ECOWISE HOLDINGS LIMITED
Company Registration No. 200209835C

Unaudited Financial Statements And Dividend Announcement for the Third Quarter and Period Ended 31 July 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					
	Q3 FY2015 (S$'000)	Q3 FY2014 (S$'000)	% Change	YTD FY2015 (S$'000)	YTD FY2014 (S$'000)	% Change
Revenue	15,943	20,122	(20.8%)	46,524	55,439	(16.1%)
Cost of Sales	(12,419)	(15,933)	(22.1%)	(36,352)	(43,775)	(17.0%)
Gross Profit	3,524	4,189	(15.9%)	10,172	11,664	(12.8%)
Other Items of Income						
Finance Income	15	18	(16.7%)	48	55	(12.7%)
Other Gains	326	114	186.0%	559	272	105.5%
Other Items of Expenses						
Marketing and Distribution Expenses	(808)	(1,001)	(19.3%)	(2,535)	(2,795)	(9.3%)
Administrative Expenses	(1,914)	(2,780)	(31.2%)	(5,589)	(7,380)	(24.3%)
Finance Costs	(303)	(258)	17.4%	(888)	(782)	13.6%
Other Losses	86	(5,942)	n/m	(190)	(5,807)	(96.7%)
Share of Results from Associates and Jointly-Controlled Entity, Net of Tax	(273)	(162)	68.5%	(573)	(595)	(3.7%)
Profit Before Income Tax	653	(5,822)	n/m	1,004	(5,368)	n/m
Income Tax Expense	(170)	(372)	(54.3%)	(556)	(800)	(30.5%)
Profit/(Loss) for the Period	483	(6,194)	n/m	448	(6,168)	n/m
Other Comprehensive Loss						
Exchange Differences on Translating Foreign Operations, Net of Tax	(879)	720	n/m	(2,465)	316	n/m
Defined benefit plan actuarial gains and losses	-	-	n/m	-	(104)	n/m
Effective Portion of Changes in Fair Value of Cash Flow Hedges	67	39	71.8%	58	26	123.1%
Total Other Comprehensive (Loss)/Income for the Period	(812)	759	n/m	(2,407)	238	n/m
Total Comprehensive Loss for the Period	(329)	(5,435)	(94.0%)	(1,959)	(5,930)	(67.0%)

	Group					
	Q3 FY2015 (S$'000)	Q3 FY2014 (S$'000)	% Change	YTD FY2015 (S$'000)	YTD FY2014 (S$'000)	% Change
Profit/(Loss) for the Period Attributable to:						
Owners of the Company	410	(5,950)	n/m	244	(5,875)	n/m
Non-Controlling Interests	73	(244)	n/m	204	(293)	n/m
Profit/(Loss) for the Period	483	(6,194)	n/m	448	(6,168)	n/m
Total Comprehensive Loss for the Period Attributable to:						
Owners of the Company	(215)	(5,263)	(95.9%)	(1,719)	(5,601)	(69.3%)
Non-Controlling Interests	(114)	(172)	(33.7%)	(240)	(329)	(27.1%)
Total Comprehensive Loss for the Period	(329)	(5,435)	(94.0%)	(1,959)	(5,930)	(67.0%)

"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			
	Q3 FY2015 (S$'000)	Q3 FY2014 (S$'000)	YTD FY2015 (S$'000)	YTD FY2014 (S$'000)
Finance Lease Income	341	351	1,032	1,061
Finance Income – Interest Income	15	18	48	55
Finance Costs	(303)	(258)	(888)	(782)
Depreciation of Property, Plant and Equipment	(770)	(709)	(2,008)	(2,140)
Impairment Loss on Property, Plant and Equipment	-	(5,921)	-	(5,733)
Impairment Loss on Assets Held for Sale	(35)	-	(7,406)	-
Extinguishment of Liabilities	-	-	7,217	-
Impairment Loss on Assets Held for Sale, Net	(35)	-	(189)	-
Amortisation of Intangible Assets	(23)	(25)	(71)	(74)
Amortisation of Land Use Rights	(6)	(20)	(19)	(60)
Gain on Disposal of Property, Plant and Equipment	(1)	-	34	68
Amortisation of Deferred Expenses	-	(2)	-	(5)
Impairment Loss on Other Financial Assets	-	(1)	-	(27)
Net Fair Value Gain/(Loss) on Derivative Financial Instruments	41	(21)	26	107
Foreign Exchange Gain/(Loss), Net	405	87	298	(48)
Government Grant Income	-	-	88	71
Adjustments for (Under)/ Over Provision for Taxation in Respect of Prior Years	42	(17)	92	79
Provision for Retirement Benefit Obligations Expenses, Net	(11)	(14)	(50)	(68)
Amortisation of Deferred Income	4	2	14	6
Equity-Settled Share-Based Expenses	-	(48)	-	(96)
Allowance for Doubtful Receivables-(Made)/Reversed	(1)	23	36	14
Allowance for Inventory Obsolescence – Made	(13)	(106)	(34)	(94)

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	
	31 July 2015 (S$'000)	31 October 2014 (S$'000)	31 July 2015 (S$'000)	31 October 2014 (S$'000)
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	25,782	27,149	319	372
Intangible Assets	1,531	1,732	-	-
Land Use Rights	1,110	1,068	-	-
Investments in Subsidiaries	-	-	41,103	41,634
Investments in Associates	4,639	4,862	-	-
Investment in Jointly-Controlled Entity	3,736	3,923	-	-
Other Financial Assets	1,057	1,057	-	-
Finance Lease Receivables	12,080	12,543	-	-
Trade and Other Receivable	635	635	-	-
Deferred Tax Assets	191	284		-
Total Non-Current Assets	50,761	53,253	41,422	42,006
Current Assets				
Assets Held for Sale	5,137	12,272	-	-
Inventories	9,067	8,719	-	-
Income Tax Receivables	689	435	-	12
Trade and Other Receivables	17,225	17,035	8,430	5,140
Finance Lease Receivables	638	593	-	-
Derivative Financial Instruments	76	16	-	-
Other Assets	806	856	113	88
Cash and Cash Equivalents	7,579	11,402	374	1,024
Total Current Assets	41,217	51,328	8,917	6,264
Total Assets	91,978	104,581	50,339	48,270
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	47,335	46,191	47,335	46,191
Accumulated Losses	(431)	(657)	(4,467)	(4,172)
Other Reserves	(1,038)	1,069	-	144
Equity Attributable to Owners of the Company	45,866	46,603	42,868	42,163
Non-Controlling Interests	3,060	3,446	-	-
Total Equity	48,926	50,049	42,868	42,163
LIABILITIES				
Non-Current Liabilities				
Provision for Retirement Benefit Obligations	696	704	-	-
Loans and Borrowings	11,947	14,137	28	43
Deferred Tax Liabilities	2,420	2,583	-	-
Deferred Income	31	39	-	-
Total Non-Current Liabilities	15,094	17,463	28	43

	Group		Company	
	31 July 2015 (S$'000)	31 October 2014 (S$'000)	31 July 2015 (S$'000)	31 October 2014 (S$'000)
Current Liabilities				
Income Tax Payable	560	521	28	30
Trade and Other Payables (Note 1)	13,042	23,291	4,367	3,394
Other Liabilities	769	770	-	-
Derivative Financial Instruments	-	4	-	-
Loans and Borrowings	13,577	12,467	3,048	2,640
Deferred Income	10	16	-	-
Total Current Liabilities	27,958	37,069	7,443	6,064
Total Liabilities	43,052	54,532	7,471	6,107
Total Equity and Liabilities	91,978	104,581	50,339	48,270

Note 1: Trade and Other Payables included liabilities related to Assets Held for Sale of S$3,311,000 (31 Oct 2014: S$13,067,000).

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

	Group			
	As at 31 July 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	10,549	3,028	9,656	2,811
Amount repayable after one year	11,947	-	14,137	-

Details of any collateral

As at 31 July 2015, secured loans and borrowings comprised:

- Finance lease liabilities of S$3,257,000 (31 October 2014: S$4,001,000) were secured by the lessors' charge over the leased assets.
- Loans and borrowings of S$10,240,000 (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$317,000 (31 October 2014: S$388,000) were secured by property, plant and equipment of subsidiaries in Singapore.
- Loans and borrowings of S$8,272,000 (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$410,000 (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			
	Q3 FY2015 (S$'000)	Q3 FY2014 (S$'000)	YTD FY2015 (S$'000)	YTD FY2014 (S$'000)
Cash Flows From Operating Activities				
Profit/(Loss) Before Income Tax	653	(5,822)	1,004	(5,368)
Depreciation of Property, Plant and Equipment	770	709	2,008	2,140
Gain on Disposal of Property, Plant and Equipment	1	-	(34)	(68)
Impairment Loss on Property, Plant and Equipment	-	5,921	-	5,733
Amortisation of Intangible Assets	23	25	71	74
Amortisation of Land Use Rights	6	20	19	60
Share of Results from Associates and Jointly-Controlled Entity, Net of Tax	273	162	573	595
Impairment Loss on Other Financial Assets	-	1	-	27
Impairment Loss on Assets Held for Sale	35	-	7,406	-
Extinguishment of Liabilities	-	-	(7,217)	-
	35	-	189	-
Net Fair Value (Gain)/Loss on Derivative Financial Instruments	(41)	(2)	(26)	(51)
Amortisation of Deferred Expenses	-	2	-	5
Provision for Retirement Benefit Obligations Expenses, Net	11	14	50	68
Amortisation of Deferred Income	(4)	(2)	(14)	(6)
Finance Lease Income	(341)	(351)	(1,032)	(1,061)
Finance Income	(15)	(18)	(48)	(55)
Finance Costs	303	258	888	782
Equity-Settled Share-Based Expenses	-	48	-	96
Operating Cash Flows Before Changes in Working Capital	1,674	965	3,648	2,971
Inventories	(891)	250	(952)	202
Trade and Other Receivables	(1,619)	8	(947)	1,884
Finance Lease Receivables	143	133	418	388
Other Assets	36	(1,356)	42	(313)
Trade and Other Payables	(179)	527	(2,773)	(1,264)
Other Liabilities	-	799	(1)	(1,966)
Finance Lease Income Received	341	351	1,032	1,061
Retirement Benefit Obligations Paid	-	-	(25)	(5)
Increase in Cash Restricted in Use Over 3 Months[(a)]	-	(10)	-	(10)
Net Cash Flows (Used In)/From Operations Before Income Tax	(495)	1,667	442	2,948
Income Tax Paid	(77)	(294)	(493)	(1,054)
Net Cash Flows (Used In)/From Operating Activities	(572)	1,373	(51)	1,894
Cash Flows From Investing Activities				
Acquisition of Property, Plant and Equipment	(660)	(2,274)	(2,280)	(3,660)
Proceeds from Disposal of Property, Plant and Equipment	1	-	56	80
Proceeds from Disposal of Other Financial Assets	-	1	-	9
Interest Income Received	15	18	48	55
Net Cash Flows Used In Investing Activities	(644)	(2,255)	(2,176)	(3,516)

	Group			
	Q3 FY2015 (S$'000)	Q3 FY2014 (S$'000)	YTD FY2015 (S$'000)	YTD FY2014 (S$'000)
Cash Flows From Financing Activities				
Proceeds from Loans and Borrowings	571	2,000	1,482	3,070
Repayments of Loans and Borrowings	(681)	(1,665)	(2,694)	(7,021)
Interest Expenses Paid	(289)	(229)	(837)	(728)
Loan to Jointly- Controlled Entity	(221)	-	(221)	-
Acquisition of Non-Controlling Interests without Change in Control	-	(125)	-	(125)
Dividends Paid to Non-Controlling Interests of Subsidiaries	(15)	-	(165)	(207)
(Increase)/Decrease in Cash Restricted in Use Over 3 Months[(b)]	(48)	(297)	(97)	187
Net Cash Flows Used In Financing Activities	(683)	(316)	(2,532)	(4,824)
Net Decrease in Cash and Cash Equivalents	(1,899)	(1,198)	(4,759)	(6,446)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(242)	(99)	(88)	36
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	7,590	9,406	10,296	14,519
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	5,449	8,109	5,449	8,109
Cash and Cash Equivalents in the Statement of Cash Flows				
Cash and Cash Equivalents	7,579	9,639	7,579	9,639
Cash Restricted in Use	(663)	(575)	(663)	(575)
Bank Overdrafts	(1,467)	(955)	(1,467)	(955)
Cash and Cash Equivalents At End of Period	5,449	8,109	5,449	8,109

(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$1,675,000 (31 July 2014: S$1,758,000).

Non-Cash Transactions

Property, plant and equipment amounting to S$115,000 (YTD FY2014: S$1,462,000) 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	-	244	(1,963)	(1,719)	(240)	(1,959)
Acquisition of Interest in Subsidiary from Non-Controlling Interests With No Change In Control	-	(18)	-	(18)	18	-
Dividends Paid to Non-Controlling Interests of Subsidiaries	-	-	-	-	(164)	(164)
Issue of Ordinary Shares	1,000	-	-	1,000	-	1,000
Issue of Ordinary Shares under ecoWise Performance Share Plan	144	-	(144)	-	-	-
	1,144	226	(2,107)	(737)	(386)	(1,123)
At 31 July 2015	47,335	(431)	(1,038)	45,866	3,060	48,926
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	-	(5,967)	366	(5,601)	(329)	(5,930)
Equity-Settled Share-Based Expenses	-	-	96	96	-	96
Acquisition of Interest in Subsidiary from Non-Controlling Interests	-	-	(11)	(11)	(114)	(125)
Dividends to Owners of the Company	-	(463)	-	(463)	-	(463)
Dividends Paid to Non-Controlling Interests of Subsidiaries	-	-	-	-	(207)	(207)
	-	(6,430)	451	(5,979)	(650)	(6,629)
At 31 July 2014	46,191	192	1,148	47,531	6,485	54,016

	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	-	(295)	-	(295)
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	(295)	(144)	705
At 31 July 2015	47,335	(4,467)	-	42,868
Previous Period				
At 1 November 2013	46,191	2,155	-	48,346
Movements in Equity				
Total Comprehensive Loss for the Period	-	(5,825)	-	(5,825)
Equity-Settled Share-Based Expenses	-	-	96	96
Dividends to Owners of the Company	-	(463)	-	(463)
	-	(6,288)	96	(6,192)
At 31 July 2014	46,191	(4,133)	96	42,154

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 settlement of debt	14,285,714	1,000
At 31July 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 31 July 2015, the number of outstanding share awards under ecoWise Performance Share Plan was Nil (31 July 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 31 July 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 31 July 2015, 31 October 2014 and 31 July 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			
	Q3 FY2015 (cents)	**Q3 FY2014 (cents)**	**YTD FY2015 (cents)**	**YTD FY2014 (cents)**
(i) Based on weighted average number of ordinary shares in issue	0.044	(0.642)	0.026	(0.634)
(ii) On a fully diluted basis	0.044	(0.641)	0.026	(0.633)

Earnings per share for the quarter ended 31 July 2015

Basic earnings per share for Q3 FY2015 is calculated based on the profit attributable to owners of the Company of S$410,000 (Q3 FY2014: loss attributable to owners of the Company of S$5,950,000) and on 942,983,029 (Q3 FY2014: 926,697,315) weighted average number of ordinary shares in issue during the period.

Fully diluted earnings per share for Q3 FY2015 is calculated based on 942,983,029 (Q3 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 nine month ended 31 July 2015

Basic earnings per share for YTD FY2015 is calculated based on the profit attributable to owners of the Company of S$244,000 (YTD FY2014: loss attributable to owners of the Company of S$5,875,000) and on 940,406,368 (YTD FY2014: 926,697,315) weighted average number of ordinary shares in issue during the period.

Fully diluted earnings per share for YTD FY2015 is calculated based on 939,096,683 (YTD 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	
	31 July 2015 (cents)	**31 October 2014 (cents)**	**31 July 2015 (cents)**	**31 October 2014 (cents)**
Net asset value per ordinary share at end of period/year	4.86	5.03	4.55	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$45,867,000 (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$42,868,000 (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					
	Q3 FY2015 (S$'000)	**Q3 FY2014 (S$'000)**	**% Change**	**YTD FY2015 (S$'000)**	**YTD FY2014 (S$'000)**	**% Change**
Revenue						
Renewable Energy Segment	2,772	2,604	6.5%	8,048	7,777	3.5%
Resource Recovery Segment	12,751	17,318	(26.4%)	37,477	46,937	(20.2%)
Integrated Environmental Management Solutions Segment	420	200	110.0%	999	725	37.8%
Total	15,943	20,122	(20.8%)	46,524	55,439	(16.1%)

The Group's revenue for the third quarter ended 31 July 2015 ("Q3 FY2015") of S$15.94 million was S$4.18 million or 20.8% lower as compared to the corresponding period of last financial year ("Q3 FY2014"). The Group's revenue for the nine months ended 31 July 2015 ("YTD FY2014") of S$46.52 million was S$8.92 million or 16.1% lower as compared to the corresponding period of last financial year ("YTD FY2014").

The Q3 FY2015 revenue decreased by 20.8% mainly due to lower revenue recorded by the Resource Recovery segment and the foreign exchange translation effect. Overall sales volumes have increased by 31% partially offset by lower domestic sales volume. However, the lower rubber compounds and retreaded tyres selling prices, as a result of lower material prices and the weakening Malaysian currency contributed to the overall lower revenue for rubber compounds and retreaded tyres as compared to Q3 FY 2014. In Q3 FY2014, there was also a S$3.0 million revenue for a medium-term supply and construct contract with higher stage of completion to an associated company.

The YTD FY2015 revenue decreased by 16.1% mainly due to lower revenue recorded by the Resource Recovery segment and the foreign exchange translation effect. 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 domestic sales and lower rubber compound prices as a result of lower raw material prices and lower retreaded tyres sales volumes and prices as compared to YTD FY 2014. In Q3 FY2014, there was also a S$3.0 million revenue for a medium-term supply and construct contract with higher stage of completion to an associated company.

Due to lower revenue, the Group's gross profit of S$3.52 million in Q3 FY 2015 was S$0.67 million lower as compared to Q3 FY 2014. However, the Group's overall gross profit margin of 22.1% for Q3 FY2015 was higher as compared to 20.8% in Q3 FY 2014 mainly due to higher margin from the Resource Recovery Segment in Singapore. The Group's overall gross profit decreased by S$1.49 million to S$10.17 million in YTD FY2015 as a result of lower revenue. This was mainly attributed to lower revenue from the Resource Recovery segment from the sale of rubber compounds and retreaded tyres.

Other gains increased by S$0.21 million to S$0.326 million in Q3 FY2015 consist mainly of foreign exchange gain of S$0.21 million.

Other gains increased by $0.29 million to S$0.56 million in YTD FY2015 consist mainly of foreign exchange gain of S$0.30 million.

Marketing and distribution expenses decreased by 19.3% to S$0.81 million in Q3 FY2015 mainly due to lower manpower cost, sales representative travelling and other expenses.

Marketing and distribution expenses decreased by 9.3% to S$2.53 million in YTD FY2015 mainly due to lower commission, manpower cost , sales representative travelling and other expenses.

Administrative expenses decreased by 31.2% to S$1.91 million in Q3 FY2015 mainly due to one off staff compensation provision for a China subsidiary in Q3 FY2014, lower manpower cost (lower headcount) in FY2015 and lower depreciation expenses.

Administrative expenses decreased by 24.3% to S$5.59 million in YTD FY2015 mainly due to one off staff compensation provision for a China subsidiary in Q3 FY2014, lower manpower cost (lower headcount), lower depreciation expenses and consultancy fees.

Finance costs increased by 17.4% and 13.6% respectively to S$0.30 million in Q3 FY2015 and S$0.89 million in YTD FY2015 mainly due to higher loans and borrowings in Resource Recovery segment for the Advance Rubber Mixing Plant in Malaysia.

Other losses decreased by S$6.03 million and S$5.62 million respectively to S$0.09 million in Q3 FY2015 and S$0.57 million in YTD FY2015 mainly due to impairment losses on Hivern's and its subsidiary's property, plant and equipment in Q3 FY2014 amounting to S$5.92 million.

Share of losses from associates and jointly-controlled entity comprised the Group's share of losses of S$0.27 million in Q3 FY2015 and S$0.57 million in YTD FY2015 were mainly due to the Group's share of losses incurred by Chongqing eco-CTIG Rubber Technology Co. Ltd., and Geocycle Singapore Pte. Ltd.

The Group recorded profit before tax of S$0.65 million in Q3 FY2015 and S$1.00 million in YTD FY2015 mainly due to lower administrative expenses. In Q3 FY2014 and YTD FY2014, the Group recorded loss before tax of S$5.82 million and S$5.37 million respectively attributed mainly to impairment losses on Hivern's and its subsidiary's property, plant and equipment amounting to S$5.92 million.

The Group recorded income tax expense of S$0.17 million in Q3 FY2015 and S$0.56 million in YTD 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$0.50 million and S$0.45 respectively in Q3 FY2015 and YTD FY 2015 as compared to loss of S$6.19 million in Q3 FY2014 and a loss of S$6.17 million in YTD FY 2014.

Statement of Financial Position

The Group's non-current assets decreased by S$2.49 million to S$50.76 million as at 31 July 2015.

The Group's property, plant and equipment decreased by S$1.37 million to S$25.78 million as at 31 July 2015 mainly attributable to depreciation charges of S$2.00 million and translation effects of movements in foreign exchange rates of S$1.73 million, partially offset by the acquisition of plant and equipment of S$2.39 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$0.41 million mainly attributed to the Group's share of losses from associates and jointly-controlled entity of S$0.57 million and foreign exchange translation gain of S$0.16 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$12.72 million as at 31 July 2015 attributed to billings to and collections from the customer.

The Group's current assets decreased by S$10.11 million to S$41.22 million as at 31 July 2015 mainly due to decrease in recoverable amount of assets held for sale by S$7.14 million and cash and cash equivalents by S$3.82 million; partially offset by higher inventories S$0.35 million, Tax Receivables S$0.30 million and Trade and Other Receivables S$0.20 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$7.41 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$7.14 million.

The Group's non-current liabilities decreased by S$2.37 million mainly due to repayment of loan and borrowings.

The Group's current liabilities decreased by S$9.11 million to S$27.96 million as at 31 July 2015 mainly due to extinguishment of Hivern's liabilities of S$7.22 million and settlement of payables in Renewable Energy.

Statement of Cash Flow

For the nine month ended 31 July 2015

The Group's cash and cash equivalents decreased by S$4.76 million in YTD FY2015 mainly due to net cash flows used in operating activities of S$0.05 million, net cash flows used in investing activities of S$2.18 million and financing activities of S$2.53 million.

Cash flows used in investing activities of S$2.18 million comprised mainly the Group's capital expenditure on property, plant and equipment amounted to S$2.28 million in YTD 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$0.05 million. The Group capital expenditure is primary concentrated in the Resources Recovery segment.

Cash flows used in financing activities of S$2.53 million comprised mainly repayments of loans and borrowings of S$2.69 million and finance costs of S$0.84 million; partially offset by new loans drawn down amounted to S$1.48 million in YTD 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 and foreign currency fluctuations.

The commencement of commercial operation of the Advance Rubber Mixing Plant in May 2015 will enable SRIT Group to expand its sales volume for the export markets.

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 applied to the SGX-ST for a waiver of the requirement to seek Shareholders' approval for the proposed disposal of Hivern Investments Pte Ltd and its subsidiary and SGX-ST had granted the Company the waiver on 28 August 2015. The Group is now actively looking for buyers.

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 31 July 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 nine months ended 31 July 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

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

10 September 2015