ECOWISE HOLDINGS LIMITED
Company Registration No. 200209835C

Unaudited Financial Statements And Dividend Announcement for the Second Quarter and Half Year Ended 30 April 2015

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 FY2015 (S$'000)	**Q2 FY2014 (S$'000)**	**% Change**	**1H FY2015 (S$'000)**	**1H FY2014 (S$'000)**	**% Change**
Revenue	15,131	17,738	(14.7%)	30,581	35,317	(13.4%)
Cost of Sales	(11,496)	(13,927)	(17.5%)	(23,933)	(27,842)	(14.0%)
Gross Profit	3,635	3,811	(4.6%)	6,648	7,475	(11.1%)
Other Items of Income						
Finance Income	16	20	(20.0%)	33	37	(10.8%)
Other Gains	77	251	(69.3%)	233	464	(49.8%)
Other Items of Expenses						
Marketing and Distribution Expenses	(858)	(879)	(2.4%)	(1,727)	(1,794)	(3.7%)
Administrative Expenses	(1,808)	(2,302)	(21.5%)	(3,675)	(4,600)	(20.1%)
Finance Costs	(296)	(254)	16.5%	(585)	(524)	11.6%
Other Losses	(179)	(284)	(37.0%)	(276)	(171)	61.4%
Share of Results from Associates and Jointly-Controlled Entity, Net of Tax	(133)	(220)	(39.5%)	(300)	(433)	(30.7%)
Profit Before Income Tax	454	143	217.5%	351	454	(22.7%)
Income Tax Expense	(190)	(258)	(26.4%)	(386)	(428)	(9.8%)
Profit/(Loss) for the Period	264	(115)	n/m	(35)	26	n/m
Other Comprehensive (Loss)						
Exchange Differences on Translating Foreign Operations, Net of Tax	(190)	(1,264)	(85.0%)	(1,586)	(404)	292.6%
Defined benefit plan actuarial gains and losses	-	(104)	n/m	-	(104)	n/m
Effective Portion of Changes in Fair Value of Cash Flow Hedges	-	(5)	n/m	(9)	(13)	(30.8%)
Total Other Comprehensive Loss) for the Period	(190)	(1,373)	(86.2%)	(1,595)	(521)	206.1%
Total Comprehensive Income/(Loss) for the Period	74	(1,488)	n/m	(1,630)	(495)	229.3%

	Group					
	Q2 FY2015 (S$'000)	Q2 FY2014 (S$'000)	% Change	1H FY2015 (S$'000)	1H FY2014 (S$'000)	% Change
Profit/(Loss) for the Period Attributable to:						
Owners of the Company	165	(133)	n/m	(166)	75	n/m
Non-Controlling Interests	99	18	450.0%	131	(49)	n/m
Profit/(Loss) for the Period	264	(115)	n/m	(35)	26	n/m
Total Comprehensive Income/(Loss) for the Period Attributable to:						
Owners of the Company	(16)	(1,520)	(98.9%)	(1,504)	(338)	345.0%
Non-Controlling Interests	90	32	181.3%	(126)	(157)	(19.7%)
Total Comprehensive Income / (Loss) for the Period	74	(1,488)	n/m	(1,630)	(495)	229.3%

"n/m" denotes not meaningful.

1(a) (ii) Notes to Consolidated Statement of Comprehensive Income

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

	Group			
	Q2 FY2015 (S$'000)	**Q2 FY2014 (S$'000)**	**1H FY2015 (S$'000)**	**1H FY2014 (S$'000)**
Finance Lease Income	344	354	691	710
Finance Income – Interest Income	16	20	33	37
Finance Costs	(296)	(254)	(585)	(524)
Depreciation of Property, Plant and Equipment	(619)	(726)	(1,238)	(1,431)
Impairment Loss on Property, Plant and Equipment Reversed	-	-	-	188
Impairment Loss on Assets Held for Sale	(60)	-	(7,371)	-
Extinguishment of Liabilities	-	-	7,217	-
Impairment Loss on Assets Held for Sale, Net	(60)	-	(154)	-
Amortisation of Intangible Assets	(24)	(24)	(48)	(49)
Amortisation of Land Use Rights	(6)	(20)	(13)	(40)
Gain on Disposal of Property, Plant and Equipment	37	62	35	68
Amortisation of Deferred Expenses	-	(1)	-	(3)
Impairment Loss on Other Financial Assets	-	-	-	(26)
Net Fair Value Gain/(Loss) on Derivative Financial Instruments	(69)	17	(15)	128
Foreign Exchange Loss, Net	(136)	(248)	(107)	(135)
Government Grant Income	88	47	88	71
Adjustments for Over Provision for Taxation in Respect of Prior Years	59	2	50	96
Provision for Retirement Benefit Obligations Expenses, Net	(11)	21	(39)	(53)
Amortisation of Deferred Income	6	2	10	4
Equity-Settled Share-Based Expenses	-	(48)	-	(48)
Allowance for Doubtful Receivables-(Made)/Reversed	30	(35)	37	(9)
Allowance for Inventory Obsolescence –(Made)/Reversed	(9)	37	(21)	12

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 2015 (S$'000)	31 October 2014 (S$'000)	30 April 2015 (S$'000)	31 October 2014 (S$'000)
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	26,404	27,149	338	372
Intangible Assets	1,600	1,732	-	-
Land Use Rights	1,077	1,068	-	-
Investments in Subsidiaries	-	-	41,154	41,634
Investments in Associates	4,484	4,862	-	-
Investment in Jointly-Controlled Entity	3,802	3,923	-	-
Other Financial Assets	1,057	1,057	-	-
Finance Lease Receivables	12,236	12,543	-	-
Trade and Other Receivable	635	635	-	-
Deferred Tax Assets	205	284		-
Total Non-Current Assets	51,500	53,253	41,492	42,006
Current Assets				
Assets Held for Sale	5,004	12,272	-	-
Inventories	8,394	8,719	-	-
Income Tax Receivables	567	435	-	12
Trade and Other Receivables	15,955	17,035	7,945	5,140
Finance Lease Receivables	625	593	-	-
Derivative Financial Instruments	2	16	-	-
Other Assets	850	856	101	88
Cash and Cash Equivalents	9,191	11,402	247	1,024
Total Current Assets	40,588	51,328	8,293	6,264
Total Assets	92,088	104,581	49,785	48,270
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	47,335	46,191	47,335	46,191
Accumulated Losses	(823)	(657)	(4,369)	(4,172)
Other Reserves	(413)	1,069	-	144
Equity Attributable to Owners of the Company	46,099	46,603	42,966	42,163
Non-Controlling Interests	3,169	3,446	-	-
Total Equity	49,268	50,049	42,966	42,163
LIABILITIES				
Non-Current Liabilities				
Provision for Retirement Benefit Obligations	699	704	-	-
Loans and Borrowings	12,788	14,137	33	43
Deferred Tax Liabilities	2,465	2,583	-	-
Deferred Income	33	39	-	-
Total Non-Current Liabilities	15,985	17,463	33	43

	Group		Company	
	30 April 2015 (S$'000)	31 October 2014 (S$'000)	30 April 2015 (S$'000)	31 October 2014 (S$'000)
Current Liabilities				
Income Tax Payable	591	521	38	30
Trade and Other Payables	12,830	23,291	3,713	3,394
Other Liabilities	769	770	-	-
Derivative Financial Instruments	31	4	-	-
Loans and Borrowings	12,602	12,467	3,035	2,640
Deferred Income	12	16	-	-
Total Current Liabilities	26,835	37,069	6,786	6,064
Total Liabilities	42,820	54,532	6,819	6,107
Total Equity and Liabilities	92,088	104,581	49,785	48,270

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

	Group			
	As at 30 April 2015		As at 31 October 2014	
	Secured	Unsecured	Secured	Unsecured
	(S$'000)	(S$'000)	(S$'000)	(S$'000)
Amount repayable in one year or less, or on demand	9,591	3,011	9,656	2,811
Amount repayable after one year	12,788	-	14,137	-

Details of any collateral

As at 30 April 2015, secured loans and borrowings comprised:

- Finance lease liabilities of S$3,454,000 (31 October 2014: S$4,001,000) were secured by the lessors' charge over the leased assets.
- Loans and borrowings of S$9,060,000 (31 October 2014: S$8,901,000) were secured by property, plant and equipment and assets of certain subsidiaries in Malaysia.
- Loans and borrowings of S$341,000 (31 October 2014: S$388,000) were secured by property, plant and equipment of subsidiaries in Singapore.
- Loans and borrowings of S$8,677,000 (31 October 2014: S$9,486,000) 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 power 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$847,000 (31 October 2014: S$1,017,000) 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.

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 FY2015 (S$'000)	Q2 FY2014 (S$'000)	1H FY2015 (S$'000)	1H FY2014 (S$'000)
Cash Flows From Operating Activities				
Profit Before Income Tax	454	143	351	454
Depreciation of Property, Plant and Equipment	619	726	1,238	1,431
Gain on Disposal of Property, Plant and Equipment	(37)	(62)	(35)	(68)
Impairment Loss on Property, Plant and Equipment Reversed	-	-	-	(188)
Amortisation of Intangible Assets	24	24	48	49
Amortisation of Land Use Rights	6	20	13	40
Share of Results from Associates, Net of Tax	133	220	300	433
Impairment Loss on Other Financial Assets	-	-	-	26
Impairment Loss on Assets Held for Sale	60	-	7,371	-
Extinguishment of Liabilities	-	-	(7,217)	-
	60	-	154	-
Net Fair Value (Gain)/Loss on Derivative Financial Instruments	52	38	15	(49)
Amortisation of Deferred Expenses	-	1	-	3
Provision for Retirement Benefit Obligations Expenses, Net	11	(21)	39	53
Amortisation of Deferred Income	(6)	(2)	(10)	(4)
Finance Lease Income	(344)	(354)	(691)	(710)
Finance Income	(16)	(20)	(33)	(37)
Finance Costs	296	254	585	524
Equity-Settled Share-Based Expenses	-	48	-	48
Operating Cash Flows Before Changes in Working Capital	1,252	1,015	1,974	2,005
Inventories	197	709	(61)	(48)
Trade and Other Receivables	674	357	672	1,876
Finance Lease Receivables	139	128	275	255
Other Assets	79	-	6	1,043
Trade and Other Payables	(653)	(336)	(2,594)	(1,790)
Other Liabilities	-	(683)	(1)	(2,765)
Finance Lease Income Received	344	354	691	710
Retirement Benefit Obligations Paid	-	-	(25)	(5)
Net Cash Flows From Operations Before Income Tax	2,032	1,544	937	1,281
Income Tax Paid	(258)	(559)	(416)	(760)
Net Cash Flows From Operating Activities	1,774	985	521	521
Cash Flows From Investing Activities				
Acquisition of Property, Plant and Equipment	(650)	(848)	(1,620)	(1,386)
Proceeds from Disposal of Property, Plant and Equipment	55	14	55	80
Proceeds from Disposal of Other Financial Assets	-	8	-	8
Interest Income Received	16	20	33	37
Net Cash Flows Used In Investing Activities	(579)	(806)	(1,532)	(1,261)

	Group			
	Q2 FY2015 (S$'000)	Q2 FY2014 (S$'000)	1H FY2015 (S$'000)	1H FY2014 (S$'000)
Cash Flows From Financing Activities				
Proceeds from Loans and Borrowings	128	304	911	1,070
Repayments of Loans and Borrowings	(1,366)	(2,744)	(2,013)	(5,356)
Interest Expenses Paid	(294)	(250)	(548)	(499)
Dividends Paid to Non-Controlling Interests of Subsidiaries	(151)	(207)	(151)	(207)
(Increase)/Decrease in Cash Restricted in Use Over 3 Months[(b)]	10	(11)	(49)	484
Net Cash Flows Used In Financing Activities	(1,673)	(2,908)	(1,850)	(4,508)
Net Decrease in Cash and Cash Equivalents	(478)	(2,729)	(2,861)	(5,248)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(80)	(24)	155	135
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	8,148	12,159	10,296	14,519
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	7,590	9,406	7,590	9,406
Cash and Cash Equivalents in the Statement of Cash Flows				
Cash and Cash Equivalents	9,191	9,876	9,191	9,876
Cash Restricted in Use	(614)	(267)	(614)	(267)
Bank Overdrafts	(987)	(203)	(987)	(203)
Cash and Cash Equivalents At End of Period	7,590	9,406	7,590	9,406

(a) Comprised bank balances set aside for payments to specific creditors.
(b) Comprised fixed deposits held by banks for revolving banking and credit facilities.
(c) Included in cash and cash equivalents were fixed deposits of S$1,709,000 (30 April 2014: S$1,926,000).

Non-Cash Transactions

Property, plant and equipment amounting to S$NIL (1H FY2014: 148,000) were acquired through finance leases.

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 2014	46,191	(657)	1,069	46,603	3,446	50,049
Movements in Equity						
Total Comprehensive Loss for the Period	-	(166)	(1,338)	(1,504)	(126)	(1,630)
Dividends Paid to Non-Controlling Interests of Subsidiaries	-	-	-	-	(151)	(151)
Issue of Ordinary Shares	1,000	-	-	1,000	-	1,000
Issue of Ordinary Shares under ecoWise Performance Share Plan	144	-	(144)	-	-	-
	1,144	(166)	(1,482)	(504)	(277)	(781)
At 30 April 2015	47,335	(823)	(413)	46,099	3,169	49,268
Previous 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

	Share Capital (S$'000)	Retained Earnings (S$'000)	Other Reserves (S$'000)	Total Equity (S$'000)
Company				
Current Period				
At 1 November 2014	46,191	(4,172)	144	42,163
Movements in Equity				
Total Comprehensive Loss for the Period	-	(197)	-	(197)
Equity-Settled Share-Based Expenses	-	-	(144)	(144)
Issue of Ordinary Shares	1,000	-	-	1,000
Issue of Ordinary Shares under ecoWise Performance Share Plan	144	-	-	144
	1,144	(197)	(144)	803
At 30 April 2015	47,335	(4,369)	-	42,966
Previous 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

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 2014	926,697,315	46,191
Issue of Ordinary Shares under ecoWise Performance Share Plan	2,000,000	144
Issue of Ordinary Shares as consideration shares	14,285,714	1,000
At 30 April 2015	942,983,029	47,335

Pursuant to the share awards granted on 29 January 2014 under ecoWise Performance Share Plan, the Company had on 17 November 2014 issued and allotted 2,000,000 ordinary shares in the share capital of the Company to an eligible participant in accordance with the vesting criteria

As at 30 April 2015, the number of outstanding share awards under ecoWise Performance Share Plan was Nil (30 April 2014: 2,000,000).

Refer to the earlier announcements dated 8 December 2014, 22 December 2014 and 26 January 2015 in relation to the entry of an Assignment Agreement with Philip Ventures Enterprise Fund 2 Ltd and Zhang Gong Jun ("the Assignors"), the company had on 2 February 2015 issued and allocated 14,285,714 ordinary shares in the share capital of the company to the Assignor.

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 942,983,029 ordinary shares as at 30 April 2015 and (31 October 2014: 926,697,315 ordinary shares).

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 2015, 31 October 2014 and 30 April 2014.

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.

Except for the adoption of the new and revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are effective for the period beginning on 1 November 2014 (see item 5), the Group and the Company have applied the same accounting policies and methods of computation and in the preparation of the financial statements for the current period as compared with the audited financial statements for the year ended 31 October 2014.

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.

The adoption of new and revised FRS and INT FRS that are effective for the period beginning 1 November 2014 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 profit for the period attributable to owners of the Company:

	Group			
	Q2 FY2015 (cents)	**Q2 FY2014 (cents)**	**1H FY2015 (cents)**	**1H FY2014 (cents)**
(i) Based on weighted average number of ordinary shares in issue	0.018	(0.014)	(0.018)	0.008
(ii) On a fully diluted basis	0.018	(0.014)	(0.018)	0.008

Earnings per share for the quarter ended 30 April 2015

Basic earnings per share for Q2 FY2015 is calculated based on the profit attributable to owners of the Company of S$165,000 (Q2 FY2014: loss attributable to owners of the Company of S$133,000) and on 942,983,029 (Q2 FY2014: 926,697,315) weighted average number of ordinary shares in issue during the period.

Fully diluted earnings per share for Q2 FY2015 is calculated based on 942,983,029 (Q2 FY2014: 928,697,315) weighted average number of ordinary shares in issue and shares that are contingently issuable during the period.

Earnings per share for the half-year ended 30 April 2015

Basic earnings per share for 1H FY2015 is calculated based on the loss attributable to owners of the Company of S$166,000 (1H FY2014: profit attributable to owners of the Company of S$75,000) and on 939,096,683 (1H FY2014: 926,697,315) weighted average number of ordinary shares in issue during the period.

Fully diluted earnings per share for 1H FY2015 is calculated based on 939,096,683 (1H FY2014: 928,697,315) 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 2015 (cents)	**31 October 2014 (cents)**	**30 April 2015 (cents)**	**31 October 2014 (cents)**
Net asset value per ordinary share at end of period/year	4.89	5.03	4.56	4.54

The Group's net asset value per ordinary share was calculated based on net assets attributable to owners of the Company of S$46,099,000 (31 October 2014: S$46,603,000) and 942,983,029 (31 October 2014: 926,697,315) ordinary shares.

The Company's net asset value per ordinary share was calculated based on net assets of S$42,966,000 (31 October 2014: S$42,163,000) and 942,983,029 (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 FY2015 (S$'000)	**Q2 FY2014 (S$'000)**	**% Change**	**1H FY2015 (S$'000)**	**1H FY2014 (S$'000)**	**% Change**
Revenue						
Renewable Energy Segment	2,676	2,701	(0.9%)	5,276	5,173	2.0%
Resource Recovery Segment	12,122	14,841	(18.3%)	24,726	29,619	(16.5%)
Integrated Environmental Management Solutions Segment	333	196	69.9%	579	525	10.3%
Total	15,131	17,738	(14.7%)	30,581	35,317	(13.4%)

The Group's revenue for the second quarter ended 30 April 2015 ("Q2 FY2015") of S$15.1 million was S$2.6 million or 14.7% lower as compared to the corresponding period of last financial year ("Q2 FY2014"). The Group's revenue for the half-year ended 30 April 2015 ("1H FY2014") of S$30.58 million was S$4.74 million or 13.4% lower as compared to the corresponding period of last financial year ("1H FY2014").

The Q2 FY2015 revenue decreased by 14.7% mainly due to lower revenue recorded by the Resource Recovery segment. The sales recorded by the Group's rubber compounds and retreaded tyres businesses under Sunrich Integrated Sdn. Bhd. and its subsidiaries ("SRIT Group") had decreased due to lower export volume and lower prices as a result of lower raw material prices and lower retreaded tyres prices as compared to Q2 FY2014.

The 1H FY2015 revenue decreased by 13.4% mainly due to lower revenue recorded by the Resource Recovery segment. The sales recorded by the Group's rubber compounds and retreaded tyres businesses under Sunrich Integrated Sdn. Bhd. and its subsidiaries ("SRIT Group") had decreased due to lower export volume and lower prices as a result of lower raw material prices and lower retreaded tyres sales volumes and prices as compared to 1H FY 2014.

The Group's gross profit margin of 24.0% for Q2 FY2015 was higher as compared to 21.5% in Q2 FY 2014 mainly due to higher margin from the Renewable Energy Segment. Due to lower revenue, the Group's gross profit of S$3.64 million for Q2 FY2015 was S$0.18 million lower as compared to Q2 FY2014.

The Group's overall gross profit decreased by S$0.83 million to S$6.65 million in 1H FY2015 as a result of lower revenue. This was mainly attributed to lower revenue from the Resource Recovery segment from the sale of retreaded tyres and rubber compounds.

Other gains decreased by S$0.17 million to S$0.07 million in Q2 FY2015 consist mainly of gain on disposal of property, plant and equipment of S$0.04 million, government grant of S$0.09 million and reversal of allowance for doubtful receivables of S$0.03 million, slightly offset by net fair value loss on derivative financial instruments of S$0.7 million.

Other gains decreased by $0.23 million to S$0.23 million in 1H FY2015 consist mainly of gain on disposal of fixed assets of S$0.03 million, government grant of S$0.09 million, reversal of allowance for doubtful receivables of S$0.04 million and forfeiture of buyers deposit of S$0.06 million .

Marketing and distribution expenses decreased by 2.4% and 3.7% respectively to S$0.86 million in Q2 FY2015 and S$1.73 million in 1H FY2015 mainly due to lower commission and travelling expenses.

Administrative expenses decreased by 21.5% to S$1.81 million in Q2 FY2015 mainly due to lower manpower related cost including provision for bonus (decreased by S$0.43 million) and lower depreciation expenses (decreased by S$0.12 million).

Administrative expenses decreased by 20.1% to S$3.68 million in 1H FY2015 mainly due to lower manpower related costs including provision for bonus (decreased by S$0.56 million), lower depreciation expenses (decreased by S$0.23 million) and legal and professional fees (decreased by S$0.16 million).

Depreciation expenses decreased by 14.7% to S$0.62 million in Q2 FY2015 and by 13.5% to S$1.24 million in 1H FY2015 mainly due to lower depreciable assets, as compare with Q2 FY2014 and 1H FY 2014, as a result of impairment of assets in Renewable Energy segment in the last two quarters of FY2014.

Finance costs increased by 16.5% and 11.6% respectively to S$0.30 million in Q2 FY2015 and S$0.59 million in 1H FY2015 mainly due to higher loans and borrowings in Resource Recovery segment for the Advance Rubber Mixing Plant in Malaysia.

Other losses decreased by 37.0% to S$0.18 million in Q2 FY2015 mainly due to lower of foreign exchange loss of S$0.11 million.

Other losses increased by 61.4% to S$0.27 million in 1H FY2015 mainly due to impairment loss on assets held for sale (net) of S$0.15 million.

Share of losses from associates and jointly-controlled entity comprised the Group's share of losses of S$0.13 million in Q2 FY2015 and S$0.30 million in 1H FY2015 were mainly due to the Group's share of losses incurred by Chongqing eco-CTIG Rubber Technology Co., Ltd., Geocycle Singapore Pte. Ltd. and China-UK Low Carbon Enterprise Co, Ltd.

The Group recorded higher profit before tax of S$0.45 million in Q2 FY2015 (Q2 FY2014: S$0.14 million) mainly due to lower administrative expenses (including lower depreciation) offset by lower gross profit.

The Group recorded lower profit before tax of S$0.35 million in 1H FY2015 (1H FY2014: S$0.45 million) mainly due to lower revenue and lower administrative expenses (including lower depreciation).

The Group recorded income tax expense of S$0.19 million in Q2 FY2015 and S$0.39 million in 1H FY2015, comprised mainly of taxation charges from taxable profit of Resources Recovery segment and Singapore Renewable Energy segment.

As a result of the above factors, the Group recorded a profit of S$0.26 million in Q2 FY2015 as compared to loss of S$0.12 million in Q2 FY2014 and a loss of $0.04 million in 1H FY 2015 as compared to profit of S$0.03 million in 1H FY 2014.

Statement of Financial Position

The Group's non-current assets decreased by S$1.75 million to S$51.5 million as at 30 April 2015.

The Group's property, plant and equipment decreased by S$0.75 million to S$26.4 million as at 30 April 2015 mainly attributable to depreciation charges of S$1.24 million and effects of movements in foreign exchange rates of S$1.11 million, partially offset by the acquisition of plant and equipment of S$1.62 million. Effects of movements in foreign exchange rate loss were mainly attributable to property, plant and equipment held by SRIT Group in Malaysia.

Investment in associates and jointly-controlled entity decrease by S$0.5 million mainly attributed to the Group's share of losses from associates and jointly-controlled entity of S$0.3 million and foreign exchange translation loss of S$0.2 million.

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$13.14 million as at 31 October 2014 to S$12.86 million as at 30 April 2015 attributed to billings to and collections from the customer.

The Group's current assets decreased by S$10.74 million to S$40.58 million as at 30 April 2015 mainly due to decrease in recoverable amount of assets held for sale by S$7.27 million, trade and other receivables by S$1.08 million and cash and cash equivalents by S$2.21 million.

As a result of extinguishment of liabilities by S$7.22 million and, consequently, the impairment loss on assets held for sale of S$7.37 million, as detailed in paragraph 1(a)(ii), assets held for sale in connection with the Hivern's and its subsidiary's assets had decreased by S$7.27 million.

Trade and other receivables decreased by S$1.08 million mainly attributable to lower revenue recorded under Resources Recovery segment.

The Group's non-current liabilities decreased by S$1.48 million mainly due to repayment of loan and borrowings.

The Group's current liabilities decreased by S$10.23 million to S$26.84 million as at 30 April 2015 mainly due to a decrease in trade and other payables by S$10.46 million. The decrease in trade and other payables was mainly attributable to extinguishment of Hivern's liabilities of S$7.22 million and settlement of payables by both Renewable Energy and Resource Recovery segments.

Statement of Cash Flow

For the half-year ended 30 April 2015

The Group's cash and cash equivalents decreased by S$2.86 million in 1H FY2015 mainly due to net cash flows generated from operating activities of S$0.52 million, net cash flows used in investing activities of S$1.53 million and financing activities of S$1.85 million.

Cash flows used in investing activities of S$1.53 million comprised mainly the Group's capital expenditure on property, plant and equipment amounted to S$1.62 million in 1H FY2015, sales proceeds received from the disposal of plant and equipment amounted to S$0.06 million and interest income received from finance lease amounted to S$0.03 million. The Group capital expenditure is primary concentrated in the Resources Recovery segment.

Cash flows used in financing activities of S$1.85 million comprised mainly repayments of loans and borrowings of S$2.01 million and finance costs of S$0.55 million; partially offset by new loans drawn down amounted to S$0.91 million in 1H FY2015.

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 rubber compound and retreaded tyres business under SRIT Group continues to face challenging market conditions due to economic uncertainties in the markets we operate.

The commencement of commercial operation of the Advance Rubber Mixing Plant in May 2015 will enhance SRIT Group technology capabilities, improve operation efficiencies and enlarge its plant capacity.

The Group's 65% investment in Chongqing eco-CTIG Rubber Technology Co., Ltd. ("CECRT") started commercial operations last year and expects to secure more Total Tyre Management service contracts with the bus companies of our local partner.

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.

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

None.

(d) Books closure date

None.

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 2015.

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 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

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