ECOWISE HOLDINGS LIMITED
Company Registration No. 200209835C

Unaudited Financial Statements And Dividend Announcement for the Third Quarter and Period Ended 31 July 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					
	Q3 FY2014 (S$'000)	Q3 FY2013 (S$'000)	% Change	YTD FY2014 (S$'000)	YTD FY2013 (S$'000)	% Change
Revenue	20,122	20,382	(1.3%)	55,439	59,751	(7.2%)
Cost of Sales	(15,933)	(15,937)	n/m	(43,775)	(46,319)	(5.5%)
Gross Profit	4,189	4,445	(4.5%)	11,664	13,432	(13.3%)
Other Items of Income						
Finance Income	18	9	100.0%	55	28	96.4%
Other Credits	114	188	(39.4%)	272	507	(46.4%)
Other Items of Expenses						
Marketing and Distribution Expenses	(1,001)	(947)	5.7%	(2,795)	(2,788)	0.3%
Administrative Expenses	(2,780)	(2,480)	12.1%	(7,380)	(7,434)	(0.7%)
Finance Costs	(258)	(294)	(12.2%)	(782)	(820)	(4.6%)
Other Charges	(5,942)	-	n/m	(5,807)	-	n/m
Share of Results from Associates and Jointly-Controlled Entity, Net of Tax	(162)	(204)	(20.6%)	(595)	(434)	37.1%
(Loss)/Profit Before Income Tax	(5,822)	717	n/m	(5,368)	2,491	(302.0%)
Income Tax Expense	(372)	(139)	167.6%	(800)	(1,065)	(24.9%)
(Loss)/Profit for the Period	(6,194)	578	n/m	(6,168)	1,426	n/m
Other Comprehensive (Loss)/Income						
Items that may be reclassified subsequently to profit or loss:						
Exchange Differences on Translating Foreign Operations, Net of Tax	720	(1,028)	n/m	316	(642)	n/m
Defined Benefit Plan Actuarial Loss	-	-	n/m	(104)	-	n/m
Effective Portion of Changes in Fair Value of Cash Flow Hedges	39	(29)	n/m	26	(47)	n/m
Other Comprehensive Income/(Loss)for the Period	759	(1,057)	n/m	238	(689)	n/m
Total Comprehensive (Loss)/Income for the Period	(5,435)	(479)	n/m	(5,930)	737	n/m
(Loss)/Profit for the Period Attributable to:						
Owners of the Company	(5,950)	518	n/m	(5,875)	1,456	n/m
Non-Controlling Interests	(244)	60	n/m	(293)	(30)	n/m
(Loss)/Profit for the Period	(6,194)	578	n/m	(6,168)	1,426	n/m

	Group					
	Q3 FY2014 (S$'000)	Q3 FY2013 (S$'000)	% Change	YTD FY2014 (S$'000)	YTD FY2013 (S$'000)	% Change
Total Comprehensive (Loss)/Income for the Period Attributable to:						
Owners of the Company	(5,263)	(376)	n/m	(5,601)	1,059	n/m
Non-Controlling Interests	(172)	(103)	67.0%	(329)	(322)	2.2%
Total Comprehensive (Loss)/Income for the Period	(5,435)	(479)	n/m	(5,930)	737	n/m

"n/m" denotes not meaningful.

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

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

	Group			
	Q3 FY2014 (S$'000)	Q3 FY2013 (S$'000)	YTD FY2014 (S$'000)	YTD FY2013 (S$'000)
Finance Lease Income	351	360	1,061	1,010
Finance Income	18	9	55	28
Finance Costs	(258)	(294)	(782)	(820)
Depreciation of Property, Plant and Equipment	(709)	(753)	(2,140)	(2,395)
Impairment Loss on Property, Plant and Equipment	(5,921)	-	(5,733)	-
Amortisation of Intangible Assets	(25)	(26)	(74)	(77)
Amortisation of Land Use Rights	(20)	(17)	(60)	(28)
Gain on Disposal of Property, Plant and Equipment	-	-	68	41
Impairment Loss on Other Financial Assets	(1)	-	(27)	-
Amortisation of Other Assets	(2)	(1)	(5)	(1)
Net Fair Value (Loss)/Gain on Derivative Financial Instruments	(21)	92	107	55
Foreign Exchange Gain/(Loss), Net	87	67	(48)	267
Government Grant Income	-	-	71	41
Adjustments for (Under)/Over Provision for Taxation in Respect of Prior Years	(17)	344	79	357
Provision for Retirement Benefit Obligations Expenses, Net	(14)	(8)	(68)	(25)
Amortisation of Deferred Income	2	3	6	7
Equity-Settled Share-Based Expenses	(48)	-	(96)	-
Allowance for Doubtful Receivables – Reversal	23	20	14	84
Allowance for Inventory Obsolescence – (Made)/Reversal	(106)	59	(94)	(47)

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 2014 (S$'000)	31 October 2013 (S$'000)	31 July 2014 (S$'000)	31 October 2013 (S$'000)
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	39,533	42,273	392	466
Intangible Assets	1,762	1,846	-	-
Land Use Rights	3,406	3,492	-	-
Investments in Subsidiaries	-	-	41,104	43,081
Investments in Associates	4,978	4,675	-	-
Investment in Jointly-Controlled Entity	3,787	4,812	-	-
Other Financial Assets	1,057	1,092	-	-
Finance Lease Receivables	12,692	13,116	-	-
Amount Due from an Associate	600	600	-	-
Other Assets	469	269	-	-
Deferred Tax Assets	353	318	-	-
Total Non-Current Assets	68,637	72,493	41,496	43,547
Current Assets				
Inventories	9,272	9,748	-	-
Income Tax Receivables	594	329	-	-
Trade and Other Receivables	18,403	20,315	4,546	7,375
Finance Lease Receivables	580	544	-	-
Derivative Financial Instruments	6	31	-	-
Other Assets	1,025	1,974	95	153
Cash and Cash Equivalents	9,639	15,271	1,315	1,535
Total Current Assets	39,519	48,212	5,956	9,063
Total Assets	108,156	120,705	47,452	52,610
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	46,191	46,191	46,191	46,191
Retained Earnings	192	6,622	(4,133)	2,155
Other Reserves	1,148	697	96	-
Equity Attributable to Owners of the Company	47,531	53,510	42,154	48,346
Non-Controlling Interests	6,485	7,135	-	-
Total Equity	54,016	60,645	42,154	48,346
LIABILITIES				
Non-Current Liabilities				
Provision for Retirement Benefit Obligations	800	620	-	-
Loans and Borrowings	12,321	9,748	46	81
Deferred Tax Liabilities	2,519	2,563	-	-
Deferred Income	41	47	-	-
Total Non-Current Liabilities	15,681	12,978	46	81
Current Liabilities				
Dividend Payable	463	-	463	-
Income Tax Payable	591	524	33	61
Trade and Other Payables	23,398	24,413	1,988	1,064
Other Liabilities	1,065	5,000	-	-
Derivative Financial Instruments	2	103	-	-
Loans and Borrowings	12,923	17,025	2,768	3,058
Deferred Income	17	17	-	-
Total Current Liabilities	38,459	47,082	5,252	4,183
Total Liabilities	54,140	60,060	5,298	4,264
Total Equity and Liabilities	108,156	120,705	47,452	52,610

Acquisition of Subsidiaries

On 30 May 2013, the Group acquired 99% equity interests in Hivern Investments Pte. Ltd. ("Hivern") and its wholly-owned subsidiary in the People's Republic of China ("Hivern and its subsidiary") at a cash consideration of S$90,000.

The principal activity of Hivern is that of an investment holding company. Its wholly-owned subsidiary in the People's Republic of China, Changyi Enersave Biomass to Energy Co., Ltd ("CEBEC"), has a business operation license to carry out renewable energy electric power and heat generation using biomass as feedstock with a validity period up to 29 October 2027.

The transaction was accounted for using the acquisition method of accounting. As at 31 October 2013, the fair value of the identifiable assets and liabilities of Hivern and its subsidiary as at the acquisition date was provisional determined. The Group has since completed its assessment of the fair value of the identifiable assets and liabilities of Hivern and its subsidiary as at the date of acquisition as follows:

	At Date of Acquisition (S$'000)	Restated Fair Values (S$'000)
Fair Values of Assets Acquired and Liabilities Recorded		
Property, Plant and Equipment	14,031	14,031
Land Use Rights	2,479	2,479
Inventories	54	54
Trade and Other Receivables	870	870
Other Assets	282	493
Cash and Cash Equivalents	4	4
Income Tax Payable	(57)	(57)
Trade and Other Payables	(13,774)	(13,985)
Loans and Borrowings	(3,799)	(3,799)
Total Identifiable Net Assets at Fair Value	90	90
Goodwill Recognised		
Total Purchase Consideration Fully Paid in Cash	90	90
Non-Controlling Interests at Fair Value	-#	-#
Total Identifiable Net Assets at Fair Value	(90)	(90)
Goodwill Arising from Acquisition	-	-
Acquisition of a Subsidiary, Net of Cash		
Total Purchase Consideration Fully Paid in Cash	90	90
Less: Cash and Cash Equivalents Acquired	(4)	(4)
Acquisition of a Subsidiary, Net of Cash	86	86

# denotes less than S$1,000.

Impairment of Hivern and its Subsidiary and Subsequent Event

After the acquisition of Hivern and its subsidiary, the Group was not able secure appropriate financing to fund the retrofitting and re-commissioning of CEBEC's biomass power generation plant. In Q3 FY2014, the Group reassessed the investment viability in Hivern and its subsidiary. The resultant and continued delay in retrofitting and re-commissioning of the biomass power generation plant in China is expected to have an adverse effect on the expected economic performance of the Group's investment in Hivern and its subsidiary.

In the light of the latest development, the Group reassessed the recoverable amount of the property, plant and equipment owned by Hivern and its subsidiary and recognised an impairment loss of S$5,921,000 on the assets.

Acquisition of Non-Controlling Interests without Change in Control

On 30 May 2014, the Group acquired an additional 20% equity interests in Autoways Industries Sdn Bhd ("Autoways") for approximately S$125,000 in cash, increasing its equity interests from 76% to 96%. The carrying amount of Autoways' net assets in the Group's financial statements on the date of acquisition was approximately S$568,000. The Group recognised a decrease in non-controlling interests and other reserves of approximately S$114,000 and S$11,000, respectively.

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

	Group			
	As at 31 July 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	8,896	4,027	12,068	4,957
Amount repayable after one year	12,113	208	9,540	208

Details of any collateral

As at 31 July 2014, secured loans and borrowings comprised:

- Finance lease liabilities of S$2,283,000 (31 October 2013: S$1,174,000) were secured by the lessors' charge over the leased assets.
- Loans and borrowings of S$7,907,000 (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$411,000 (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 a subsidiary in the People's Republic of China.
- Loans and borrowings of S$8,873,000 (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$1,535,000 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 bank 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			
	Q3 FY2014 (S$'000)	Q3 FY2013 (S$'000)	YTD FY2014 (S$'000)	YTD FY2013 (S$'000)
Cash Flows From Operating Activities				
(Loss)/Profit Before Income Tax	(5,822)	717	(5,368)	2,491
Depreciation of Property, Plant and Equipment	709	753	2,140	2,395
Gain on Disposal of Property, Plant and Equipment	-	-	(68)	(41)
Impairment Loss on Property, Plant and Equipment	5,921	-	5,733	-
Amortisation of Intangible Assets	25	26	74	77
Amortisation of Land Use Rights	20	17	60	28
Share of Results from Associates and Jointly-Controlled Entity, Net of Tax	162	204	595	434
Impairment Loss on Other Financial Assets	1	-	27	-
Net Fair Value Gain on Derivative Financial Instruments	(2)	(28)	(51)	(12)
Amortisation of Deferred Expenses	2	1	5	1
Provision for Retirement Benefit Obligations Expenses, Net	14	8	68	25
Amortisation of Deferred Income	(2)	(3)	(6)	(7)
Finance Lease Income	(351)	(360)	(1,061)	(1,010)
Finance Income	(18)	(9)	(55)	(28)
Finance Costs	258	294	782	820
Equity-Settled Share-Based Expenses	48	-	96	-
Operating Cash Flows Before Changes in Working Capital	965	1,620	2,971	5,173
Inventories	250	(895)	202	(368)
Trade and Other Receivables	8	(2,330)	1,884	(885)
Finance Lease Receivables	133	(233)	388	435
Other Assets	(1,356)	106	(313)	(210)
Trade and Other Payables	527	2,715	(1,264)	3,321
Other Liabilities	799	-	(1,966)	-
Finance Lease Income Received	351	360	1,061	1,010
Retirement Benefit Obligations Paid	-	(3)	(5)	(32)
(Increase)/Decrease in Cash Restricted in Use Over 3 Months[(a)]	(10)	403	(10)	865
Net Cash Flows From Operations Before Income Tax	1,667	1,743	2,948	9,309
Income Tax Paid	(294)	(227)	(1,054)	(1,217)
Net Cash Flows From Operating Activities	1,373	1,516	1,894	8,092
Cash Flows From Investing Activities				
Acquisition of Property, Plant and Equipment	(2,274)	(437)	(3,660)	(1,007)
Deposits Placed for Acquisition of Property, Plant and Equipment	-	(1,152)	-	(1,997)
Proceeds from Disposal of Property, Plant and Equipment	-	-	80	97
Acquisition and Investment in Associates	-	(86)	-	(5,126)
Proceeds from Disposal of Other Financial Assets	1	-	9	-
Interest Income Received	18	9	55	28
Net Cash Flows Used In Investing Activities	(2,255)	(1,666)	(3,516)	(8,071)

	Group			
	Q3 FY2014 (S$'000)	Q3 FY2013 (S$'000)	YTD FY2014 (S$'000)	YTD FY2013 (S$'000)
Cash Flows From Financing Activities				
Proceeds from New Loans and Borrowings	2,000	300	3,070	2,800
Repayments of Loans and Borrowings	(1,665)	(1,359)	(7,021)	(4,863)
Interest Expenses Paid	(229)	(270)	(728)	(492)
Acquisition of Non-Controlling Interests without Change in Control	(125)	-	(125)	-
Dividends Paid to Owners of the Company	-	-	-	(924)
Dividends Paid to Non-Controlling Interests of Subsidiaries	-	-	(207)	-
(Increase)/Decrease in Cash Restricted in Use Over 3 Months[(b)]	(297)	9	187	78
Net Cash Flows Used In Financing Activities	(316)	(1,320)	(4,824)	(3,670)
Net Decrease in Cash and Cash Equivalents	(1,198)	(1,470)	(6,446)	(3,649)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(99)	(211)	36	(7)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	9,406	14,475	14,519	16,450
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	8,109	12,794	8,109	12,794
Cash and Cash Equivalents in the Statement of Cash Flows				
Cash and Cash Equivalents[(c)]	9,639	13,859	9,639	13,859
Cash Restricted in Use	(575)	(783)	(575)	(783)
Bank Overdrafts	(955)	(282)	(955)	(282)
Cash and Cash Equivalents At End of Period	8,109	12,794	8,109	12,794

(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$1,758,000 (31 July 2013: S$851,000).

Non-Cash Transactions

Property, plant and equipment amounting to S$1,462,000 (YTD FY2013: S$141,000) 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 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
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	-	1,456	(397)	1,059	(322)	737
Issue of Ordinary Shares under ecoWise Performance Share Plan	264	-	(264)	-	-	-
Dividends Paid to Owners of the Company	-	(924)	-	(924)	-	(924)
	264	532	(661)	135	(322)	(187)
At 31 July 2013	46,191	5,915	1,038	53,144	7,151	60,295

	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	-	(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
Previous Period				
At 1 November 2012	45,927	3,438	528	49,893
Movements in Equity				
Total Comprehensive Income for the Period	-	213	-	213
Issue of Ordinary Shares under ecoWise Performance Share Plan	264	-	(264)	-
Dividends Paid to Owners of the Company	-	(924)	-	(924)
	264	(711)	(264)	(711)
At 31 July 2013	46,191	2,727	264	49,182

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 31 July 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 31 July 2014, the number of outstanding share awards under ecoWise Performance Share Plan was 2,000,000 shares (31 July 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 31 July 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 31 July 2014, 31 October 2013 and 31 July 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			
	Q3 FY2014 (cents)	**Q3 FY2013 (cents)**	**YTD FY2014 (cents)**	**YTD FY2013 (cents)**
(i) Based on weighted average number of ordinary shares in issue	(0.642)	0.056	(0.634)	0.157
(ii) On a fully diluted basis	(0.641)	0.056	(0.633)	0.157

Earnings per share for the quarter ended 31 July 2014

Basic earnings per share for Q3 FY2014 is calculated based on the loss attributable to owners of the Company of S$5,950,000 (Q3 FY2013: profit attributable to owners of the Company of S$518,000) and on 926,697,315 (Q3 FY2013: 926,697,315) weighted average number of ordinary shares in issue during the period.

Fully diluted earnings per share for Q3 FY2014 is calculated based on 928,697,315 (Q3 FY2013: 926,697,315) weighted average number of ordinary shares in issue during the period.

Earnings per share for the nine months ended 31 July 2014

Basic earnings per share for YTD FY2014 is calculated based on the loss attributable to owners of the Company of S$5,875,000 (YTD FY2013: profit attributable to owners of the Company of S$1,456,000) and on 926,697,315 (YTD FY2013: 925,414,149) weighted average number of ordinary shares in issue during the period.

Fully diluted earnings per share for YTD FY2014 is calculated based on 928,697,315 (YTD FY2013: 925,414,149) 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 2014 (cents)	31 October 2013 (cents)	31 July 2014 (cents)	31 October 2013 (cents)
Net asset value per ordinary share at end of period/year	5.13	5.77	4.55	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$47,531,000 (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$42,154,000 (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					
	Q3 FY2014 (S$'000)	Q3 FY2013 (S$'000)	% Change	YTD FY2014 (S$'000)	YTD FY2013 (S$'000)	% Change
Renewable Energy Segment	2,604	2,729	(4.6%)	7,777	7,703	1.0%
Resource Recovery Segment	17,318	17,480	(0.9%)	46,937	51,802	(9.4%)
Integrated Environmental Management Solutions Segment	200	173	15.6%	725	246	194.7%
Total	20,122	20,382	(1.3%)	55,439	59,751	(7.2%)

The Group's revenue for the third quarter ended 31 July 2014 ("Q3 FY2014") of S$20.12 million was S$0.26 million or 1.3% lower as compared to the corresponding period of last financial period ("Q3 FY2013"). The Group's revenue for the nine months ended 31 July 2014 ("YTD FY2014") of S$55.44 million was S$4.31 million or 7.2% lower as compared to the corresponding period of last financial period ("YTD FY2013").

The Q3 FY2014 revenue decreased by 1.3% mainly due to Renewable Energy Segment attributed by downtime of a biomass boiler to facilitate maintenance and improvement works and lower revenue from waste steam application and other services.

The YTD FY2014 revenue decreased by 7.2% mainly due to the Resource Recovery segment which decreased by 9.4% or S$4.87 million. The reduction was a result of lower sales recorded by the Group's retreaded tyres and rubber compounds businesses under Sunrich Integrated Sdn. Bhd. and its subsidiaries ("SRIT Group") attributed to lower export volume and lower prices of rubber compounds due to lower raw material prices as compared to YTD FY2013 and lower retreaded tyres sales volumes. This decreased was partially offset by the

Renewable Energy segment (increased waste steam application) and Integrated Environment Solutions segment.

Due to lower revenue, the Group's gross profit of S$4.19 million in Q3 FY2014 was S$0.26 million lower as compared to Q3 FY2013 and the Group's gross profit margin decreased marginally to 20.8% in 3Q FY2014 as compared to 21.8% in Q3 FY2013.

The Group's overall gross profit decreased by S$1.77 million to S$11.66 million in YTD FY2014 due to lower revenue and lower gross profit margin of 21.0% in YTD FY2014 as compared to 22.5% in YTD FY2013. This was mainly attributed to lower margins from the Resource Recovery segment as a result of higher operating cost from the retreaded tyres and rubber compounds businesses.

Other credits decreased by S$0.07 million to S$0.11 million in Q3 FY2014 mainly due to absence of net fair value gain on derivative financial instruments.

Other credits decreased by S$0.24 million to S$0.27 million in YTD FY2014 mainly due to absence of foreign exchange gain and higher reversal of allowance for doubtful receivables, partially offset by higher government grant income.

Marketing and distribution expenses increased by 5.7% to S$1.00 million in Q3 FY2014 mainly attributed to increased travelling expenses attributable to Resource Recovery segment. YTD FY2014 marketing and distribution expenses increased marginally by 0.3% to S$2.80 million.

Administrative expenses increased by 12.1% to S$2.78 million in Q3 FY2014 mainly due to one off staff compensation provision for a China subsidiary partially offset by decreased in consultancy and professional fees.

Administrative expenses decreased marginally by 0.7% to S$7.38 million in YTD FY2014 mainly due to decreased in consultancy and professional fees and lower bonus provision partially offset by one off staff compensation provision for a China subsidiary.

Depreciation expenses decreased by 5.8% to S$0.71 million and 10.6% to S$2.14 million for Q3 FY2014 and YTD FY2014 respectively mainly due to the value depreciable assets is lower from the Resource Recovery segment from Q3 FY2013 onwards and further decrease in Q2 FY2014 onwards despite the acquisition of S$3.66 million of new property, plant and equipment, a major portion relates to "assets under construction" in the Malaysia subsidiary and not subjected to depreciation charges.

Finance costs decreased by 12.2% to S$0.26 million in Q3 FY2014 and decreased by 4.6% to S$0.78 million in YTD FY2014 mainly due to lower level of average outstanding loans and borrowings during the periods under comparison.

The Group's other charges for Q3 FY2014 and YTD FY2014 is S$5.94 million and S$5.81 million respectively. This was mainly due to impairment losses on Hivern's and its subsidiary's property plant and equipment amounting to S$5.92 million.

The Group's share of losses from associates and jointly-controlled entity YTD FY2014 of S$0.60 million was mainly due to the Group's share of start-up costs of S$0.47 million incurred by Chongqing eco-CTIG Rubber Technology Co., Ltd. and Geocycle Singapore Pte. Ltd.'s losses of S$0.24 million, partially offset by Group's share of profits from China-UK Low Carbon Enterprise Co., Ltd. of S$0.11 million.

	Group					
	Q3 FY2014 (S$'000)	Q3 FY2013 (S$'000)	% Change	YTD FY2014 (S$'000)	YTD FY2013 (S$'000)	% Change
(Loss)/Profit Before Income Tax	(5,822)	717	n/m	(5,368)	2,491	n/m
Less: Impairment Losses Attributed To Hivern and Its Subsidiary	5,921	-	n/m	5,921	-	n/m
Profit Before Income Tax and Effects of Hivern and Its Subsidiary Impairment Losses	99	717	(86.2%)	553	2,491	(77.8%)

The Group recorded losses before tax of S$5.82 million in Q3 FY2014 (Q3 FY2013: profit before tax of S$0.72 million) and losses before tax of S$5.37 million in YTD FY2014 (YTD FY2013: profit before tax of S$2.49 million) mainly due to lower revenue, lower gross margins and impairment losses of S$5.92 million attributable to Hivern and its subsidiary.

The Group recorded higher income tax expense of S$0.37 million in Q3 FY2014 mainly due to the increased taxation charges from the Group's Singapore subsidiaries as compared to Q3 FY2013 and an adjustment of over-provision of taxation in Q3 FY2013.

The Group recorded lower income tax expense of S$0.80 million in YTD 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 and a medium-term supply and construct contract in the Resource Recovery segment. The effective tax rate for this segment is 29% (excluding the share of losses from associates and jointly-controlled of S$0.70 million) for YTD FY2014 (YTD FY2013: 21% - excluding the share of losses from associates and jointly-controlled of S$0.36 million). This was due to higher taxation charges from a Group's Singapore subsidiary.

As a result of the above factors, the Group recorded a loss for the period of S$6.19 million in Q3 FY2014 as compared to profit for the period of S$0.58 million in Q3 FY2013 and a loss for the period of S$6.17 million in YTD FY2014 as compared to a profit for the period of S$1.43 million YTD FY2013.

Losses attributable to owners of the Company amounted to S$5.95 million in Q3 FY2014 and S$5.88 million in YTD FY2014.

Statement of Financial Position

The Group's non-current assets decreased by 5.3% or S$3.86 million to S$68.64 million as at 31 July 2014.

The Group's property, plant and equipment decreased by S$2.74 million to S$39.53 million as at 31 July 2014 mainly attributed to the acquisition of plant and equipment of S$5.12 million, partially offset by depreciation charges of S$2.14 million and impairment loss of S$5.85 million. Impairment loss on property, plant and equipment is attributable to Hivern and its subsidiary.

Investments in associates and jointly-controlled entity decreased by S$0.72 million mainly attributed to the Group's share of losses from associates and jointly-controlled entity of S$0.60 million.

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$13.27 million as at 31 July 2014 attributed to billings to and collections from the customer.

The Group's current assets had decreased by S$8.69 million to S$39.52 million as at 31 July 2014 mainly due to lower inventories, a decrease in trade and other receivables by S$1.91 million mainly attributed to lower revenue recorded under the Resource Recovery segment, a decrease in other assets by S$0.95 million mainly attributed to absence of deposits placed for purchases of goods as order fulfilment has taken place and a reduction in cash and cash equivalents by S$5.63 million.

The Group's non-current liabilities had increased by S$2.70 million mainly due to higher loans and borrowings to finance the acquisition of plant and equipment.

The Group's current liabilities had decreased by S$8.62 million to S$38.46 million as at 31 July 2014 mainly due to a decrease in trade and other payables by S$1.02 million, other liabilities by S$3.94 million and decreased in loans and borrowings by S$4.10 million. The reduction in other liabilities is due to the recognition of the revenue for a medium-term supply and construct contract with higher stage of completion achieved, resulting in the reversal of advanced billing.

The decrease in trade and other payables was mainly attributable to lower purchases by Resource Recovery segment and settlement of payables by Renewable Energy segment. The Group's total loans and borrowings decreased by S$1.53 million mainly due to repayment of loans and borrowings of S$7.02 million, partially offset by drawing of loans and borrowings of S$3.07 million.

Statement of Cash Flow

For the nine months ended 31 July 2014

The Group's cash and cash equivalents decreased by S$6.45 million in YTD FY2014 mainly due to net cash flows generated from operating activities of S$1.89 million, net cash flows used in investing activities of S$3.52 million and financing activities of S$4.82 million.

Cash flows used in investing activities of S$3.52 million comprised mainly the Group's capital expenditure on property, plant and equipment amounted to S$3.66 million in YTD FY2014. The Group's capital expenditure is primary concentrated in the Resource Recovery segment in YTD FY2014.

Cash flows used in financing activities of S$4.82 million comprised mainly repayments of loans and borrowings of S$7.02 million and finance costs of S$0.73 million; partially offset by new loans drawn down amounted to S$3.07 million in YTD 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 continues to face increasing market competition from imported new tyres supply in Malaysia.

The Group's 65% investment in jointly-controlled entity, Chongqing eco-CTIG Rubber Technology Co., Ltd. has successfully commence commercial operations in end of July 2014.

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 of 20% equity interests in Wuhan ecoWise Energy Co., Ltd. to its local non-controlling interests. The purchaser has requested for an extension of time for completion.

Following the Group's acquisition of 99% equity interests in Hivern Group on 30 May 2013, the Group is still in discussion with the relevant parties on the details of the debts settlement. The Group has not been able to secure appropriate financing to fund the retrofitting and re-commissioning of CEBECs biomass power generation plant.

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 31 July 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 nine months ended 31 July 2014 to be false or misleading.

BY ORDER OF THE BOARD

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

12 September 2014