ECOWISE HOLDINGS LIMITED
Company Registration No. 200209835C

Unaudited Financial Statements for the Six Months and Half Year Ended 30 April 2020

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF 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		
	1H FY2020[1] (S$'000) (Unaudited)	**1H FY2019[2] (S$'000) (Unaudited)**	**% Change +/(-)**
Revenue	23,106	27,042	(14.6)
Cost of Sales	(18,771)	(22,297)	(15.8)
Gross Profit	4,335	4,745	(8.6)
Other Items of Income			
Finance Income	26	19	36.8
Other Gains	1,320	323	308.7
Other Items of Expenses			
Marketing and Distribution Expenses	(924)	(1,031)	(10.4)
Administrative Expenses	(3,334)	(4,009)	(16.8)
Finance Costs	(390)	(471)	(17.2)
Other Losses	(32)	(100)	(68.0)
Share of Results from an Associate and a Jointly-Controlled Entity, Net of Tax	(68)	(93)	(26.9)
Profit/(Loss) Before Income Tax	933	(617)	n/m
Tax Expense	(324)	(395)	(18.0)
Profit/(Loss), Net of Tax	609	(1,012)	n/m
Other Comprehensive (Loss)/Income			
Exchange Differences on Translating Foreign Operations, Net of Tax	(337)	296	n/m
Effective Portion of Changes in Fair Value of Cash Flow Hedges	28	44	(38.6)
Other Comprehensive (Loss)/Income, Net of Tax	(309)	340	n/m
Total Comprehensive Income/(Loss), Net of Tax	300	(672)	n/m

	Group		
	1H FY2020[1] (S$'000) (Unaudited)	1H FY2019[2] (S$'000) (Unaudited)	% Change +/(-)
Profit/(Loss), Net of Tax, attributable to:			
Owners of the Company	388	(1,067)	n/m
Non-Controlling Interests	221	55	301.8
	609	(1,012)	n/m
Total Comprehensive Income/(Loss), Net of Tax, attributable to:			
Owners of the Company	280	(923)	n/m
Non-Controlling Interests	20	251	(92.0)
Total Comprehensive Income/(Loss), Net of Tax	300	(672)	n/m

"n/m" denotes not meaningful.

Notes:

(1) "1H FY2020": Half year financial period from 1 November 2019 to 30 April 2020.

(2) "1H FY2019": Half year financial period from 1 November 2018 to 30 April 2019.

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

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

	Group		
	1H FY2020 (S$'000)	**1H FY2019 (S$'000)**	**% Change +/(-)**
Finance Lease Income	513	559	(8.2)
Depreciation of Property, Plant and Equipment	(1,730)	(1,744)	(0.8)
Amortisation of Intangible Assets	(46)	(43)	7.0
Amortisation of Land Use Rights	(30)	(30)	0.0
Gain on Disposal of Property, Plant and Equipment[(1)]	60	114	(47.4)
Net Fair Value (Loss)/Gain on Derivative Financial Instruments	(32)	17	n/m
Foreign Exchange Gain/(Loss), Net	592	(18)	n/m
Government Grant Income[(2)]	211	48	339.58
Adjustments for Under Provision for Taxation in Respect of Prior Years	-	(56)	n/m
Provision for Retirement Benefit Obligations Expenses, Net	(19)	(21)	(9.5)
Amortisation of Deferred Income	4	3	33.3
Allowance for Doubtful Receivables[(3)]	21	59	(64.4)
Allowance for Inventory Obsolescence	-	(24)	(100.0)
Gain on Disposal of Subsidiary[(4)]	431	-	n/m
Bad debts recovered	1	-	n/m

"n/m" denotes not meaningful.

Notes:

(1) Gain on disposal of property, plant and equipment was lower in 1H FY2020 as compared to 1H FY2019, mainly due to more gain in disposal of machinery in 1H FY2019.

(2) Government grant income was higher in 1H FY2020 as compared to 1H FY2019, mainly due to jobs credit grant and jobs support scheme for companies received during the Covid-19 pandemic in 1H FY2020.

(3) Allowance for doubtful receivables in 1H FY2020 was lower as compared to 1H FY2019, as most of the doubtful debts had been provided for in FY2019.

(4) Gain on disposal of subsidiary in 1H FY2020 relates to disposal of a subsidiary, Asia Cleantech Hub Pte. Ltd. together with its subsidiary (Swee Chioh Fishery Pte. Ltd.) which was completed on 25 February 2020.

1(b)(i) **A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	30 April 2020 (S$'000) (Unaudited)	31 October 2019 (S$'000) (Audited)	30 April 2020 (S$'000) (Unaudited)	31 October 2019 (S$'000) (Audited)
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	27,945	27,336	335	357
Intangible Assets	993	1,033	–	–
Land Use Rights	1,325	1,307	–	–
Investments in Subsidiaries	–	–	32,766	32,897
Investment in an Associate	–	1,681	–	–
Investment in a Jointly-Controlled Entity	1,785	1,641	–	–
Finance Lease Receivables	8,173	8,682	–	–
Other Assets	288	281	–	–
Deferred Tax Assets	145	395	–	–
Total Non-Current Assets	40,654	42,356	33,101	33,254
Current Assets				
Inventories	6,984	5,062	–	–
Income Tax Receivables	23	18	–	–
Trade and Other Receivables	15,010	15,657	4,523	3,391
Finance Lease Receivable	1,068	1,017	–	–
Derivative Financial Instruments	35	4	–	–
Other Assets	3,036	2,071	133	31
Cash and Cash Equivalents	3,151	5,501	18	11
	29,307	29,330	4,674	3,433
Assets of Disposal Group Classified as Held for Sale	1,699	2,499	–	–
Total Current Assets	31,006	31,828	4,674	3,433
Total Assets	71,660	74,185	37,775	36,687
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	48,170	48,170	48,170	48,170
Treasury Shares	(29)	(29)	(29)	(29)
Accumulated Losses	(7,208)	(7,596)	(20,437)	(20,421)
Foreign Currency Translation Reserve	(5,808)	(5,671)	–	–
Other Reserves	2,110	2,081	–	–
Equity Attributable to Owners of the Company	37,235	36,955	27,704	27,720
Non-Controlling Interests	4,070	4,289	–	–
Total Equity	41,305	41,244	27,704	27,720
LIABILITIES				
Non-Current Liabilities				
Provision for Retirement Benefit Obligations	874	844	–	–
Loans and Borrowings	3,973	3,903	104	126
Deferred Tax Liabilities	1,815	1,863	–	–
Provision for Reinstatement Cost	350	350	–	–
Deferred Income	-	1	–	–
Total Non-Current Liabilities	7,012	6,961	104	126

	Group		Company	
	30 April 2020 (S$'000) (Unaudited)	31 October 2019 (S$'000) (Audited)	30 April 2020 (S$'000) (Unaudited)	31 October 2019 (S$'000) (Audited)
Current Liabilities				
Income Tax Payables	643	755	59	41
Trade and Other Payables	13,143	11,917	9,864	8,756
Derivative Financial Instruments	169	131	–	–
Loans and Borrowings	9,379	10,944	44	44
Deferred Income	3	7	–	–
	23,337	23,754	9,967	8,841
Liabilities Directly Associated with Assets Held for Sale	6	2,226	–	–
Total Current Liabilities	23,343	25,980	9,967	8,841
Total Liabilities	30,355	32,941	10,071	8,967
Total Equity and Liabilities	71,660	74,185	37,775	36,687

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

	Group			
	As at 30 April 2020		As at 31 October 2019	
	Secured	Unsecured	Secured	Unsecured
	(S$'000)	(S$'000)	(S$'000)	(S$'000)
Amount repayable in one year or less, or on demand	7,822	1,557	9,161	1,783
Amount repayable after one year	3,846	127	3,684	219

Details of any collateral

As at 30 April 2020, secured loans and borrowings comprised:

- Finance lease liabilities of S$1,783,000 (31 October 2019: S$2,505,000), secured by the lessors' charge over the leased assets.
- Loans and borrowings of S$6,525,000 (31 October 2019: S$7,058,000), secured by property, plant and equipment and assets of certain subsidiaries in Malaysia.
- Loans and borrowings of S$1,797,000 (31 October 2019: S$1,921,000), secured by property, plant and equipment of subsidiaries in Singapore.
- Loans and borrowings of S$781,000 (31 October 2019: S$1,361,000), 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	
	1H FY2020 (S$'000) (Unaudited)	**1H FY2019 (S$'000) (Unaudited)**
Cash Flows From Operating Activities		
Profit/(Loss) Before Tax	933	(617)
Depreciation of Property, Plant and Equipment	1,730	1,744
Gain on Disposal of Property, Plant and Equipment	(60)	(114)
Amortisation of Intangible Assets	46	43
Amortisation of Land Use Rights	30	30
Share of Results from an Associate and a Jointly-Controlled Entity, Net of Tax	68	93
Gain on Disposal of Subsidiary	(431)	–
Net Fair Value (Gain)/Loss on Derivative Financial Instruments	32	(17)
Provision for Retirement Benefit Obligations Expenses, Net	19	21
Amortisation of Deferred Income	(4)	(3)
Finance Lease Income	(513)	(559)
Finance Income	(26)	(19)
Finance Costs	389	490
Operating Cash Flows Before Changes in Working Capital	2,213	1,092
Inventories	(1,926)	(485)
Trade and Other Receivables	1,171	1,302
Finance Lease Receivable	458	407
Other Assets	(964)	35
Trade and Other Payables	871	(287)
Finance Lease Income Received	513	559
Retirement Benefit Obligations Paid	(8)	(13)
Net Cash Flows From Operations Before Income Tax	2,328	2,610
Income Tax Paid	(251)	(158)
Net Cash Flows From Operating Activities	2,077	2,452
Cash Flows From Investing Activities		
Acquisition of Property, Plant and Equipment	(2,169)	(987)
Proceeds from Disposal of Property, Plant and Equipment	65	348
(Loan to)/ Repayment from a Jointly-Controlled Entity	(166)	55
Interest Received	26	19
Net Cash Flows Used in Investing Activities	(2,244)	(565)
Cash Flows From Financing Activities		
Proceeds from Loans and Borrowings	737	61
Repayments of Loans and Borrowings	(2,323)	(1,457)
Interest Paid	(373)	(454)
Share Buy-Back	–	(29)
Dividends Paid to Non-Controlling Interests of Subsidiaries	(239)	(203)
Decrease/(Increase) in Cash Restricted in Use Over 3 Months[(a)]	192	(672)
Net Cash Flows Used In Financing Activities	(2,006)	(2,754)

	Group	
	1H FY2020 (S$'000) (Unaudited)	1H FY2019 (S$'000) (Unaudited)
Net Decrease in Cash and Cash Equivalents	(2,173)	(867)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	7	(146)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	2,210	(39)
Cash and Cash Equivalents (Overdrawn), Statement of Cash Flows, Ending Balance	44	(1,052)
Cash and Cash Equivalents in the Statement of Cash Flows		
Cash and Cash Equivalents[(b)]	3,157	2,836
Cash Restricted in Use	(1,802)	(2,247)
Bank Overdrafts	(1,311)	(1,641)
Cash and Cash Overdrawn At End of Period	44	(1,052)

(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$1,802,000 as at 30 April 2020 (30 April 2019: S$2,101,000).

Non-Cash Transactions

Property, plant and equipment amounting to S$48,000 (1H FY2019: S$639,000) 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$'000)	Treasury Shares (S$'000)	Accumulated Losses (S$'000)	Foreign Currency Translation Reserve (S$'000)	Other Reserves (S$'000)	Equity Attributable to Owners of the Company Subtotal (S$'000)	Non-Controlling Interests (S$'000)	Total Equity (S$'000)
Group								
At 1 November 2019	48,170	(29)	(7,596)	(5,671)	2,081	36,955	4,289	41,244
Changes in Equity								
Profit for the Period	–	–	388	–	–	388	221	609
Exchange Differences on Translating Foreign Operations, Net of Tax	–	–	–	(137)	1	(136)	(201)	(337)
Effective Portion of Changes in Fair Value of Cash Flow Hedges	–	–	–	–	28	28	–	28
Dividends Paid to Non-Controlling Interests of Subsidiaries	–	–	–	–	–	–	(239)	(239)
	–	–	388	(137)	29	280	(219)	61
At 30 April 2020	48,170	(29)	(7,208)	(5,808)	2,110	37,235	4,070	41,305

	Share Capital (S$'000)	Treasury Shares (S$'000)	Accumulated Losses (S$'000)	Foreign Currency Translation Reserve (S$'000)	Other Reserves (S$'000)	Reserve of Disposal Group Classified as Held for Sale (S$'000)	Equity Attributable to Owners of the Company Subtotal (S$'000)	Non-Controlling Interests (S$'000)	Total Equity (S$'000)
Group									
At 1 November 2018	48,170	–	(6,899)	(5,220)	2,300	(481)	37,870	2,669	40,539
Changes in Equity									
(Loss)/Profit for the Period	–	–	(1,067)	–	–	–	(1,067)	55	(1,012)
Exchange Differences on Translating Foreign Operations, Net of Tax	–	–	–	149	(17)	(32)	100	196	296
Effective Portion of Changes in Fair Value of Cash Flow Hedges	–	–	–	–	44	–	44	–	44
Dividends Paid to Non-Controlling Interests of Subsidiaries	–	–	–	–	–	–	–	(203)	(203)
Treasury Shares	–	(29)	–	–	–	–	(29)	–	(29)
	–	(29)	(1,067)	149	27	(32)	(952)	48	(904)
At 30 April 2019	48,170	(29)	(7,966)	(5,071)	2,327	(513)	36,918	2,717	39,635

	Share Capital (S$'000)	Treasury Shares (S$'000)	Accumulated Losses (S$'000)	Total Equity (S$'000)
Company				
At 1 November 2019	48,170	(29)	(20,421)	27,720
Total Comprehensive Loss for the Period	–	–	(16)	(16)
At 30 April 2020	48,170	(29)	(20,437)	27,704
At 1 November 2018	48,170	–	(16,346)	31,824
Total Comprehensive Loss for the Period	–	–	(513)	(513)
Treasury Shares	–	(29)	–	(29)
At 30 April 2019	48,170	(29)	(16,859)	31,282

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

State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

	Issued and paid-up ordinary shares	Share capital (S$'000)
As at 31 October 2019 and 30 April 2020	957,483,029	48,170

As at 30 April 2020 and 30 April 2019, the total number of treasury shares held was 996,900 shares, representing 0.10% of total number of issued shares.

The Company does not have any subsidiary holdings 30 April 2020, 31 October 2019 and 30 April 2019. There were no outstanding convertibles as at 30 April 2020 and 30 April 2019.

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 956,486,129 ordinary shares as at 30 April 2020 (31 October 2019: 956,486,129 ordinary shares).

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

There was no sale, transfer, cancellation and/or use of treasury shares during and as at the end of the current financial period reported on.

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

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

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

The figures 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 modifications or emphasis of matter).**

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

3A. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: to provide (a) updates on the efforts taken to resolve each outstanding audit issue; and (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable. The latest audited financial statements of the Group for the financial year ended 31 October 2019 are not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

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 has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as with the most recently audited financial statements for the financial year ended 31 October 2019. The Group has not adopted SFRS(I) 16 Leases in its preparation of the financial statements as at 30 April 2020, and will adopt SFRS(I) 16 Leases by the financial year ending 31 October 2020. The adoption of the new and amended Singapore Financial Reporting Standards (SFRS) that is mandatory for financial year beginning on or after 1 November 2019, save for SFRS(I) 16 Leases, is not expected to result in substantial changes to the Group's financial statements.

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.

Please refer to section 4 above.

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

	Group	
	1H FY2020	**1H FY2019**
Profit/(Losses) for the period attributable to the owners of the Company (S$'000)	388	(1,067)
Weighted average number of shares in issue ('000)	956,486	956,486
(i) Basic profit/(losses) per shares (S$ cents)	0.041	(0.112)
(ii) On a fully diluted basis (S$ cents)	0.041	(0.112)

The basic and diluted profit/(losses) per share for the respective periods were the same as there were no outstanding convertible securities during the respective periods.

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

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

	Group		Company	
	30 April 2020	**31 October 2019**	**30 April 2020**	**31 October 2019**
Net assets attributable to owners of the Company (S$'000)	37,235	36,955	27,704	27,720
Number of shares at the end of the period/year, excluding treasury shares	956,486,129	956,486,129	956,486,129	956,486,129
Net asset value per ordinary share at the end of period/year (S$ cents)	3.89	3.86	2.90	2.90

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		
	1H FY2020 (S$'000)	1H FY2019 (S$'000)	% Change +/(-)
Revenue			
Renewable Energy Segment	5,061	5,135	(1.4)
Resource Recovery Segment	17,771	21,683	(18.0)
Integrated Environmental Management Solutions Segment	274	224	22.3
Total	23,106	27,042	(14.6)
Gross Profit	4,335	4,745	(8.6)
Gross Profit Margin	18.7%	17.5%	

Revenue

Revenue for 1H FY2020 of S$23.11 million was S$3.94 million or 14.6% lower as compared to 1H FY2019. The decrease in revenue was due to lower revenue recorded by the (i) Renewable Energy segment attributable to decrease in collection fee from tree and wood waste, as a result of competitive price in the challenging market conditions, and (ii) Resource Recovery segment attributable to decrease in sales of retreaded tyres and rubber compounds under Sunrich Resources Sdn. Bhd. and its subsidiaries ("**SRR Group**") due to the effect of implementation of movement control order by the Malaysia government which commenced on 18 March 2020. The decrease was partially offset by an increase in revenue recorded by Integrated Environmental Management Solutions segment attributable to increase from technical support services rendered.

Gross Profit and Gross Profit Margin

Gross profit of S$4.34 million in 1H FY2020 were lower as compared to S$4.75 million in 1H FY2019, mainly due to lower revenue recorded during the period.

Gross profit margin of 18.7% for 1H FY2020 were higher as compared to 17.5% in 1H FY2019. The improved margins were mainly due to (i) lower direct costs incurred by the Resource Recovery segment from the sale of retreaded tyres and other materials ; and (ii) decrease in utilities cost, material cost and other operating cost, due to stringent cost control measures undertaken in the current financial year ending 31 October 2020 ("**FY2020**").

Other Gains

Other gains increased by S$1.00 million to S$1.32 million in 1H FY2020 (as compared to S$0.32 million in 1H FY2019), mainly due to (i) foreign currency exchange gain as a result of weakening of the Chinese Yuan and the Malaysia Ringgit ("**MYR**") against Singapore dollar ("**SGD**") and strengthening of Australian dollar ("**AUD**") against SGD, and (ii) a one-off gain of S$0.43 million in respect of the disposal of a subsidiary, Asia Cleantech Hub Pte. Ltd. together with its subsidiary (Swee Chioh Fishery Pte. Ltd.) which was completed on 25 February 2020.

Marketing and Distribution Expenses

Marketing and distribution expenses decreased by 10.4% to S$0.92 million in 1H FY2020 (as compared to S$1.03 million in 1H FY2019), mainly due to tighter cost control measures undertaken by the Group in sales representatives' expenses, sales commission and staff salary in FY2020.

Administrative Expenses

Administrative expenses decreased by 16.8% to S$3.33 million in 1H FY2020 (as compared to S$4.01 million in 1H FY2019), mainly due to decrease in (i) manpower cost attributed to lower headcount, (ii) audit fees (iii) travelling, transport and accommodation in overseas business trips, (iv) employee benefits, and (v) professional and legal fees.

Finance Costs

Finance costs decreased by 17.2% to S$0.39 million in 1H FY2020 (as compared to S$0.47 million in 1H FY2019), mainly due to decrease in loans and borrowings during the period.

Other Losses

Other losses reduced by 68.0% to S$0.03 million in 1H FY2020 (as compared to S$0.10 million in 1H FY2019). Other losses in 1H FY2020 comprised financial derivatives losses incurred by the SRR Group, and other losses in 1H FY2019 comprised foreign currency exchange and financial derivatives losses incurred by the SRR Group.

Share of Results from an Associate and a Jointly-Controlled Entity, Net of Tax

Share of results from an associate relates to the Group's share of profit or loss in China-UK Low Carbon Enterprise Co. Ltd. ("**CULCEC**"), and share of results from a jointly-controlled entity relates to the Group's share of profit or loss in Chongqing eco-CTIG Rubber Technology Co. Ltd. ("**CECRT**"). In 1H FY2020, the Group's share of results from an associate and a jointly-controlled entity comprised share of losses from CECRT of S$0.04 million and share of losses from CULCEC of S$0.03 million.

The share of losses decreased by 26.9%, from S$0.09 million in 1H FY2019 to S$0.07 million in 1H FY2020, mainly due to decrease in losses from CECRT in 1H FY2020 as a result of cost control measures being undertaken.

Tax Expense

The Group recorded tax expense of S$0.32 million in 1H FY2020 and S$0.40 million in 1H FY2019, mainly due to decrease in taxation charges by SRR Group's retreaded tyres and rubber compounds business in Malaysia under resource recovery segment as a result of lower profit recorded by the SRR Group in 1H FY2020.

Profit/Loss, Net of Tax

As a result of the above, the Group recorded net profit of S$0.61 million in 1H FY2020, as compared to a net loss of S$1.01 million in 1H FY2019.

Statement of Financial Position

Assets

Property, plant and equipment increased by S$0.61 million, from S$27.34 million as at 31 October 2019 to S$27.95 million as at 30 April 2020. The increase was mainly attributable to (i) acquisition of new property, plant and equipment of S$2.22 million, and (ii) movements in foreign exchange rates of S$0.12 million, partially offset by depreciation charges of S$1.73 million.

Intangible assets, which relate mainly to the Group's trademarks and customer relationship, decreased by S$0.04 million, from S$1.03 million as at 31 October 2019 to S$0.99 million as at 30 April 2020, mainly due to amortization charges of S$0.05 million.

Investment in an associate of S$1.68 million as at 31 October 2019 relates to the Company's investment in CULCEC. The Company had, on 14 April 2020, entered into a conditional sale and purchase agreement to dispose ecoWise Ventures Pte Ltd and its associated company, CULCEC ("**Disposal**"). Accordingly, the amount had been reclassified to assets of disposal group classified as held for sale and liabilities directly associated with assets held for sale as at 30 April 2020.

Investment in a jointly-controlled entity relates to the Group's investment in CECRT, which increased by S$0.14 million, from S$1.64 million as at 31 October 2019 to S$1.78 million as at 30 April 2020. This was due to movements in foreign exchange rates of S$0.18 million, partially offset by the Group's share of loss results from a jointly-controlled entity of S$0.04 million.

Finance lease receivables (non-current and current) 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$9.70 million as at 31 October 2019, to S$9.24 million as at 30 April 2020, mainly attributable to billings to, and the collections from, the customer.

Deferred tax assets decreased by S$0.25 million from S$0.40 million as at 31 October 2019, to S$0.15 million as at 30 April 2020, mainly due to temporary difference between accounting and tax treatment of assets.

Inventories increased by S$1.92 million, from S$5.06 million as at 31 October 2019, to S$6.98 million as at 30 April 2020, mainly due to increase in raw materials to cope with the customers' orders.

Income tax receivables increased by S$0.01 million, from S$0.02 million as at 31 October 2019 to S$0.03 million as at 30 April 2020, mainly due to the additional tax recoverable claim as at 30 April 2020.

Trade and other receivables decreased by S$0.65 million, from S$15.66 million as at 31 October 2019, to S$15.01 million as at 30 April 2020, mainly due to lower revenue recorded under the Resource Recovery segment and prompt collections from customers.

Other assets relate to prepayments and deposit payment. Other assets (non-current and current) increased by S$0.97 million, from S$2.35 million as at 31 October 2019 to S$3.32 million as at 30 April 2020. This was due to (i) increase in deposits from S$1.18 million as at 31 October 2019, to S$2.11 million as at 30 April 2020, mainly due to down-payment made for purchase of the leasehold land in Seremban, Malaysia; and (ii) increase in prepayments from S$1.17 million as at 31 October 2019, to S$1.21 million as at 30 April 2020.

Cash and cash equivalents decreased by S$2.35 million, from S$5.50 million as at 31 October 2019 to S$3.15 million as at 30 April 2020. Please refer to "Statement of Cash Flow" section below for explanations on the decrease in cash and cash equivalents of the Group.

Assets of disposal group classified as held for sale of S$2.50 million as at 31 October 2019 relates to the Company's investment in Asia Cleantech Hub Pte. Ltd. and Swee Chioh Fishery Pte Ltd to be disposed of (the "**Previous Disposal**"). The Previous Disposal was completed on 25 February 2020. The assets of disposal group classified as held for sale of S$1.70 million as at 30 April 2020 relates to the Disposal. The Disposal has yet to be completed as at the date of this announcement.

Liabilities

Loans and borrowings (non-current and current) decreased by S$1.50 million, from S$14.85 million as at 31 October 2019 to S$13.35 million as at 30 April 2020, mainly due to repayment of loans and borrowings of S$2.32 million, partially offset by (i) proceeds from loans and borrowings of S$0.79 million, and (ii) effects of movements in foreign exchange of S$0.03 million.

Deferred tax liabilities decreased by S$0.05 million, from S$1.86 million as at 31 October 2019 to S$1.81 million as at 30 April 2020, mainly due to temporary difference between accounting and tax treatment of assets.

Income tax payables decreased by S$0.11 million, from S$0.75 million as at 31 October 2019 to S$0.64 million as at 30 April 2020, mainly due to lower profit recorded by SRR Group in 1H FY2020.

Trade and other payables increased by S$1.23 million, from S$11.92 million as at 31 October 2019 to S$13.15 million as at 30 April 2020, mainly due to increase in accruals of S$1.40 million mainly due to provision of bonus, partially offset by decrease in (i) trade payables of S$0.30 million, and (ii) other payables of S$0.15 million.

Derivative financial instruments increased by S$0.04 million, from S$0.13 million as at 31 October 2019 to S$0.17 million as at 30 April 2020, mainly due to ineffective of financial derivative.

Liabilities directly associated with assets held for sale of S$2.23 million as at 31 October 2019 relates to the Previous Disposal, which was completed on 25 February 2020. The liabilities directly associated with assets held for sale of S$0.01 million as at 30 April 2020 relates to the Disposal. Please refer to "Assets – Investment in Associate" section above for further information.

Working Capital

The Group's working capital increased by S$0.12 million, from S$5.85 million as at 31 October 2019 to S$5.97 million as at 30 April 2020.

Statement of Cash Flow

Net cash flows from operating activities for 1H FY2020 was S$2.08 million, mainly attributable to (i) operating cash flows before changes in working capital of S$2.21 million, (ii) decrease in trade and other receivables of S$1.17 million, (iii) decrease in finance lease receivable of S$0.46 million, (iv) decrease in finance lease income received of S$0.51 million, and (v) increase in trade and other payables of S$0.87 million, partially offset by (i) increase in inventories of S$1.93 million, (ii) increase in other assets of S$0.96 million, and (iii) income tax paid of S$0.25 million.

Net cash flows used in investing activities for 1H FY2020 was S$2.24 million, mainly attributable to (i) capital expenditure on property, plant and equipment of S$2.17 million, (ii) loan to an associate of S$0.17 million, partially offset by (i) proceeds from disposal of property, plant and equipment of S$0.07 million, and (ii) interest income received of S$0.03 million.

Net cash flows used in financing activities for 1H FY2020 was S$2.01 million, mainly attributable to proceeds from loans and borrowings of S$0.73 million, decrease in cash restricted in use of S$0.19 million, partially offset by repayments of loans and borrowings of S$2.32 million, interest expenses paid of S$0.37 million and dividends paid to non-controlling interests of subsidiaries of S$0.24 million.

As a result of the above, the Group's cash and cash equivalents decreased by S$2.17 million in 1H FY2020. The cash and cash equivalents as at 30 April 2020 amounted to S$3.16 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. No forecast or prospect statement has been previously disclosed to shareholders.

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, economies of scale and effectiveness with a view to improve profitability.

The Covid-19 pandemic is expected to have an impact on the Group's businesses. However, at the present moment, the Group is unable to quantify the impact due to the evolving situation.

Resource Recovery segment

The Group's rubber compound, new and retreaded tyres business under the 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 stable consumption of energy by Gardens by the Bay from its biomass co-generation power plant under the design, build and operate agreement.

The capacity of the waste steam applications for drying of spent grains from the Group's biomass co-generation power plant at Sungei Kadut are expected to be maintained due to challenging market conditions.

Integrated Environmental Management Solutions Segment

The Group is actively tendering for design and build of gas boiler and the provision of technical support.

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 and the reason(s) for the decision.

No dividend has been declared or recommended for the 1H FY2020 as the Group deems it appropriate to retain its cash for future growth of the Group.

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 an IPT general mandate from the Company's shareholders.

14. Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules

The board of directors of the Company (the "**Board**") confirms that to the best of the knowledge of the Board, nothing has come to the attention of the Board which may render the unaudited financial statements for the half year ended 30 April 2020 to be false or misleading in any material aspect.

15. Confirmation pursuant to Rule 720(1) of the Catalist Rules

The Company confirms that the undertakings as required under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

BY ORDER OF THE BOARD

Cao Shixuan
Executive Director

30 June 2020

This announcement has been prepared by ecoWise Holdings Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist.

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

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.