

Unaudited Financial Statements and Dividend Announcement for the Fourth Quarter and Year Ended 31 Oct 2018

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF 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					
	Q4 FY2018 (S\$'000)	Q4 FY2017 (S\$'000)	% Change	YTD FY2018 (S\$'000)	YTD FY2017 (S\$'000)	% Change
Revenue	15,478	18,297	(15.4%)	58,394	56,052	4.2%
Cost of Sales	(12,615)	(14,878)	(15.2%)	(49,446)	(45,152)	9.5%
Gross Profit	2,863	3,419	(16.3%)	8,948	10,900	(17.9%)
<u>Other Items of Income</u>						
Finance Income	7	31	(77.4%)	43	75	(42.7%)
Other Gains	121	1,301	(90.7%)	718	1,432	(49.9%)
<u>Other Items of Expenses</u>						
Marketing and Distribution Expenses	(455)	(500)	(9.0%)	(2,301)	(2,409)	(4.5%)
Administrative Expenses	(1,689)	(1,989)	(15.1%)	(8,317)	(8,481)	(1.9%)
Finance Costs	(268)	(283)	(5.3%)	(1,129)	(1,034)	9.2%
Other Losses	(353)	(129)	173.6%	(1,243)	(407)	205.4%
Share of Results from Associates and Jointly-Controlled Entity, Net of Tax	(189)	347	(154.5%)	(359)	(498)	(27.9%)
Profit/(Loss) Before Income Tax	37	2,197	(98.3%)	(3,640)	(422)	762.6%
Income Tax (Expense)/Income	(1,055)	297	(455.2%)	(970)	393	(346.8%)
(Loss)/Profit for the Period	(1,018)	2,494	(140.8%)	(4,610)	(29)	n/m
<u>Other Comprehensive (Loss)/Income</u>						
Exchange Differences on Translating Foreign Operations, Net of Tax	(525)	454	(215.6%)	423	(401)	(205.5%)
Effective Portion of Changes in Fair Value of Cash Flow Hedges	(20)	24	(183.3%)	(20)	25	(180.0%)
Total Other Comprehensive (Loss)/Income for the Period	(545)	478	(214.0%)	403	(376)	(207.2%)
Total Comprehensive (Loss)/Income for the Period	(1,563)	2,972	(152.6%)	(4,207)	(405)	938.8%

	Group					
	Q4 FY2018 (S\$'000)	Q4 FY2017 (S\$'000)	% Change	YTD FY2018 (S\$'000)	YTD FY2017 (S\$'000)	% Change
(Loss)/Profit for the Period Attributable to:						
Owners of the Company	(1,075)	2,446	(143.9%)	(4,795)	(239)	1,906.3%
Non-Controlling Interests	57	48	18.8%	185	210	(11.9%)
(Loss)/Profit for the Period	(1,018)	2,494	(140.8%)	(4,610)	(29)	n/m
Total Comprehensive (Loss)/Income for the Period Attributable to:						
Owners of the Company	(1,574)	2,880	(154.7%)	(4,534)	(499)	808.6%
Non-Controlling Interests	11	92	(88.0%)	327	94	247.9%
Total Comprehensive (Loss)/Income for the Period	(1,563)	2,972	(152.6%)	(4,207)	(405)	938.8%

"n/m" denotes not meaningful.

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

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

	Group			
	Q4 FY2018 (S\$'000)	Q4 FY2017 (S\$'000)	YTD FY2018 (S\$'000)	YTD FY2017 (S\$'000)
Finance Lease Income	287	308	1,181	1,258
Finance Income – Interest Income	7	31	43	75
Finance Costs	(267)	(283)	(1,128)	(1,034)
Depreciation of Property, Plant and Equipment	(856)	(828)	(3,619)	(2,813)
Amortisation of Intangible Assets	(90)	(20)	(196)	(81)
Amortisation of Land Use Rights	(15)	(21)	(62)	(85)
Gain on Disposal of Property, Plant and Equipment	163	47	235	132
Net Fair Value Gain/(Loss) on Derivative Financial Instruments	118	128	(47)	136
Foreign Exchange (Loss)/Gain, Net	(5)	23	(428)	(240)
Government Grant Income	10	16	84	64
Adjustments for Under Provision for Taxation in Respect of Prior Years	(430)	(110)	(391)	(82)
Provision for Retirement Benefit Obligations Expenses, Net	(10)	(11)	(40)	(39)
Amortisation of Deferred Income	2	1	7	6
Allowance for Doubtful Receivables	(353)	(129)	(400)	(125)
Allowance for Inventory Obsolescence - (Made)/Reversal	(91)	91	(76)	75
Reversal of Deferred Expenses	-	14	-	-
Equity-Settled Share-Based Expenses	-	-	-	(85)
Loss on Disposal of Other Financial Assets	-	-	-	(43)

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 October 2018 (S\$'000)	31 October 2017 (S\$'000)	31 October 2018 (S\$'000)	31 October 2017 (S\$'000)
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	30,705	29,279	406	386
Intangible Assets	1,590	1,295	-	-
Land Use Rights	1,400	1,500	-	-
Investments in Subsidiaries	-	-	38,477	38,475
Investments in Associates	1,596	3,904	-	-
Investment in Jointly-Controlled Entity	1,678	2,047	-	-
Finance Lease Receivable	9,629	10,475	-	-
Other Assets	296	312	-	-
Deferred Tax Assets	514	697	-	-
Total Non-Current Assets	47,408	49,509	38,883	38,861
Current Assets				
Inventories	6,594	7,470	-	-
Income Tax Receivables	272	335	-	-
Trade and Other Receivables	18,603	21,200	4,213	4,745
Finance Lease Receivable	906	811	-	-
Derivative Financial Instruments	38	91	-	-
Other Assets	1,232	1,361	51	82
Cash and Cash Equivalents	3,938	5,278	14	413
	31,583	36,546	4,278	5,240
Assets of Disposal Group Classified as Held for Sale	1,104	1,130	-	-
Total Current Assets	32,687	37,676	4,278	5,240
Total Assets	80,095	87,185	43,161	44,101
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	48,170	48,170	48,170	48,170
Accumulated Losses	(6,899)	(2,104)	(10,938)	(10,346)
Foreign Currency Translation Reserve	(5,220)	(5,339)	-	-
Other Reserves	2,300	2,214	-	-
Reserve of Disposal Group Classified as Held for Sale	(481)	(537)	-	-
Equity Attributable to Owners of the Company	37,870	42,404	37,232	37,824
Non-Controlling Interests	2,669	2,245	-	-
Total Equity	40,539	44,649	37,232	37,824
LIABILITIES				
Non-Current Liabilities				
Provision for Retirement Benefit Obligations	830	734	-	-
Loans and Borrowings	5,693	6,659	170	369
Deferred Tax Liabilities	2,310	1,770	-	-
Provision for Reinstatement Cost	350	350	-	-
Deferred Income	7	13	-	-
Total Non-Current Liabilities	9,190	9,526	170	369

	Group		Company	
	31 October 2018 (S\$'000)	31 October 2017 (S\$'000)	31 October 2018 (S\$'000)	31 October 2017 (S\$'000)
Current Liabilities				
Income Tax Payable	413	317	11	17
Trade and Other Payables	15,817	15,236	5,704	4,562
Other Liabilities	-	840	-	-
Derivative Financial Instruments	17	5	-	-
Loans and Borrowings	12,703	15,095	44	1,329
Deferred Income	7	6	-	-
	28,957	31,499	5,759	5,908
Liabilities Directly Associated with Assets Held for Sale	1,409	1,511	-	-
Total Current Liabilities	30,366	33,010	5,759	5,908
Total Liabilities	39,556	42,536	5,929	6,277
Total Equity and Liabilities	80,095	87,185	43,161	44,101

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

	Group			
	As at 31 October 2018		As at 31 October 2017	
	Secured	Unsecured	Secured	Unsecured
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Amount repayable in one year or less, or on demand	9,846	2,857	10,181	4,914
Amount repayable after one year	5,344	349	6,044	615

Details of any collateral

As at 31 October 2018, secured loans and borrowings comprised:

- Finance lease liabilities of S\$1,992,000 (31 October 2017: S\$1,989,000) were secured by the lessors' charge over the leased assets.
- Loans and borrowings of S\$8,278,000 (31 October 2017: S\$8,823,000) were secured by property, plant and equipment and assets of certain subsidiaries in Malaysia.
- Loans and borrowings of S\$2,181,000 (31 October 2017: S\$849,000) were secured by property, plant and equipment of subsidiaries in Singapore.
- Loans and borrowings of S\$2,739,000 (31 October 2017: S\$4,564,000) 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.

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			
	Q4 FY2018 (S\$'000)	Q4 FY2017 (S\$'000)	YTD FY2018 (S\$'000)	YTD FY2017 (S\$'000)
<u>Cash Flows From Operating Activities</u>				
Profit/(Loss) Before Income Tax	37	2,197	(3,640)	(422)
Depreciation of Property, Plant and Equipment	856	828	3,619	2,813
Gain on Disposal of Property, Plant and Equipment	(163)	(47)	(235)	(132)
Amortisation of Intangible Assets	90	20	196	81
Amortisation of Land Use Rights	15	21	62	85
Share of Results from Associates and Jointly-Controlled Entity, Net of Tax	189	(347)	359	498
Net Fair Value (Gain)/Loss on Derivative Financial Instruments	(118)	(128)	47	(136)
Amortisation of Deferred Expenses	-	(14)	-	-
Provision for Retirement Benefit Obligations Expenses, Net	10	11	40	39
Amortisation of Deferred Income	(2)	(1)	(7)	(6)
Finance Lease Income	(287)	(308)	(1,181)	(1,258)
Finance Income	(7)	(31)	(43)	(75)
Finance Costs	267	283	1,128	1,034
Equity-Settled Share-Based Expenses	-	-	-	85
Loss on Disposal of Other Financial Assets	-	-	-	43
Negative Goodwill Arising from Business Combinations	-	(526)	-	(526)
Gain on Derecognition of an Associate	-	(495)	-	(491)
Operating Cash Flows Before Changes in Working Capital	887	1,463	345	1,632
Inventories	489	(1,031)	1,087	107
Trade and Other Receivables	(1,459)	(2,670)	2,229	(3,435)
Finance Lease Receivable	196	176	751	674
Other Assets	101	(94)	140	(298)
Trade and Other Payables	691	3,944	(987)	3,964
Other Liabilities	-	81	(535)	(69)
Finance Lease Income Received	287	308	1,181	1,258
Retirement Benefit Obligations Paid	-	-	-	(6)
Net Cash Flows From Operations Before Income Tax	1,192	2,177	4,211	3,827
Income Tax Paid	(28)	(43)	(392)	(90)
Net Cash Flows From Operating Activities	1,164	2,134	3,819	3,737
<u>Cash Flows From Investing Activities</u>				
Acquisition of Property, Plant and Equipment	(749)	(4,236)	(2,692)	(6,093)
Proceeds from Disposal of Property, Plant and Equipment	248	130	531	487
(Loan to)/Repayment from a Jointly-Controlled Entity	(180)	(96)	151	(799)
Interest Income Received	7	31	43	75
Acquisition of Subsidiary, Net of Cash	-	-	-	(10)
Share Capital Reduction from Investment in an Associate Company	-	-	2,148	-
Proceeds from Disposal of Other Financial Assets	-	-	-	1,014
Net Cash Flows (Used In)/from Investing Activities	(674)	(4,171)	181	(5,326)

	Group			
	Q4 FY2018 (S\$'000)	Q4 FY2017 (S\$'000)	YTD FY2018 (S\$'000)	YTD FY2017 (S\$'000)
<u>Cash Flows From Financing Activities</u>				
Proceeds from Loans and Borrowings	-	1,204	1,742	3,132
Repayments of Loans and Borrowings	(1,435)	(988)	(5,226)	(3,730)
Interest Expenses Paid	(254)	(269)	(1,061)	(987)
Acquisition of Non-Controlling Interests without Change in Control	-	-	-	(192)
Dividends Paid to Non-Controlling Interests of Subsidiaries	-	-	(202)	(178)
Decrease/(Increase) in Cash Restricted in Use Over 3 Months ^(a)	864	(31)	921	(1,343)
Net Cash Flows Used In Financing Activities	(825)	(84)	(3,826)	(3,298)
Net (Decrease)/Increase in Cash and Cash Equivalents	(335)	(2,121)	174	(4,887)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	6	42	18	(86)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	290	1,848	(231)	4,742
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	(39)	(231)	(39)	(231)
Cash and Cash Equivalents in the Statement of Cash Flows				
Cash and Cash Equivalents ^(b)	3,938	5,278	3,938	5,278
Cash Restricted in Use	(1,575)	(2,495)	(1,575)	(2,495)
Bank Overdrafts	(2,402)	(3,014)	(2,402)	(3,014)
Cash and Cash Equivalents At End of Period	(39)	(231)	(39)	(231)

(a) Comprised fixed deposits held by banks for revolving banking and credit facilities.

(b) Included in cash and cash equivalents are fixed deposits of S\$1,429,000 (31 October 2017: S\$2,245,000).

Non-Cash Transactions

Property, plant and equipment amounting to S\$295,000 (YTD FY2017: S\$290,000) 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	Accumulated Losses	Foreign Currency Translation Reserve	Other Reserves	Reserve of Disposal Group Classified as Held for Sale	Parent Sub – Total	Non- Controlling Interests	Total Equity
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Group								
Current Year								
At 1 November 2017	48,170	(2,104)	(5,339)	2,214	(537)	42,404	2,245	44,649
Total Comprehensive (Loss)/Income for the Period	-	(4,795)	-	-	-	(4,795)	185	(4,610)
Movements in Equity								
Exchange Differences on Translating Foreign Operations, Net of Tax	-	-	119	106	56	281	142	423
Effective Portion of Changes in Fair Value of Cash Flow Hedges	-	-	-	(20)	-	(20)	-	(20)
Acquisition of Interest in Subsidiary from Non-Controlling Interests With No Change In Control	-	-	-	-	-	-	(32)	(32)
Acquisition of Interest in Subsidiary	-	-	-	-	-	-	329	329
Dividends Paid to Non-Controlling Interests of Subsidiaries	-	-	-	-	-	-	(200)	(200)
	-	-	119	86	56	261	239	500
At 31 October 2018	48,170	(6,899)	(5,220)	2,300	(481)	37,870	2,669	40,539

Group	Share Capital	Accumulated Losses	Foreign Currency Translation Reserve	Other Reserves	Reserve of Disposal Group Classified as Held for Sale	Parent Sub – Total	Non-Controlling Interests	Total Equity
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
<u>Previous Year</u>								
At 1 November 2016	48,035	(1,989)	(5,524)	2,172	-	42,694	2,686	45,380
Total Comprehensive (Loss)/Income for the Period	-	(239)	-	-	-	(239)	210	(29)
Movements in Equity								
Exchange Differences on Translating Foreign Operations, Net of Tax	-	-	(352)	67	-	(285)	(116)	(401)
Effective Portion of Changes in Fair Value of Cash Flow Hedges	-	-	-	25	-	25	-	25
Acquisition of Interest in Subsidiary from Non-Controlling Interests With No Change In Control	-	124	-	-	-	124	(357)	(233)
Issue of Ordinary Shares Under ecoWise Performance Share Plan	135	-	-	(50)	-	85	-	85
Dividends Paid to Non-Controlling Interests of Subsidiaries	-	-	-	-	-	-	(178)	(178)
Transfer	-	-	537	-	(537)	-	-	-
	135	124	185	42	(537)	(51)	(651)	(702)
At 31 October 2017	48,170	(2,104)	(5,339)	2,214	(537)	42,404	2,245	44,649

	Share Capital (S\$'000)	Accumulated Losses (S\$'000)	Other Reserves (S\$'000)	Total Equity (S\$'000)
<u>Company</u>				
<u>Current Year</u>				
At 1 November 2017	48,170	(10,346)	-	37,824
Total Comprehensive Loss for the Period	-	(592)	-	(592)
At 31 October 2018	48,170	(10,938)	-	37,232
<u>Previous Year</u>				
At 1 November 2016	48,035	(5,858)	50	42,227
Total Comprehensive Loss for the Period	-	(4,488)	-	(4,488)
<u>Movements in Equity</u>				
Equity-Settled Share-Based Expenses	135	-	(50)	85
At 31 October 2017	48,170	(10,346)	-	37,824

- 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 2017 and 31 October 2018	957,483,029	48,170

- 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 957,483,029 ordinary shares as at 31 October 2018 (31 October 2017: 957,483,029 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 October 2018.

- 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 2017 (see item 5), the Group and the Company have applied the same accounting policies and methods of computation and new and revised in the preparation of the financial statements for the current period as compared with the audited financial statements for the year ended 31 October 2017.

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 do 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.**

(Losses)/Earnings per ordinary share for the period based on loss for the period attributable to owners of the Company:

	Group			
	Q4 FY2018 (cents)	Q4 FY2017 (cents)	YTD FY2018 (cents)	YTD FY2017 (cents)
(i) Based on weighted average number of ordinary shares in issue	(0.112)	0.255	(0.501)	(0.025)
(ii) On a fully diluted basis	(0.112)	0.255	(0.501)	(0.025)

Earnings per share for the quarter ended 31 October 2018

Basic earnings per share for Q4 FY2018 is calculated based on the loss attributable to owners of the Company of S\$1,075,000 (Q4 FY2017: profit attributable to owners of the Company of S\$2,446,000) and on 957,483,029 (Q4 FY2017: 957,483,029) weighted average number of ordinary shares in issue during the period.

Fully diluted earnings per share for Q4 FY2018 is calculated based on 957,483,029 (Q4 FY2017: 957,483,029) weighted average number of ordinary shares in issue and shares that are contingently issuable during the period.

Earnings per share for the year ended 31 October 2018

Basic earnings per share for YTD FY2018 is calculated based on the loss attributable to owners of the Company of S\$4,795,000 (YTD FY2017: loss attributable to owners of the Company of S\$239,000) and on 957,483,029 (YTD FY2017: 957,483,029) weighted average number of ordinary shares in issue during the period.

Fully diluted earnings per share for YTD FY2018 is calculated based on 957,483,029 (YTD FY2017: 957,483,029) 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 October 2018 (cents)	31 October 2017 (cents)	31 October 2018 (cents)	31 October 2017 (cents)
Net asset value per ordinary share at end of year	3.96	4.43	3.89	3.95

The Group's net asset value per ordinary share is calculated based on net assets attributable to owners of the Company of S\$37,870,000 (31 October 2017: S\$42,404,000) and 957,483,029 (31 October 2017: 957,483,029) ordinary shares.

The Company's net asset value per ordinary share is calculated based on net assets of S\$37,232,000 (31 October 2017: S\$37,824,000) and 957,483,029 (31 October 2017: 957,483,029) 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					
	Q4 FY2018 (S\$'000)	Q4 FY2017 (S\$'000)	% Change	YTD FY2018 (S\$'000)	YTD FY2017 (S\$'000)	% Change
Revenue						
Renewable Energy Segment	2,707	2,788	(2.9%)	10,429	10,881	(4.2%)
Resource Recovery Segment	12,373	14,829	(16.6%)	47,079	43,259	8.8%
Integrated Environmental Management Solutions Segment	398	680	(41.5%)	886	1,912	(53.7%)
Total	15,478	18,297	(15.4%)	58,394	56,052	4.2%

The Group's revenue for the fourth quarter ended 31 October 2018 ("Q4 FY2018") of S\$15.48 million was S\$2.82 million or 15.4% lower as compared to the corresponding period of last financial year ("Q4 FY2017"). The Group's revenue for the year ended 31 October 2018 ("YTD FY2018") of S\$58.39 million was S\$2.34 million or 4.2% higher as compared to the corresponding period of last financial year ("YTD FY2017").

Q4 FY2018 revenue decreased by 15.4% mainly due to lower revenue recorded by the Group's renewable energy segment, resource recovery segment and integrated environmental management solutions segment attributable to decrease in the service income from ISO tank heating, sales of dried spent grain and copper slag, completion of Novartis Project (which involves the design, fabricate, supply, installation, testing and commissioning for boilers) and no technical support services rendered.

YTD FY2018 revenue increased by 4.2% mainly due to higher revenue recorded by the Group's resource recovery segment. There was an increase in sales recorded by the Group's rubber compounds and retreaded tyres business under Sunrich Resources Sdn. Bhd. and its subsidiaries ("SRR Group") in YTD FY2018 as compared to YTD FY2017.

The Group's gross profit margin of 18.5% for Q4 FY2018 was lower compared to 18.7% in Q4 FY2017 mainly due to higher indirect cost from Group's renewable energy segment due to the increase in depreciation and upkeep and repair cost for machineries and equipment.

The Group's gross profit margin of 15.3% for YTD FY2018 was lower compared to 19.4% in YTD FY2017. This was mainly attributable to the decrease in sales from the Group's renewable energy segment which resulted from a decline in the service income from ISO tank heating and sales of dried spent grain.

The Group's gross profit of S\$2.86 million in Q4 FY2018 and S\$8.95 million in YTD FY2018 was lower as compared to S\$3.42 million in Q4 FY2017 and S\$10.90 million in YTD FY2017. This was mainly attributable to the decrease in sales from the Group's renewable energy segment which resulted from a decline in the service income from ISO tank heating, sales of dried spent grain and higher depreciation charge, upkeep and repair cost for machineries and equipment and integrated environmental management solutions segment partially offset by increased revenue from the resource recovery segment.

Other gains decreased by S\$1.18 million in Q4 FY2018 mainly due to decrease in gain of foreign exchange of S\$0.03 million and one-off gain on de-recognition of an associate of S\$0.50 million, one-off gain on bargaining of purchase of an associate of S\$0.53 million and bad debts recovered of S\$0.06 million in Q4 FY2017. Other gains decreased by S\$0.71 million to S\$0.72 million in YTD FY2018 mainly due to one-off gain on de-recognition of an associate of S\$0.50 million, one-off gain on bargaining of purchase of an associate of S\$0.53 million in Q4 FY2017 partially offset by in gain on disposal of fixed assets of S\$0.10 million.

Marketing and distribution expenses decreased by 9.0% to S\$0.46 million in Q4 FY2018 mainly due to lower advertising and marketing expenses, travelling, transport and accommodation, sales commission, staff salary and bonus in line with the lower revenue. Marketing and distribution expenses decreased by 4.5% to S\$2.30 million in YTD FY2018 mainly due to lower staff salary and bonus, entertainment, accommodation and travelling expenses in line with the lower revenue.

Administrative expenses decreased by 15.1% to S\$1.69 million in Q4 FY2018 mainly due to decrease in consultancy fees, directors' remuneration, entertainment expenses, professional and legal fees and operating lease expenses partially offset by recognition of amortization of non-compete agreement, increase in office expenses, property tax and depreciation expenses. Administrative expenses decreased by 1.9% to S\$8.32 million in YTD FY2018 mainly due to decrease in consultancy fees, directors' remuneration, entertainment expenses, operating lease expenses, travelling, transport and accommodation expenses, upkeep of plant and equipment and office equipment partially offset by increase in depreciation expenses, directors' fees, office expenses, professional and legal fees, property tax and recognition of amortization of non-compete agreement.

Depreciation expenses increased by 3.4% to S\$0.86 million in Q4 FY2018 and 28.7% to S\$3.62 million in YTD FY2018 mainly due to additional depreciation charged from newly acquired subsidiaries, newly acquired motor vehicle and office units.

Other losses increased by 205.4% to S\$0.84 million in YTD FY2018 mainly due to higher foreign exchange loss and higher bad debts recognised.

Share of losses from an associate and a jointly-controlled entity of S\$0.19 million in Q4 FY2018 and S\$0.36 million in YTD FY2018 was mainly due to the Group's share of losses incurred by Chongqing eco-CTIG Rubber Technology Co. Ltd. and China-UK Low Carbon Enterprise Co., Ltd.

The Group recorded profit before tax of S\$0.04 million in Q4 FY2018 and loss before tax of S\$3.64 million in YTD FY2018 mainly due to lower revenue generated and higher cost of sales and depreciation charges.

The Group recorded income tax expenses of S\$1.10 million in Q4 FY2018 and S\$0.97 million in YTD FY2018 as compared to income tax income of S\$0.30 million in Q4 FY2017 and S\$0.39 million in YTD FY2017, mainly due to taxation charges from taxable profit of the Group's renewable energy segment and derecognition of deferred tax assets of the Group's resources recovery segment.

As a result of the above factors, the Group recorded a loss of S\$1.02 million in Q4 FY2018 as compared to a profit of S\$2.49 million in Q4 FY2017 and a loss of S\$4.61 million in YTD FY2018 as compared to a loss of S\$0.03 million in YTD FY2017.

Statement of Financial Position

The Group's non-current assets decreased by 4.24% or S\$2.10 million to S\$47.41 million as at 31 October 2018.

The Group's property, plant and equipment increased by S\$1.43 million to S\$30.71 million as at 31 October 2018 mainly attributable to the newly acquired plant and equipment of S\$2.99 million, additional plant and equipment of S\$1.95 million from newly acquired subsidiary and effects of movements in foreign exchange rates of S\$0.42 million partially offset by disposal of plant and equipment of S\$0.31 million and depreciation charges of S\$3.62 million.

Investments in an associate and a jointly-controlled entity decreased by S\$2.68 million, collectively, mainly due to Group's share of losses from an associate and a jointly-controlled entity of S\$0.36 million, reduction of share capital investment in an associate company of S\$2.15 million and effects of movements in foreign exchange rates loss of S\$0.17 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\$11.29 million as at 31 October 2017 to S\$10.54 million as at 31 October 2018 attributable to billings to and collections from the customer.

The Group's current assets decreased by S\$4.99 million to S\$32.69 million as at 31 October 2018 mainly due to decrease inventories by S\$0.87 million, trade and other receivables by S\$2.60 million, cash and cash equivalents by S\$1.34 million, derivative financial instruments by S\$0.05 million and other assets by S\$0.13 million. The decrease in inventories were mainly attributable to SRR Group clearing old and slow-moving inventories and reducing its purchase of inventories.

The Group's non-current liabilities decreased by S\$0.34 million mainly due to repayment of loans and borrowings partially offset by increased deferred tax liabilities.

The Group's current liabilities decreased by S\$2.64 million to S\$30.37 million as at 31 October 2018 mainly due to decrease in loan and borrowing of S\$2.39 million and other liabilities of S\$0.84 million partially offset by increase in trade and other payables of S\$0.58 million and derivative financial instruments of S\$0.01 million.

The Group's total loans and borrowings decreased by S\$3.36 million mainly due to repayment of loans and borrowings of S\$5.47 million and finance lease liabilities of S\$0.34 million partially offset by proceeds from loans and borrowings of S\$1.74 million, increase in finance lease of S\$0.29 million and effects of movements in foreign exchange rates of S\$0.42 million.

Statement of Cash Flow

For the year ended 31 October 2018

The Group's cash and cash equivalents increased by S\$0.18 million in YTD FY2018 due to net positive cash flows from operating activities of S\$3.82 million (YTD FY2017: S\$3.74 million), net cash flows from investing activities of S\$0.18 million and net cash flows used in financing activities of S\$3.82 million.

Net cash flows from operating activities for Q4 FY2018 was S\$1.16 million compared to corresponding period Q4 FY2017 of S\$2.13 million, is mainly attributable to decrease in profit before income tax of S\$2.16 million, decrease in inventories of S\$1.52 million, decrease in trade and other payables of S\$3.25 million and decrease in other liabilities of S\$0.08 million partially offset by increase in trade and other receivables of S\$1.21 million, increase in other assets of S\$0.20 million and increase in finance lease receivables of S\$0.02 million. The decrease in inventories were due to the clearing of old inventories and reduced purchases, the decrease in trade and other payables were due to prompt payment to suppliers and the increase in trade and other receivables were due to lower collections from customers by the Group in Q4 FY2018 as compared to Q4 FY2017.

Net cash flows from operating activities of S\$3.82 million in YTD FY 2018 higher than YTD FY2017 of S\$3.74 million, is mainly attributable to increase in loss before income tax of S\$3.22 million, increase in inventories of S\$0.98 million, increase in trade and other receivables of S\$5.66 million, increase in finance lease receivables of S\$0.08 million and increase in other assets of S\$ 0.44 million partially offset by decrease in trade and other payables of S\$4.95 million and increase in other liabilities of S\$0.47 million. The increase in trade and other receivables was due to lower collections and decrease in orders from customers as compared to YTD FY2017. The increase in inventories was due to stockpile of raw materials for upcoming customers' order and the decrease in trade and other payables due to prompt payment to suppliers by the Group in YTD FY2018 compared to YTD FY2017.

Net cash flows from investing activities of S\$0.18 million for YTD FY2018 comprised mainly of the Group's capital expenditures on property, plant and equipment of S\$2.69 million partially offset by proceeds from disposal of property, plant and equipment of S\$0.53 million, repayment from a jointly-controlled entity of S\$0.15 million, proceeds from reduction of capital investment in an associate company of S\$2.15 million and interest income received of S\$0.04 million.

Net cash flows used in financing activities of S\$3.82 million for YTD FY2018 comprised mainly of repayments of loans and borrowings of S\$5.22 million, finance costs of S\$1.06 million and dividends paid to non-controlling interest of subsidiaries of S\$0.20 million partially offset by proceeds from loan and borrowings of S\$1.74 million and decrease in cash restricted in use of S\$0.92 million

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.

All segments

The Group is rationalising and reorganising its businesses so as to achieve higher levels of efficiency, economics of scale and effectiveness.

Resource Recovery segment

The Group's rubber compound, new and retreaded tyres business under SRR Group continues to face challenging market conditions due to economic and market uncertainties of both raw materials and products and foreign currency fluctuations, in particular that of the Malaysian Ringgit.

Renewable Energy segment

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

The waste steam applications for drying of spent grains and heating of ISO tankers businesses from the Group's biomass co-generation power plant at Sungei Kadut are expected to decline.

The Group's current plan is to retain the assets of Hivern Investments Pte. Ltd and its subsidiary, followed by prudent evaluation of the options available.

As announced on 8 November 2017, the Group is selling ecoWise Energy Pte. Ltd. together with its subsidiary.

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 October 2018.

- 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.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Confirmations by the Board pursuant to Rule 705(5)

Not applicable.

15. Segmental revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for immediately preceding year.

<u>Group</u>	<u>Renewable Energy</u>		<u>Resource Recovery</u>		<u>Integrated Environmental Management Solutions</u>		<u>Elimination</u>		<u>Group</u>	
	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD
	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017	FY2018	FY2017
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Revenue										
Revenue from External Customers	10,429	10,881	47,080	43,259	885	1,912	-	-	58,394	56,052
Inter-Segment Revenue	2,019	1,566	1,998	1,938	-	-	(4,017)	(3,504)	-	-
Segment Revenue	12,448	12,447	49,078	45,197	885	1,912	(4,017)	(3,504)	58,394	56,052
Segment Results Before Allocation of Corporate Management Fees	2,015	773	(94)	1,830	(1,385)	121	(2,248)	(3,460)	(1,712)	(736)
Allocated Corporate Management Fees	(1,524)	(1,846)	(724)	(1,614)	-	-	2,248	3,460	-	-
Segment Results	491	(1,073)	(818)	216	(1,385)	121	-	-	(1,712)	(736)
Share Of Results from Associates and Jointly- Controlled Entity, Allocated to Operating Segments	(17)	(133)	(342)	(365)	-	-	-	-	(359)	(498)
Unallocated Corporate Results									(483)	1,771
(Loss)/Profit Before Finance Income, Dividend Income, Finance Costs and Income Tax Expense									(2,554)	537
Finance Income									43	75
Finance Costs									(1,129)	(1,034)
Income Tax (Expense)/Income									(970)	393
Loss, Net of Tax for the Year									(4,610)	(29)

15. Financial Information by Operating Segments (Continued)

<u>Group</u>	<u>Renewable Energy</u>		<u>Resource Recovery</u>		<u>Integrated Environmental Management Solutions</u>		<u>Elimination</u>		<u>Group</u>	
	31 October 2018 (S\$'000)	31 October 2017 (S\$'000)	31 October 2018 (S\$'000)	31 October 2017 (S\$'000)	31 October 2018 (S\$'000)	31 October 2017 (S\$'000)	31 October 2018 (S\$'000)	31 October 2017 (S\$'000)	31 October 2018 (S\$'000)	31 October 2017 (S\$'000)
Segment Assets	24,539	26,277	45,984	50,255	7,306	5,157	(2,014)	(2,090)	75,815	79,599
Investments in Associates, Allocated to Operating Segments	1,596	3,904	-	-	-	-	-	-	1,596	3,904
Investments in a Jointly-Controlled Entity, Allocated to Operating Segments	-	-	1,678	2,047	-	-	-	-	1,678	2,047
Deferred Tax Assets									514	697
Unallocated Corporate Assets									492	938
Total Assets									<u>80,095</u>	<u>87,185</u>
Segment Liabilities	17,789	16,322	15,924	14,835	14,675	11,717	(30,590)	(25,014)	17,798	17,860
Loans and Borrowings										
- Allocated to Operating Segments	3,938	6,165	12,610	13,890	1,634	-	-	-	18,182	20,055
- Unallocated Corporate Loans and Borrowings									214	1,698
Income Tax Payable									413	317
Deferred Tax Liabilities									2,310	1,770
Unallocated Corporate Liabilities									639	836
Total Liabilities									<u>39,556</u>	<u>42,536</u>
	YTD FY2018 (S\$'000)	YTD FY2017 (S\$'000)	YTD FY2018 (S\$'000)	YTD FY2017 (S\$'000)	YTD FY2018 (S\$'000)	YTD FY2017 (S\$'000)	YTD FY2018 (S\$'000)	YTD FY2017 (S\$'000)	YTD FY2018 (S\$'000)	YTD FY2017 (S\$'000)
Capital Expenditure										
- Allocated to Operating Segments	613	1,364	1,127	1,198	1,137	3,483	-	-	2,877	6,045
- Unallocated Corporate Capital Expenditure									110	338
Total Capital Expenditure									<u>2,987</u>	<u>6,383</u>

15. Financial Information by Operating Segments (Continued)
Other Material Items

<u>Group</u>	<u>Renewable Energy</u>		<u>Resource Recovery</u>		<u>Integrated Environmental Management Solutions</u>		<u>Elimination</u>		<u>Group</u>	
	YTD FY2018 (S\$'000)	YTD FY2017 (S\$'000)	YTD FY2018 (S\$'000)	YTD FY2017 (S\$'000)	YTD FY2018 (S\$'000)	YTD FY2017 (S\$'000)	YTD FY2018 (S\$'000)	YTD FY2017 (S\$'000)	YTD FY2018 (S\$'000)	YTD FY2017 (S\$'000)
Depreciation of Property, Plant and Equipment										
Allocated to Operating Segments	857	749	2,349	1,934	337	43	-	-	3,543	2,726
Unallocated Corporate Depreciation									76	87
Total Depreciation of Property, Plant and Equipment									3,619	2,813
Gain on Disposal of Property, Plant and Equipment	(16)	-	(235)	(84)	-	-	-	-	(251)	(84)
Amortisation of Intangible Assets	-	-	196	81	-	-	-	-	196	81
Amortisation of Land Use Rights	62	85	-	-	-	-	-	-	62	85
Net Fair Value Loss/(Gain) on Derivative Financial Instruments	-	-	47	(136)	-	-	-	-	47	(136)
Provision for Retirement Benefit Obligations Expenses, Net	-	-	40	39	-	-	-	-	40	39
Amortisation of Deferred Income	-	-	(7)	(6)	-	-	-	-	(7)	(6)
Allowance for Inventory Obsolescence – (Reversed)/Made	(11)	(70)	88	(5)	-	-	-	-	77	(75)
Allowance for Doubtful Receivables – Made	1	-	399	125	-	-	-	-	400	125

15. Financial Information by Operating Segments (Continued)

In presenting information based on geographical segments, segment revenue is based on geographical location of the customers and segment assets are based on geographical location of the assets.

	<u>Revenue</u>		<u>Non-Current Assets</u>	
	YTD FY2018 (S\$'000)	YTD FY2017 (S\$'000)	31 October 2018 (S\$'000)	31 October 2017 (S\$'000)
Singapore	14,125	16,470	13,185	7,608
Malaysia	39,018	28,230	18,044	18,316
Australia	4,848	7,560	-	-
People's Republic of China	-	1,495	6,418	12,413
Others	403	2,297	-	-
	<u>58,394</u>	<u>56,052</u>	<u>37,647</u>	<u>38,337</u>

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

17. A breakdown of sales.

	<u>Group</u>		
	YTD FY2018 (S\$'000)	YTD FY2017 (S\$'000)	Increase / (Decrease) %
Sales reported for the first half year	29,459	23,261	26.6%
Operating loss after tax before deducting non-controlling interests reported for the first half year	(1,404)	(2,340)	(40.0%)
Sales reported for the second half year	28,935	32,791	(11.8%)
Operating (loss)/profit after tax before deducting non-controlling interests reported for the second half year	(3,206)	2,311	(238.7%)

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

No dividends were proposed/declared for the year ended 31 October 2018 and 31 October 2017.

19. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

The Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is related to a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Cao Shixuan
Director

28 December 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Company's Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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