eco-CTIG Rubber Technology Co., Ltd. and share of Geocycle Singapore Pte. Ltd.'s losses of S$0.16 million.

The Group recorded lower profit before tax of S$0.14 million in Q2 FY2014 (Q2 FY2013: S$0.74 million) mainly due to lower gross profits from lower revenue and higher administrative expenses and other charges.

The Group recorded lower profit before tax of S$0.45 million in 1H FY2014 (1H FY2013: S$1.77million) mainly due to lower revenue, gross margins and administrative expenses and higher other charges and share of losses from associates and jointly-controlled entity.

The Group recorded lower income tax expense of S$0.26 million in Q2 FY2014 and S$0.43 million in 1H FY2014 mainly due to lower profits. The Group's income tax expense comprised mainly taxation charges of the Group's retreaded tyres and rubber compounds businesses in Malaysia under the Resource Recovery segment. The effective tax rate for this segment is 30% for 1H FY2014 (1H FY2013: 24%). The Group recorded lower taxation charge in 1H FY2014 mainly due to lower earnings recorded by this segment.

As a result of the above factors, the Group recorded a loss for the period of S$0.12 million in Q2 FY2014 as compared to profit for the period of S$0.32 million in Q2 FY2013. The Group's earnings of S$0.03 million in 1H FY2014 was S$0.82 million lower as compared to S$0.85 million 1H FY2013.

Profit attributable to owners of the Company however decreased from S$0.94 million in 1H FY2013 to S$0.08 million in 1H FY2014.

Statement of Financial Position

The Group's non-current assets decreased by S$0.21 million to S$72.29 million as at 30 April 2014.

The Group's property, plant and equipment increased by S$0.14 million to S$42.41 million as at 30 April 2014. The increase was mainly attributed to a re-classification of inventories of S$0.67 million relating to equipment parts into plant and equipment, capital expenditure of S$1.53 million, foreign exchange translation loss of S$0.79 million, depreciation charges of S$1.43 million, reversal of impairment loss of S$0.19 million and disposal amounting to S$0.01 million.

Investments in associates and jointly-controlled entity increased by S$0.07 million mainly attributed to the Group's share of losses from associates and jointly-controlled entity of S$0.43 million and foreign exchange translation gain of S$0.51 million.

Non-current portion of the amount due from an associate relates to receivables due from Geocycle Singapore Pte. Ltd..

Finance lease receivables 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$13.66 million as at 31 October 2013 to S$13.41 million as at 30 April 2014 attributed to billings to and collections from the customer.

The Group's current assets had decreased by S$8.97 million to S$39.25 million as at 30 April 2014 mainly due to lower inventories reclassified as plant and equipment of S$0.67 million, a decrease in trade and other receivables by S$2.01 million mainly attributed to lower revenue recorded under the Resource Recovery segment, other assets by S$1.02 million mainly attributed reduction in deposits placed for purchases of goods as order fulfilment has taken place and cash and cash equivalents by S$5.40 million.

The Group's non-current liabilities had decreased by S$0.28 million mainly due to lower amount of non-current portion of loans and borrowings offset by an increase in provision for retirement benefit obligations.

The Group's current liabilities had decreased by S$7.78 million to S$39.31 million as at 30 April 2014 mainly due to a decrease in trade and other payables by S$1.62 million, other liabilities by S$2.77 million and loans and borrowings by S$3.68 million. The decrease in trade and other payables was mainly attributable to lower purchases by Resource Recovery segment and settlement of payables in the Renewable Energy segment. The decrease in other liabilities was mainly due to advanced billing in excess of costs incurred by Resource Recovery segment. The decrease in the Group's loans and borrowings was mainly due to repayment of loans and borrowings of S$5.36 million, partially offset by drawing of loans and borrowings of S$1.07 million.

Statement of Cash Flow

For the half-year ended 30 April 2014

The Group's cash and cash equivalents decreased by S$5.25 million in 1H FY2014 mainly due to net cash flows generated from operating activities of S$0.52 million, net cash flows used in investing activities of S$1.26 million and financing activities of S$4.51 million.

Cash flows used in investing activities of S$1.26 million comprised mainly the Group's capital expenditure amounted to S$1.39 million in 1H FY2014.

Cash flows used in financing activities of S$4.51 million comprised mainly repayments of loans and borrowings of S$5.36 million and finance costs of S$0.50 million; partially offset by new loans drawn down amounted to S$1.07 million in 1H FY2014.

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

Not applicable.

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.

Resource Recovery segment

The Group's retreaded tyres business under SRIT Group in Malaysia continues to face increasing market competition from imported new tyres supply.

Renewable Energy segment

The Group expects continuous stable consumption of energy by Gardens by the Bay from its biomass co-generation power plant under the Design, Build and Operate Agreement.

Revenue from the Group's biomass co-generation power plant at Sungei Kadut attributed to waste steam applications for drying of spent grains and heating of ISO tankers are also expected to remain stable.

The Group has entered into an Agreement to dispose off 20% equity interests in Wuhan ecoWise Energy Co., Ltd. to its local non-controlling interests.

Following the Group's acquisition of 99% equity interests in Hivern Group on 30 May 2013, the Group has been working with the relevant parties on the details of debts and funding related to the project.

The Group's 65% investment in jointly-controlled entity, Chongqing eco-CTIG Rubber Technology Co., Ltd., is undergoing plant start-up and is expected to commence its commercial operations by the last quarter of the financial year.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the quarter ended 30 April 2014.

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 a general IPT mandate.

14. Confirmation by the Board pursuant to rule 705 (5) of the listing manual

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the half-year ended 30 April 2014 to be false or misleading.

BY ORDER OF THE BOARD

Lee Thiam Seng **Director**	**Low Kian Beng** **Director**

13 June 2014