



ECOWISE HOLDINGS LIMITED
Company Registration No. 200209835C

Condensed Interim Financial Statements and Dividend Announcement for the 3-Month and 9-Month Financial Period ended 31 January 2024

The Board of Directors (the “Board” or “Directors”) of ecoWise Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”) is pleased to announce the unaudited condensed interim consolidated financial statements of the Group for the 3-month and 9-month financial period ended 31 January 2024. In view of the disclaimer of opinion by the Company’s independent auditor, Baker Tilly TFW LLP, for the 18-month financial period ended 30 April 2023 (“FP2023”), such quarterly reporting announcement is mandatory pursuant to the Singapore Exchange Securities Trading Limited’s (“SGX-ST”) requirements, as required under Rule 705(2)(d) of the SGX-ST Listing Manual Section B: Rules of Catalyst (the “Catalist Rules”).

A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	Group					
		3-month period ended 31 Jan 2024 (“3Q FY2024”) (S\$’000) Unaudited	3-month period ended 31 Jan 2023 (“5Q FP2023”) (S\$’000) Unaudited	% Change +/-	9-month period ended 31 Jan 2024 (“9M FY2024”) (S\$’000) Unaudited	9-month period ended 31 Jan 2023 (“9M FP2023”) (S\$’000) Unaudited	% Change +/-
Revenue	4	5,731	6,006	(5)	21,850	24,816	(12)
Cost of Sales		(4,877)	(6,146)	(21)	(18,761)	(22,743)	(18)
Gross Profit/(Loss)		854	(140)	n/m	3,089	2,073	49
Other Items of Income							
Other Income and Gains		224	346	(35)	470	404	16
Other Items of Expenses							
Marketing and Distribution Expenses		(112)	(163)	(31)	(425)	(551)	(23)
Administrative Expenses		(1,328)	(1,072)	24	(3,938)	(3,570)	10
Finance Costs		(197)	(221)	(11)	(642)	(710)	(10)
Loss Before Income Tax	5	(559)	(1,250)	(55)	(1,446)	(2,354)	(39)
Income Tax Credit/(Expense)		14	(151)	n/m	(130)	(29)	>100
Loss for the Period		(545)	(1,401)	(61)	(1,576)	(2,383)	(34)
Other Comprehensive (Loss)/Income							
Items that may be Reclassified Subsequently to Profit or Loss:							
Exchange Differences on Translating Foreign Operations, Net of Tax		(341)	(1,889)	(82)	(763)	(1,284)	(41)
Cash Flow Hedges, Net of Tax		(11)	11	n/m	(56)	15	n/m
Items that may not be Reclassified Subsequently to Profit or Loss:							
Defined Benefit Plan – Actuarial gain		-	12	n/m	-	6	n/m
Total Other Comprehensive Loss for the Period		(352)	(1,866)	(81)	(819)	(1,263)	(35)
Total Comprehensive Loss for the Period		(897)	(3,267)	(73)	(2,395)	(3,646)	(34)

	Note	Group					
		3-month period ended 31 Jan 2024 (S\$'000) Unaudited	3-month period ended 31 Jan 2023 (S\$'000) Unaudited	% Change +/-	9-month period ended 31 Jan 2024 (S\$'000) Unaudited	9-month period ended 31 Jan 2023 (S\$'000) Unaudited	% Change +/-
Loss/(Profit) for the Period Attributable to:							
Owners of the Company		(545)	(1,407)	(61)	(1,575)	(2,374)	(34)
Non-Controlling Interests		-	6	n/m	(1)	(9)	(89)
Loss for the Period		(545)	(1,401)	(61)	(1,576)	(2,383)	(34)
Total Comprehensive Loss for the Period Attributable to:							
Owners of the Company		(897)	(3,253)	(72)	(2,394)	(3,637)	(34)
Non-Controlling Interests		-	(14)	n/m	(1)	(9)	(89)
Total Comprehensive Loss for the Period		(897)	(3,267)	(73)	(2,395)	(3,646)	(34)
Loss per Share							
Basic and diluted (S\$ cents)		(0.06)	(0.15)	(6)	(0.17)	(0.25)	(32)

"n/m" denotes not meaningful.

B. Condensed Interim Consolidated Statements of Financial Position

	Note	Group		Company	
		As at 31 January 2024 (S\$'000) Unaudited	As at 30 April 2023 (S\$'000) Audited	As at 31 January 2024 (S\$'000) Unaudited	As at 30 April 2023 (S\$'000) Audited
ASSETS					
Current Assets					
Inventories		2,967	3,546	-	-
Financial Assets at Fair Value through Profit or Loss		1,513	1,513	-	-
Trade and Other Receivables	6	5,764	7,188	6,174	6,174
Lease Receivables		1,482	1,369	-	-
Derivative Financial Instruments		-	16	-	-
Other Non-Financial Assets		640	791	213	90
Cash and Cash Equivalents		1,373	908	138	141
		13,739	15,331	6,525	6,405
Assets Held for Sale	7	2,381	20	-	-
Disposal group assets classified as held for sale	13	1,056	1,056	-	-
Total Current Assets		17,176	16,407	6,525	6,405
Non-Current Assets					
Property, Plant and Equipment	8	9,129	12,140	193	90
Right-of-use Assets	9	3,478	5,558	-	-
Investment Properties		1,422	1,486	-	-
Investments in Subsidiaries		-	-	21,438	21,438
Lease Receivables		3,352	4,474	-	-
Total Non-Current Assets		17,381	23,658	21,631	21,528
Total Assets		34,557	40,065	28,156	27,933

B. Condensed Interim Consolidated Statements of Financial Position (cont'd)

	Note	Group		Company	
		As at 31 January 2024 (S\$'000) Unaudited	As at 30 April 2023 (S\$'000) Audited	As at 31 January 2024 (S\$'000) Unaudited	As at 30 April 2023 (S\$'000) Audited
LIABILITIES					
Current Liabilities					
Income Tax Payable		70	137	54	65
Trade and Other Payables	11	6,855	7,461	15,117	13,816
Derivative Financial Instruments		40	-	-	-
Loans and Borrowings	12	5,442	7,288	-	-
Lease Liabilities	14	475	475	19	9
		12,882	15,361	15,190	13,890
Liabilities directly associated with Disposal Group classified as Held for Sale	13	2,410	2,410	-	-
Total Current Liabilities		15,292	17,771	15,190	13,890
Non-Current Liabilities					
Provisions		1,062	1,096	-	-
Loans and Borrowings	12	3,249	3,448	-	-
Lease Liabilities	14	179	341	92	-
Deferred Tax Liabilities		414	653	-	-
Total Non-Current Liabilities		4,904	5,538	92	-
Total Liabilities		20,196	23,309	15,282	13,890
NET ASSETS		14,361	16,756	12,874	14,043
EQUITY					
Share Capital		47,890	47,890	47,890	47,890
Accumulated Losses		(29,003)	(27,428)	(35,016)	(33,847)
Foreign Currency Translation Reserves ("FCTR")		(6,615)	(5,852)	-	-
Other Reserves		2,126	2,182	-	-
Equity Attributable to Owners of the Company		14,398	16,792	12,874	14,043
Non-Controlling Interests		(37)	(36)	-	-
Total Equity		14,361	16,756	12,874	14,043

C. Condensed Interim Consolidated Statement of Cash Flows

	Group	
	9-month period ended 31 Jan 2024 (S\$'000) Unaudited	9-month period ended 31 Jan 2023 (S\$'000) Unaudited
<u>Cash Flows from Operating Activities</u>		
Loss before Income Tax	(1,446)	(2,354)
Adjustments for:		
Depreciation of Property, Plant and Equipment	1,541	1,751
Depreciation of Right-of-use Assets	502	555
Depreciation of Investment Properties	64	199
Amortisation of Land Use Rights	-	56
Gain on Disposal of Property, Plant and Equipment	(143)	(186)
Gain on Disposal of Assets Held for Sale	(26)	-
Net Fair Value Loss/(Gain) on Derivative Financial Instruments	56	(21)
Finance Costs	642	710
Net Foreign Exchange Gain	(1,002)	(614)
Operating Cash Flows before Changes in Working Capital	188	96
Inventories	579	1,810
Trade and Other Receivables	1,424	(2,589)
Lease Receivables	1,009	(320)
Other Non-Financial Assets	151	(107)
Trade and Other Payables	(653)	2,183
Net Cash Flows from Operations	2,698	1,073
Retirement Benefits paid	(34)	-
Income Tax Paid	(77)	(163)
Net Cash Flows from Operating Activities	2,587	910
<u>Cash Flows from Investing Activities</u>		
Acquisition of Property, Plant and Equipment	(26)	(11)
Proceeds from Disposal of Property, Plant and Equipment	533	523
Proceeds from Disposal of Assets Held for Sale	40	-
Net Cash Flows from Investing Activities	547	512
<u>Cash Flows from Financing Activities</u>		
Repayments of Loans and Borrowings	(1,540)	(1,913)
Proceeds of Loans and Borrowings	-	4,316
Repayments of bank overdraft	-	(3,847)
Repayments of Lease Liabilities	(489)	(608)
Interest Expense Paid	(595)	(710)
Loan from Director	-	721
Net Cash Flows used in Financing Activities	(2,624)	(2,041)
Net Increase/(Decrease) in Cash and Cash Equivalents	510	(619)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(45)	29
Cash and Cash Equivalents, Beginning Balance	908	1,880
Cash and Cash Equivalents, Ending Balance	1,373	1,290

D. Condensed Interim Consolidated Statements of Changes in Equity

	Share Capital (S\$'000)	Accumulated Losses (S\$'000)	FCTR (S\$'000)	Other Reserves (S\$'000)	Equity Attributable to Owners of the Company (S\$'000)	Non- Controlling Interests (S\$'000)	Total Equity (S\$'000)
Group							
9M FY2024							
At 1 May 2023	47,890	(27,428)	(5,852)	2,182	16,792	(36)	16,756
Changes in Equity							
Total Comprehensive Loss for the period	-	(1,575)	(763)	(56)	(2,394)	(1)	(2,395)
At 31 January 2024	47,890	(29,003)	(6,615)	2,126	14,398	(37)	14,361

	Share Capital (S\$'000)	Accumulated Losses (S\$'000)	FCTR (S\$'000)	Other Reserves (S\$'000)	Equity Attributable to Owners of the Company (S\$'000)	Non- Controlling Interests (S\$'000)	Total Equity (S\$'000)
Group							
9M FP2023							
At 1 May 2022	47,890	(16,037)	(5,484)	2,226	28,595	19	28,614
Changes in Equity							
Total Comprehensive Income/(Loss) for the period	-	(2,374)	(1,284)	21	(3,637)	(9)	(3,646)
At 31 January 2023	47,890	(18,411)	(6,768)	2,247	24,958	10	24,968

D. Condensed Interim Consolidated Statements of Changes in Equity (cont'd)

	Share Capital (S\$'000)	Accumulated Losses (S\$'000)	Total Equity (S\$'000)
<u>Company</u>			
<u>9M FY2024</u>			
At 1 May 2023	47,890	(33,847)	14,043
Total Comprehensive Loss for the Period	-	(1,169)	(1,169)
At 31 January 2024	47,890	(35,016)	12,874
<u>9M FP2023</u>			
At 1 May 2022	47,890	(27,558)	20,332
Total Comprehensive Loss for the Period	-	(523)	(523)
At 31 January 2023	47,890	(28,081)	19,809

E. Notes to the Condensed Interim Consolidated Financial Statements

1. Corporate Information

ecoWise Holdings Limited (the “**Company**”) is incorporated in Singapore with limited liability. It is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The condensed interim consolidated financial statements as at and for the 3-month and 9-month financial period ended 31 January 2024 comprise the Company and its subsidiaries (collectively, the “**Group**”). The principal activity of the Company is that of investment holding.

The principal activities of the major subsidiaries are:

- Operation and maintenance of biomass co-generation plant;
- Processing and recycling of non-metal waste, horticultural waste and other waste; and
- Manufacturing and trading of retread tyres and related rubberised products.

The registered office and principal place of business of the Company is located at 1 Commonwealth Lane, #07-28 One Commonwealth, Singapore 149544.

2. Basis of Preparation

The condensed interim financial statements have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore.

The condensed interim consolidated statement of financial position of the Group as at 31 January 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the period then ended and certain explanatory notes have not been audited or reviewed by the Company’s auditors.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the 18-month financial period ended 30 April 2023. The accounting policies adopted are consistent with those of the previous financial period which were prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”), except for the adoption of amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1. New and amended standards adopted by the Group

The condensed interim financial statements have been prepared based on accounting policies and methods of computation consistent with those adopted in the most recent audited financial statements of the Group for the 18-month financial period ended 30 April 2023. The Group has adopted new and revised SFRS (I) and interpretations of SFRS (I) applicable to the Group which are effective for the financial period beginning 1 May 2023. These are not expected to have a material impact on the Group’s condensed interim financial statements.

2.2 Use of Judgements and estimates

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting period are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

(i) *Expected credit loss (“**ECL**”) allowance on trade receivables*

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical defaults rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future. The estimates on ECL have included the expected effects that the current macroeconomic uncertainties and inflationary pressures have on the recoverability of the Group’s receivables.

2.2 Use of Judgements and estimates (Cont'd)

(ii) *Impairment assessment of disposal group assets classified as held for sale, land use rights in relation to CEBEC*

The Group owns a 24 MW biomass co-generation power plant (the “**CEBEC Plant**”) located in Changyi, Shandong Province, People’s Republic of China (“**PRC**”). The CEBEC Plant is held by Changyi Enersave Biomass to Energy Co., Ltd. (“**CEBEC**”), a company registered in the PRC. The immediate parent company of CEBEC is Hivern Investments Pte. Ltd. (“**Hivern**”). Both CEBEC and Hivern are wholly-owned subsidiaries in the Group.

The CEBEC Plant has not commenced operations since it was acquired by the Group in the reporting period ended 2013. The plant requires major retrofitting and re-commissioning before it can be placed into commercial operations as the contractor engaged by CEBEC did not deliver the plant to the Company in accordance with the technical specifications set out in the Engineering, Procurement and Construction Contract (the “**EPC Contract**”).

As at 31 January 2024 and 30 April 2023, the carrying values of CEBEC Plant and land use rights where the plant is located were Nil and RMB5,421,000 (approximately S\$1,056,000) respectively.

(iii) *Valuation of financial asset at fair value through profit or loss*

The Group owned a 20% equity interest in China-UK Low Carbon Enterprise Co. Ltd., (“**CULCEC**”). The Group’s application for the liquidation of CULCEC was approved by the court in PRC on 21 December 2020. The carrying amount of the Group’s investment in the associate, which was determined based on the Group’s share of the net assets of CULCEC on 31 December 2020 (based on information provided by the liquidator), approximated S\$1.5 million (RMB7 million). There was no change in the carrying amount of investment in the associate from 31 December 2020 to 31 October 2021. On 30 April 2023, the Group reclassified its investment in associate to equity investments at fair value through profit or loss in accordance with SFRS(I) 9 Financial Instruments.

The Group has assessed and determined the fair value of CULCEC on 31 January 2024 remains at S\$1.5 million (RMB7 million) as there has been no update on the liquidation status of CULCEC. This amount represents the net expected amounts to be realised through a sale of assets at fair market value, net of repayment obligations of CULCEC. However, as CULCEC is under liquidation, the Group is unable to determine the amount that it will eventually receive on completion of the liquidation process.

(iv) *Assessment of carrying values of other property, plant and equipment, right-of-use assets and intangible assets*

An assessment is made for the prior year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating unit are measured based on the higher of fair value less costs of disposal or value in use calculations. When value in use calculations is undertaken, management is required to estimate the expected future cashflows from the asset or cash-generating unit and a suitable discount rate, in order to determine the present value of those cashflows.

(v) *Measurement of impairment of subsidiaries*

The Company assesses at each balance sheet date whether there are any indicators of impairment for investments in subsidiaries. Investments in subsidiaries are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of the investment exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

When value in use calculations is undertaken, management is required to estimate the expected future cash flows from the business and a suitable terminal growth rate and pre-tax weighted average cost of capital, in order to determine the present value of those cash flows.

(vi) *Net realisable value of inventories*

The allowance for impairment of inventories assessment requires a degree of estimation and judgement. The level of the loss allowance is assessed by taking into account the recent sales experience, the ageing of inventories, other factors that affect inventory obsolescence and subsequent events. Possible changes in these estimates could result in revisions to the stated value of the inventories.

2.2 Use of Judgements and estimates (Cont'd)

(vii) *Income tax*

The entity recognises tax liabilities and assets tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition, management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgemental and not susceptible to precise determination.

(viii) *Accrual of land use rights tax and property tax*

The Group accrued for estimated property and land use taxes in the financial statements. Management has previously been submitting applications to local tax authority for waiver to pay land use rights tax and property tax in prior years in accordance with local regulations. Management has taken the view that the local tax authority would grant a waiver for payment of these taxes as they believe CEBEC met the conditions for the waiver and there was neither a response from nor enforcement by the local tax authority previously. Management submitted new applications to the local tax authority for waiver of these taxes after making payments in July, August and September 2021. If the outcome of CEBEC's application is favourable, the accruals made would be reversed in the relevant reporting year.

(ix) *Liabilities directly associated with disposal group classified as held for sale*

The Group's other payables to outside parties included a long outstanding payable of a subsidiary in the PRC amounting to RMB3,560,000 (approximately S\$729,000), which arose in 2013. The external law firm engaged by the Group, to act as management's expert, advised on 2 March 2022 that the subsidiary is not liable to repay the amount if there has been no request for repayment from the creditor concerned within the statutory time bar period. Management is, however, unable to ascertain if the creditor has requested for repayment of this amount through other channels that have not reached the Company, and hence whether the statutory time bar period had indeed expired. The Group received a letter of demand from the creditor on 1 June 2022, which if it represented a demand made since 2013, would be outside of the statutory limitation period.

2.3 Material uncertainties related to going concern

As at 31 January 2024, there continue to be in existence material uncertainties on the ability of the Group to continue as a going concern. Management noted that while the Group recorded loss after tax of S\$1,576,000 for the 9-month financial period ended 31 January 2024 (9-month financial period ended 31 January 2023: loss after tax of S\$2,383,000) and had net current assets of S\$1,884,000 (as at 30 April 2023: net current liabilities of S\$1,364,000), the Group generated net cash flow from operating activities of S\$2,587,000 for the 9-month financial period ended 31 January 2024 (9-month financial period ended 31 January 2023: net cash flows generated in operating activities of S\$910,000).

During the current reporting period, Management continued with its efforts with the following measures to enable the Group to remain as a going concern:

- a) Stabilising the operations in Singapore and Malaysia by (i) securing more orders from existing customers; (ii) obtaining orders from new customers; and (iii) resuming former products and services that had been inactive or loss in the prior periods;
- b) Continuing to work with strategic partners to offer more products and services that are synergistic with current operations;
- c) Continuing to explore collaboration opportunities with various technology companies in areas such as digitalisation, ICA (instrumentation, computerisation, and automation) and modularisation of process unit for developing and owning intellectual properties and proprietary know-how in the environmental industries; and
- d) Continuing to identify opportunities to monetise its non-core assets in Singapore and Malaysia.

Management prepared these financial statements using the going concern assumption on the basis that the actions that it has taken and will continue to undertake are sufficient to mitigate the going concern uncertainties.

The Directors are of the view that the ability of the Company and the Group to pay their debts as and when they fall due is dependent on the continued success of the above efforts, barring any unforeseen circumstances outside of their reasonable control or foresight.

If, for any currently unforeseen circumstances, the Company and the Group are unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to discharge its liabilities in the normal course of business and adjustments will have to be made to reflect the situation and assets may have to be realised other than in the normal course of business at amounts which could differ significantly from the amounts at which they are

currently recorded in the statements of financial positions of the Group and the Company. In addition, the Company and the Group may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements for the current reporting period.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period. However, the Group's businesses have been seriously affected by the impact of the Notice of Compliance ("NOC") dated 25 June 2021 which requires management's attention.

4. Segment and revenue information

For management reporting purposes, the Group is organised into three strategic operating segments that offer different products and services. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The segments and the types of products and services are as follows:

- Renewable Energy – Design, build and operate biomass co-generation systems, generate power for sale and provision of services related to the applications of heat.
- Resource Recovery – Process, recycle and repurpose waste and salvageable materials into environmentally friendly products for industrial applications, such as washed copper slag, compost and retreaded tyres.
- Integrated Environmental Management Solutions – Provision of resource management and integrated environmental engineering solutions for industrial waste and energy management, including designing, optimising, engineering, procurement, fabricating, commissioning, managing and maintenance of waste, energy management facilities and vertically integrated waste-to-feed process for fish and aquaculture business.

4.1 Reportable segments

The segment analysis on the Group's results for 3-month and 9-month financial period ended 31 January 2024 and 31 January 2023 are as follows:

	Group					
	3-month period ended 31 Jan 2024 (S\$'000)	3-month period ended 31 Jan 2023 (S\$'000)	% Change +/-	9-month period ended 31 Jan 2024 (S\$'000)	9-month period ended 31 Jan 2023 (S\$'000)	% Change +/-
Revenue						
Renewable Energy Segment	1,802	1,854	(3)	5,439	6,296	(14)
Resource Recovery Segment	3,902	4,125	(5)	16,329	18,438	(11)
Integrated Environmental Management Solutions Segment	27	27	-	82	82	-
Total	5,731	6,006	(5)	21,850	24,816	(12)
Gross Profit	854	(140)	n/m	3,089	2,073	49
Gross Profit Margin	14.90%	(2.33%)	17.23ppt	14.14%	8.35%	5.78ppt

The segment analysis on the Group's profit or loss for the 9M FY2024 and 9M FP2023 and assets and liabilities as at 31 January 2024 and 30 April 2023 are as follows:

<u>Group</u>	<u>Renewable Energy</u>		<u>Resource Recovery</u>		<u>Integrated Environmental Management Solutions</u>		<u>Eliminations</u>		<u>Group</u>	
	9-month period ended 31 Jan 2024 (S\$'000)	9-month period ended 31 Jan 2023 (S\$'000)	9-month period ended 31 Jan 2024 (S\$'000)	9-month period ended 31 Jan 2023 (S\$'000)	9-month period ended 31 Jan 2024 (S\$'000)	9-month period ended 31 Jan 2023 (S\$'000)	9-month period ended 31 Jan 2024 (S\$'000)	9-month period ended 31 Jan 2023 (S\$'000)	9-month period ended 31 Jan 2024 (S\$'000)	9-month period ended 31 Jan 2023 (S\$'000)
Revenue										
Revenue from external customers	5,439	6,296	16,329	18,438	82	82	-	-	21,850	24,816
Inter-segment revenue	2,107	1,680	27	5,228	165	319	(2,299)	(7,227)	-	-
Segment Revenue	7,546	7,976	16,356	23,666	247	401	(2,299)	(7,227)	21,850	24,816
Segment results before allocation of corporate management fees	289	(382)	1,093	351	165	269	(1,183)	(1,424)	364	(1,186)
Allocated corporate management fees	(641)	(577)	(542)	(847)	-	-	1,183	1,424	-	-
Segment results	(352)	(959)	551	(496)	165	269	-	-	364	(1,186)
Unallocated corporate results									(1,168)	(458)
Loss before finance income, dividend income, finance costs and income tax expense									(804)	(1,644)
Finance costs									(642)	(710)
Income tax expense									(130)	(29)
Loss, net of tax									(1,576)	(2,383)

<u>Group</u>	<u>Renewable Energy</u>		<u>Resource Recovery</u>		<u>Integrated Environmental Management Solutions</u>		<u>Eliminations</u>		<u>Group</u>	
	3-month period ended 31 Jan 2024 (S\$'000)	3-month period ended 31 Jan 2023 (S\$'000)	3-month period ended 31 Jan 2024 (S\$'000)	3-month period ended 31 Jan 2023 (S\$'000)	3-month period ended 31 Jan 2024 (S\$'000)	3-month period ended 31 Jan 2023 (S\$'000)	3-month period ended 31 Jan 2024 (S\$'000)	3-month period ended 31 Jan 2023 (S\$'000)	3-month period ended 31 Jan 2024 (S\$'000)	3-month period ended 31 Jan 2023 (S\$'000)
Revenue										
Revenue from external customers	1,802	1,854	3,902	4,125	27	27	-	-	5,731	6,006
Inter-segment revenue	1,564	592	4	1,211	46	106	(1,614)	(1,909)	-	-
Segment Revenue	3,366	2,446	3,906	5,336	73	133	(1,614)	(1,909)	5,731	6,006
Segment results before allocation of corporate management fees	(307)	(1,950)	606	983	23	308	(365)	(574)	(43)	(1,233)
Allocated corporate management fees	(184)	(345)	(181)	(229)	-	-	365	574	-	-
Segment results	(491)	(2,295)	425	754	23	308	-	-	(43)	(1,233)
Unallocated corporate results									(319)	204
Loss before finance income, dividend income, finance costs and income tax expense									(362)	(1,029)
Finance costs									(197)	(221)
Income tax credit/(expense)									14	(151)
Loss, net of tax									(545)	(1,401)

<u>Group</u>	<u>Renewable Energy</u>		<u>Resource Recovery</u>		<u>Integrated Environmental Management Solutions</u>		<u>Eliminations</u>		<u>Group</u>	
	As at 31 Jan 2024	As at 30 April 2023	As at 31 Jan 2024	As at 30 April 2023	As at 31 Jan 2024	As at 30 April 2023	As at 31 Jan 2024	As at 30 April 2023	As at 31 Jan 2024	As at 30 April 2023
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Segment assets	30,588	31,214	39,707	44,032	14,329	14,451	(51,682)	(51,135)	32,942	38,562
Disposal group assets classified as held for sale	1,056	1,056	-	-	-	-	-	-	1,056	1,056
Unallocated corporate assets									559	447
Total assets									34,557	40,065
Segment liabilities	52,666	52,457	25,108	19,199	12,897	6,988	(84,365)	(71,506)	6,306	7,138
Loans and borrowings allocated to operating segments	-	-	6,921	8,829	1,770	1,907	-	-	8,691	10,736
Income tax payable allocated to operating segments	(11)	11	14	47	13	13	-	-	16	71
Unallocated income tax payable									54	66
Deferred tax liabilities									414	653
Liabilities directly associated with disposal group classified as held for sale	1,824	1,824	435	435	151	151	-	-	2,410	2,410
Unallocated corporate liabilities									2,305	2,235
Total liabilities									20,196	23,309
Capital expenditure allocated to operating segments:										
Property, plant and equipment	10	77	9	561	-	-	-	-	19	638
Right-of-use assets	-	-	-	6,357	-	-	-	-	-	6,357
Unallocated corporate capital expenditure									192	-
Total capital expenditure									211	6,995

<u>Group</u>	<u>Renewable Energy</u>		<u>Resource Recovery</u>		<u>Integrated Environmental Management Solutions</u>		<u>Eliminations</u>		<u>Group</u>	
	9-month period ended 31 Jan 2024 (S\$'000)	9-month period ended 31 Jan 2023 (S\$'000)	9-month period ended 31 Jan 2024 (S\$'000)	9-month period ended 31 Jan 2023 (S\$'000)	9-month period ended 31 Jan 2024 (S\$'000)	9-month period ended 31 Jan 2023 (S\$'000)	9-month period ended 31 Jan 2024 (S\$'000)	9-month period ended 31 Jan 2023 (S\$'000)	9-month period ended 31 Jan 2024 (S\$'000)	9-month period ended 31 Jan 2023 (S\$'000)
Depreciation of property, plant and equipment and investment properties:										
Allocated to operating segments	625	607	805	1,181	157	141	-	-	1,587	1,929
Unallocated corporate depreciation									18	21
									<u>1,605</u>	<u>1,950</u>
Depreciation of right-of-use assets	270	268	232	287	-	-	-	-	502	555
(Gain)/loss on disposal of property, plant and equipment:										
Allocated to operating segments	(4)	(19)	(148)	(127)	-	-	-	-	(152)	(146)
Unallocated corporate depreciation									9	(40)
									<u>(143)</u>	<u>(186)</u>
Gain on disposal of asset held for sale	-	-	(26)	-	-	-	-	-	(26)	-
Amortisation of land use rights	-	56	-	-	-	-	-	-	-	56
(Write-back)/allowance of doubtful debts:										
Allocated to operating segments	-	-	(91)	69	-	-	-	-	(91)	69
Unallocated corporate write-back of doubtful debts									(20)	-
									<u>(111)</u>	<u>69</u>

<u>Group</u>	<u>Renewable Energy</u>		<u>Resource Recovery</u>		<u>Integrated Environmental Management Solutions</u>		<u>Eliminations</u>		<u>Group</u>	
	3-month period ended 31 Jan 2024 (S\$'000)	3-month period ended 31 Jan 2023 (S\$'000)	3-month period ended 31 Jan 2024 (S\$'000)	3-month period ended 31 Jan 2023 (S\$'000)	3-month period ended 31 Jan 2024 (S\$'000)	3-month period ended 31 Jan 2023 (S\$'000)	3-month period ended 31 Jan 2024 (S\$'000)	3-month period ended 31 Jan 2023 (S\$'000)	3-month period ended 31 Jan 2024 (S\$'000)	3-month period ended 31 Jan 2023 (S\$'000)
Depreciation of property, plant and equipment and investment properties:										
Allocated to operating segments	11	281	99	376	60	29	-	-	170	686
Unallocated corporate depreciation									8	5
									<u>178</u>	<u>691</u>
Depreciation of right-of-use assets	66	66	101	232	-	-	-	-	167	298
(Gain)/loss on disposal of property, plant and equipment:										
Allocated to operating segments	56	1	(154)	9	-	-	-	-	(98)	10
Unallocated corporate depreciation									9	(1)
									<u>(89)</u>	<u>9</u>
Gain on disposal of asset held for sale	-	-	(15)	-	-	-	-	-	(15)	-
Amortisation of land use rights	-	28	-	-	-	-	-	-	-	28
(Write-back)/allowance of doubtful debts:										
Allocated to operating segments	-	-	(10)	6	-	-	-	-	(10)	6
Unallocated corporate write-back of doubtful debts									(20)	-
									<u>(30)</u>	<u>6</u>

4.2 Disaggregation of revenue

	Group		Group	
	3-month period ended 31 Jan 2024 (S\$'000)	3-month period ended 31 Jan 2023 (S\$'000)	9-month period ended 31 Jan 2024 (S\$'000)	9-month period ended 31 Jan 2023 (S\$'000)
#A. Revenue classified by type of good or service:				
Sale of goods	3,791	4,489	16,373	19,402
Service income	1,772	1,166	4,952	4,322
Finance lease income	138	167	440	541
Others	30	184	85	551
Total revenue	5,731	6,006	21,850	24,816
#B. Revenue classified by duration of contract:				
Short term contracts	5,082	5,416	19,064	22,036
Long term contracts	649	590	2,786	2,780
Total revenue	5,731	6,006	21,850	24,816
#C. Revenue classified by timing of revenue recognition:				
Point in time	5,082	5,416	19,064	22,036
Over time	649	590	2,786	2,780
Total revenue	5,731	6,006	21,850	24,816

4.3 Geographical segment

The following table shows the distribution of the Group's combined sales based on geographical location of customers:

	Group		Group	
	3-month period ended 31 Jan 2024 (S\$'000)	3-month period ended 31 Jan 2023 (S\$'000)	9-month period ended 31 Jan 2024 (S\$'000)	9-month period ended 31 Jan 2023 (S\$'000)
Revenue				
Australia	1,950	2,740	9,820	10,844
Singapore	2,807	2,050	8,274	10,437
Malaysia	884	1,061	3,189	3,225
Others	90	155	567	310
Total revenue	5,731	6,006	21,850	24,816

5. Loss before income tax

Loss before income tax for the financial periods from continuing operations is arrived after charging/(crediting) the following:

	Group					
	3-month period ended 31 Jan 2024 (S\$'000)	3-month period ended 31 Jan 2023 (S\$'000)	% Change +/(–)	9-month period ended 31 Jan 2024 (S\$'000)	9-month period ended 31 Jan 2023 (S\$'000)	% Change +/(–)
Depreciation of Property, Plant and Equipment	159	666	(76)	1,541	1,751	(12)
Depreciation of Right-of-use Assets	167	298	(44)	502	555	(10)
Depreciation of Investment Properties	19	25	(24)	64	199	(68)
Amortisation of Land Use Rights	-	28	n/m	-	56	n/m
Loss/(Gain) on Disposal of Property, Plant and Equipment	(89)	9	n/m	(143)	(186)	(23)
Loss/(Gain) on Disposal of Assets Held for Sale	(15)	-	n/m	(26)	-	n/m
(Write-back)/allowance for doubtful debts	(30)	6	n/m	(111)	69	n/m
Finance Lease Income	(139)	(168)	(17)	(441)	(542)	(19)
Foreign Exchange (Gain)/Loss, Net	(81)	(351)	(77)	(153)	(256)	(40)
Government Grant	(11)	(7)	57	(35)	(19)	84

6. Trade and other receivables

	Group		Company	
	As at 31 January 2024 (S\$'000)	As at 30 April 2023 (S\$'000)	As at 31 January 2024 (S\$'000)	As at 30 April 2023 (S\$'000)
<u>Trade receivables</u>				
Outside parties	5,915	7,962	37	37
Less: allowance for impairment	(878)	(1,014)	(25)	(25)
Net	5,037	6,948	12	12
Subsidiaries	-	-	2,304	2,016
Subtotal	5,037	6,948	2,316	2,028
<u>Other receivables</u>				
Outside parties	790	306	-	-
Less: allowance for impairment	(63)	(66)	-	-
Net	727	240	-	-
Subsidiaries	-	-	3,858	4,146
Subtotal	727	240	3,858	4,146
Total trade and other receivables	5,764	7,188	6,174	6,174

7. Assets Held for Sale

As at 31 January 2024, the assets held for sale is comprised of the following assets.

	GROUP	
	As at 31 Jan 2024 (S\$'000)	As at 30 Apr 2023 (S\$'000)
Property, plant and equipment	937	20
Right-of-use assets	1,444	-
Assets held for sale	2,381	20

As at 31 January 2024, the Group has reclassified the Sabah factory in its Malaysia subsidiary with net book value of S\$2.38 million (MYR8.38 million) as assets held for sale with a market value that amounts to S\$2.98 million (MYR10.5 million) as at 31 January 2024. The Group has been actively marketing this property since the cessation of business in Sabah.

8. Property, plant and equipment (“PPE”)

During 9M FY2024, the Group acquired PPE amounting to S\$211,000 (9M FP2023: S\$88,000) and disposed of PPE amounting to S\$390,000 (9M FP2023: S\$337,000).

9. Right-of-use assets

During 9M FY2024 and 9M FP2023, there are no acquisitions and disposals made except for the extension of lease of Sarimbun Recycling Plant of S\$240,000 in the previous quarter and the reclassification of Sabah factory of S\$1.44 million as asset held for sale in 9M FY2024.

10. Net asset value

	Group		Company	
	As at 31 January 2024	As at 30 April 2023	As at 31 January 2024	As at 30 April 2023
Net assets attributable to owners of the Company (S\$'000)	14,398	16,792	12,874	14,043
Number of shares at the end of the financial period/year, excluding treasury shares	948,845,729	948,845,729	948,845,729	948,845,729
Net asset value per ordinary share at the end of the financial period/year (S\$ cents)	1.52	1.77	1.36	1.48

11. **Other payables and other provisions**

	Group		Company	
	As at 31 January 2024 (S\$'000)	As at 30 April 2023 (S\$'000)	As at 31 January 2024 (S\$'000)	As at 30 April 2023 (S\$'000)
<u>Trade payables</u>				
Outside parties and accrued liabilities	5,475	5,578	1,495	1,058
Subsidiaries	-	-	2,851	2,143
Subtotal	5,475	5,578	4,346	3,201
<u>Other payables</u>				
Outside parties	712	1,262	3	3
Director	668	621	697	650
Subsidiaries	-	-	10,071	9,962
Subtotal	1,380	1,883	10,771	10,615
Total trade and other payables	6,855	7,461	15,117	13,816

Other payables to subsidiaries and jointly-controlled entity are unsecured, interest free and repayable on demand.

Other payable to a director is unsecured, with an interest rate of 6.3% per annum and repayable on demand. Please refer to paragraph 10 of Section F OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C for more details.

12. **Loans and borrowings**

	Group			
	At 31 January 2024		As at 30 April 2023	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	5,442	-	7,288	-
Amount repayable after one year	3,249	-	3,448	-

Details of collaterals

As at 31 January 2024, secured loans and borrowings comprised:

- Loans and borrowings of S\$6.92 million (30 April 2023: S\$8.83 million), secured by property, plant and equipment and assets of certain subsidiaries in Malaysia.
- Loans and borrowings of S\$1.77 million (30 April 2023: S\$1.91 million), secured by property, plant and equipment of subsidiaries in Singapore.
- To date, banking facilities with the three banks in Malaysia have been restructured as announced on 6 June 2022, 28 June 2022 and 10 November 2022.

13. **Discontinued operations and disposal group classified as held for sale**

In FP2023, following the resignation of former executive director who was the legal representative for Chongqing ecoWise Investment Management Co., Ltd. ("CQEIM"), Chongqing eco-CTIG, Rubber Technology Co., Ltd. ("CECRT") and CEBEC in China, Management and the Board decided to discontinue the operations and dispose of them when the opportunity arises (or hereinafter also referred to as the "China Subsidiaries"). The China Subsidiaries did not contribute any revenue to the Group for the current reporting period.

The Group is currently exploring all avenues to expedite the change of legal representative for the China subsidiaries.

The assets and liabilities related to CQEIM, CECRT and CEBEC (which previously contributed to the Integrated Environmental Management Solutions, Resource Recovery and Renewable Energy segments, respectively in China) have been presented as a disposal group held for sale, and the results from the China Subsidiaries are presented separately on the income statement as "Discontinued operations".

14. Lease liabilities

	Group		Company	
	As at 31 January 2024 \$'000	As at 30 April 2023 \$'000	As at 31 January 2024 \$'000	As at 30 April 2023 \$'000
Current	475	475	19	9
Non-current	179	341	92	-
	654	816	111	9

As at 31 January 2024, finance lease liabilities of S\$654,000 (30 April 2023: S\$816,000) were secured by the lessors' charge over the leased assets.

15. Related party transactions

There are no material related party transactions apart from the outstanding loan from a director as disclosed in paragraph 10 of Section F OTHER INFORMATION REQUIRED BY CATALIST RULE APPENDIX 7C.

16. Subsequent events

There are no significant subsequent events as at date of this announcement.

F. Other Information Required by Catalist Rule Appendix 7C

1 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.

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.

	Issued and paid-up ordinary shares	Share capital (\$'000)
As at 31 January 2024 and 30 April 2023	957,483,029	48,170
		Percentage of the aggregate number of treasury shares held against total number of shares outstanding
	Number of treasury shares	
As at 31 January 2024 and 30 April 2023	8,637,300	0.90%

The Company does not have any subsidiary holdings as at 31 January 2024, 30 April 2023 and 31 January 2023. There were no outstanding convertibles as at 31 January 2024, 30 April 2023 and 31 January 2023.

As at 31 January 2024, the total number of issued and paid-up ordinary shares (excluding treasury shares and subsidiary holdings) held was 948,845,729 shares (30 April 2023: 948,845,729 shares).

2 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 were no sales, transfers, cancellation and/or use of treasury shares during the 3-month and 9-month financial period ended 31 January 2024.

3 A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/or use of subsidiary holdings during the 3-month and 9-month financial period ended 31 January 2024.

4 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.

The independent auditor of the Company, Baker Tilly TFW LLP ("**Baker Tilly**"), issued a disclaimer of opinion on the consolidated financial statements of the Group and the Company for FP2023. The basis for the disclaimer of opinion is in relation to the following:

- A. Opening balances and limitation of scope in relation to the China subsidiaries;
- B. Disposal Group classified as held for sale (in relation to the China subsidiaries);
- C. Internal audit under NOC;
- D. Impairment assessment of the Group's property, plant and equipment in Malaysia;
- E. Valuation of equity investment at fair value through profit or loss (previously classified as investment in an associate); and
- F. Going concern

With regard to items A and B above, the Management is working with its advisers to regain control of the companies in China so that the Management can take the next course of actions.

In relation to item C above, the internal review and the expanded scope carried out by Ernst & Young Advisory Pte. Ltd. as announced on 11 May 2022 are still in progress.

With respect to item D above, the Management reassessed these at the balance sheet date and concluded that no further impairment is required.

With regard to item E above, the Management changed its authorised representative in relation to the liquidation of its investment in an associate in December 2023. The investment in an associate has since 30 April 2023 been reclassified and accounted for as an equity investment carried at fair value through profit or loss. The Company is in the midst of obtaining updated information from the liquidators.

With regard to item F above, please refer to Section E, Note 2.3 of this announcement.

The Company will continue to engage with its external and internal auditors and other relevant professionals to address all matters raised in the independent auditor's report for FP2023. Announcements will be made in the event these matters resulted or will result in any significant or material impact on the Group's operations and financial statements.

The Board confirms that the impact of the outstanding audit issues on the financial statements have been adequately disclosed.

5 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.

Loss per ordinary share for the period based on loss for the period attributable to the owners of the Company as follows:

	Group		Group	
	3-month period ended 31 Jan 2024	3-month period ended 31 Jan 2023	9-month period ended 31 Jan 2024	9-month period ended 31 Jan 2023
Loss for the period attributable to the owners of the Company (S\$'000)	(545)	(1,407)	(1,575)	(2,374)
Weighted average number of shares in issue ('000)	948,846	948,846	948,846	948,846
(i) Basic loss per shares (S\$ cents)	(0.06)	(0.15)	(0.17)	(0.25)
(ii) On a fully diluted basis (S\$ cents)	(0.06)	(0.15)	(0.17)	(0.25)

The basic and diluted loss per share for the respective periods were the same as there were no outstanding convertible securities during the respective periods.

6 Review of performance of the Group

Statement of Comprehensive Income

Revenue

Revenue for 3Q FY2024 of S\$5.73 million was S\$275,000 or 5% lower than the revenue for 5Q FP2023 mainly due to (i) decrease in revenue from Resource Recovery segment of S\$223,000 as a result of decrease in revenue in Malaysia operations of S\$534,000 due to deferral of deliveries to a later period as requested by a major customer in Malaysia, offset by increase in revenue from Resource Recovery segment of S\$311,000 under Singapore operations; and (ii) decrease in revenue from Renewable Energy segment of S\$52,000.

Revenue for 9M FY2024 of S\$21.85 million was S\$2.97 million or 12% lower than the revenue for 9M FP2023 mainly due to (i) decrease in revenue from Resource Recovery segment of S\$2.11 million as a result of decrease in sales to a major customer in Malaysia as mentioned above plus the effect of fulfilling backlog orders in 9M FP2023 due to major repairs of equipment which were only completed in June 2022; and (ii) decrease in revenue from Renewable Energy segment of S\$857,000 mainly due to decrease in revenue from spent grains of S\$1.02 million and revenue from ISO-tank heating services of S\$142,000, offset by increase in revenue from collection and processing of horticultural and wood waste of S\$304,000.

Cost of Sales

Cost of sales for 3Q FY2024 of S\$4.88 million was S\$1.27 million or 21% lower than the cost of sales for 5Q FP2023 mainly due to (i) decrease in raw material cost in Malaysia of S\$649,000 as a result of decrease in revenue; (ii) decrease in manpower cost of S\$460,000 due to decrease in headcount and lesser overtime work associated with backlog orders from a major customer in Malaysia; (iii) decrease in repair and maintenance expenses of S\$138,000 as it was mostly completed in the prior period and (iv) cost savings as a result of cessation of business in Sabah in March 2023 and tighter cost control measures undertaken by the Group.

The above also explain the decrease in cost of sales of S\$3.98 million or 18% for 9M FY2024 vs 9M FP2023.

Gross Profit and Gross Profit Margin

The improvement in gross profit and gross profit margin for 3Q FY2024 vs 5Q FP2023 and 9M FY2024 vs 9M FP2023 was due to the cost savings as mentioned above.

Other Gains

Other gains in 3Q FY2024 decreased by S\$122,000 or 35% lower as compared to 5Q FP2023 mainly due to (i) decrease in foreign exchange gain of S\$270,000; offset by (ii) increase in gain on disposal of fixed asset of S\$98,000 and increase in gain on disposal of assets held for sale of S\$15,000 arising mainly from the disposal of shophouse in Sabah following the cessation of business in the same location; and (iii) increase in write-back of allowance for doubtful debts of S\$36,000.

Other gains increased by S\$66,000 or 16% higher for 9M FY2024 as compared to 9M FP2023 mainly due to (i) increase in write-back of allowance of doubtful debt of S\$180,000; (ii) increase in gain on disposal of asset held for sale of S\$26,000; (iii) increase in government grant of S\$16,000; and offset by decrease in foreign exchange gain of S\$103,000; and decrease in gain on disposal of fixed asset of S\$41,000.

Marketing and Distribution Expenses

Marketing and distribution expenses decreased by S\$51,000 or 31% for 3Q FY2024 vs 5Q FP2023 and decreased by S\$126,000 or 23% for 9M FY2024 vs 9M FP2023 mainly due to tighter cost control measures undertaken by the Group.

Administrative Expenses

Administrative expenses increased by S\$256,000 or 24% for 3Q FY2024 vs 5Q FP2023 mainly due to (i) increase in manpower cost of S\$113,000 arising from increase in number of staffs, payment of bonus and annual increment of staff salaries; (ii) increase in professional fees of S\$118,000 mainly due to increase accrual of audit fees and other professional fees; and (iii) increase in depreciation of S\$54,000 as a result of accelerated depreciation of certain property, plant and equipment; offset by (iv) decrease in other administrative expenses of S\$29,000.

Administrative expenses increased by S\$368,000 or 10% for 9M FY2024 vs 9M FP2023 mainly due to (i) increase in staff costs of S\$277,000 as explained above; (ii) increase in legal and professional of S\$246,000 in relation to NOC and reason explained above; offset by (iii) decrease in insurance expense of S\$53,000; (iv) decrease in depreciation expense of S\$25,000; and (v) decrease in other administrative expenses of S\$76,000 mainly arising from court fine paid in 9M FP2023 in relation to a workplace safety accident that happened in 2018.

Finance Costs

Finance costs decreased by S\$24,000 for 3Q FY2024 vs 5Q FP2023 and decreased by S\$68,000 for 9M FY2024 vs 9M FP2023 as a result of the restructuring of bank borrowings in Malaysia which were completed between June 2022 and November 2022 and repayments of bank borrowings since the completion of the restructuring.

Income Tax Credit/(Expense)

Income tax credit for 3Q FY2024 was mainly due to write-back of over provision of income tax in prior financial years. The income tax expense for 9M FY2024 was due to provision for income tax in profit-making subsidiaries in Malaysia.

Loss, Net of Tax

As a result of the above, the Group recorded a lower net loss of S\$545,000 for 3Q FY2024 as compared to net loss of S\$1.40 million for 5Q FP2023 and a lower net loss of S\$1.58 million for the 9M FY2024 as compared to net loss of S\$2.38 for 9M FP2023.

Statement of Financial Position

Assets

Property, plant and equipment decreased by S\$3.01 million from S\$12.14 million as at 30 April 2023 to S\$9.13 million as at 31 January 2024 mainly due to (i) depreciation of S\$1.54 million; (ii) reclassification of building of S\$933,000 to assets held for sale in relation to the factory in Sabah; (iii) disposal of property, plant and equipment of S\$390,000; (iv) foreign currency translation of property, plant and equipment denominated in foreign currency; and offset by (v) the acquisition of certain vehicle.

Right-of-use assets decreased by S\$2.08 million from S\$5.56 million as at 31 January 2024 to S\$3.48 million as at 30 April 2023 mainly due to (i) reclassification of land to asset held for sale of S\$1.44 million in relation to the land for the factory in Sabah; (ii) depreciation of S\$502,000; (iii) reclassification of certain vehicles to property, plant and equipment of S\$121,000; (iv) foreign currency translation of right-of-use of assets denominated in foreign currency; and offset by (v) capitalisation of S\$240,000 due to extension of lease in Sarimbun Recycling Park.

Investment properties relates to the Group's properties leased to third parties.

Financial assets at fair value through profit or loss relates to the Group's investment in CULCEC which is in process of liquidation. There is no change in the carrying amount of this investment.

Lease receivables (non-current and current) relates 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 lease receivables decreased from S\$5.84 million as at 30 April 2023 to S\$4.83 million as at 31 January 2024, mainly attributable to the conversion of billings to collections from the customer.

Inventories decreased by S\$579,000 from S\$3.55 million as at 30 April 2023 to S\$2.97 million as at 31 January 2024 as Malaysia adopted the "just-in-time" inventory system for better cashflow management.

Trade and other receivables decreased by S\$1.42 million from S\$7.19 million as at 30 April 2023 to S\$5.76 million as at 31 January 2024, mainly due to (i) decrease in trade receivables of Malaysia operations of S\$839,000 arising from a decrease in sales to a major customer and (ii) collections from customers.

Other non-financial assets comprising prepayments and deposits decreased by S\$151,000 from S\$791,000 as at 30 April 2023 to S\$640,000 as at 31 January 2024 mainly due to decrease in tax recoverable due to utilisation of tax credit by profit-making subsidiaries in Malaysia of S\$150,000 and amortisation of prepayment of S\$16,000, offset by increase in deposits placed for legal professional services of S\$15,000.

Cash and cash equivalents increased by S\$465,000 from S\$908,000 as at 30 April 2023 to S\$1.37 million as at 31 January 2024. Please refer to "Statement of Cash Flow" section below for explanations on the decrease in cash and cash equivalents of the Group.

Liabilities

Loans and borrowings (non-current and current) decreased by S\$2.05 million from S\$10.74 million as at 30 April 2023 to S\$8.69 million as at 31 January 2024 mainly due to repayments as per the restructuring agreements with the Malaysian banks and monthly installments on property loans in Singapore.

Lease liabilities (non-current and current) decreased by S\$162,000 from S\$816,000 as at 30 April 2023 to S\$654,000 as at 31 January 2024 mainly due to (i) repayments of finance lease of S\$489,000; offset by (ii) increase in finance lease liabilities of S\$240,000 for extension of lease in Sarimbun Recycling Park and (iii) acquisition of new motor vehicle of S\$111,000.

Trade and other payables decreased by S\$606,000 from S\$7.46 million as at 30 April 2023 to S\$6.86 million as at 31 January 2024 mainly due to lesser purchases in Malaysia operations in 3Q FY2024 and repayment of outstanding payables.

Working Capital

The Group's working capital improved from a negative working capital of S\$1.36 million as at 30 April 2023 to a positive working capital of S\$1.88 million as at 31 January 2024.

Statement of Cash Flow

Net cash flows from operating activities for 9M FY2024 was S\$2.59 million, mainly attributable to (i) net cash inflows before changes in working capital of S\$188,000, (ii) decrease in trade and other receivables of \$1.42 million, (iii) decrease in finance lease receivables of S\$1.01 million, (iv) decrease in inventories of S\$579,000, (v) decrease in other non-financial assets of S\$151,000, offset by (vi) decrease in trade and other payables of S\$653,000, (vii) income tax paid of S\$77,000 and (viii) retirement benefits paid of S\$34,000.

Net cash flows from operating activities for 9M FP2023 was S\$910,000, mainly attributable to (i) net cash outflows before changes in working capital of S\$96,000, (ii) decrease in inventories of S\$1.81 million (iii) increase in trade and other payables of S\$2.18 million, offset by (iv) increase in trade and other receivables of S\$2.59 million, (v) increase in finance lease receivables of S\$320,000, (v) increase in other non-financial assets of S\$107,000, and (vi) income tax paid of S\$163,000.

Net cash flows from investing activities for 9M FY2024 was S\$547,000, mainly attributable to proceeds from disposal of property, plant and equipment of S\$533,000.

Net cash flows from investing activities for 9M FP2023 was S\$512,000, mainly attributable to proceeds from disposal of property, plant and equipment of S\$523,000.

Net cash used in financing activities for 9M FY2024 was S\$2.62 million, mainly attributable to (i) repayments of loans and borrowings of S\$1.54 million, (ii) interest expenses paid of S\$595,000 and (iii) repayments of finance lease of S\$489,000.

Net cash used in financing activities for 9M FP2023 was S\$2.04 million, mainly attributable to (i) repayments of bank overdraft of S\$3.85 million, (ii) repayments of loans and borrowings of S\$1.91 million, (iii) repayments of finance lease of S\$608,000, (iv) interest expenses paid of S\$710,000, offset by (v) proceeds from loans and borrowings of S\$4.32 million, and (vi) loan from director of S\$721,000.

7 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.

8 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.

As previously reported, the Board and the Management have worked cohesively to stabilise the Group operationally and financially. They have implemented risk-mitigating and cost-savings procedure, divested non-core assets (as and when appropriate opportunities arose), and strategically and optimally downsized two out of three core business segments of the Group, namely the Renewable Energy and Resource Recovery segments. The concerted efforts have not only boosted operational efficiency, but also resulted in a positive operating cashflow, marking a resumption of the Group's path towards profitability.

Capitalising on the good track records of the Group in the Bioenergy sector, the Group actively courted various new business and project opportunities that might add value to or have a strategic element in its existing businesses and to further the Group's biomass waste to renewable energy sector. Our Board and Management are evaluating a range of viable options and engaging with strategic partners to replicate similar successful Renewable Energy project(s) when the timing and circumstances are optimal.

In respect of the Resource Recovery segment, the Management continues its efforts to monetise the Group's non-core assets in Malaysia as and when the opportunity arises to reduce the Group's debt burden and to secure additional working capital to provide for higher operating loads and capacity in the Group's push to normalise and expand operations. Based on the initiatives described, both Management and the Board are quietly confident that this business segment in Malaysia will be in a position to attract credible strategic partners for long-term participation in their business units, facilitating both horizontal and vertical expansions. There are also opportunities for ecoWise to extend its expertise in Renewable Energy to the businesses of manufacturing rubber compounds and tyre retreading.

The Group has also been exploring collaboration opportunities with various technology companies during FP2023 in areas such as digitalisation, ICA (instrumentation, computerisation, and automation) and modularisation of process unit for the development and ownership of intellectual properties and proprietary know-how in the environmental industries.

At the macro level, the Group continues to see the trend of investment in renewable energy sources to continue. Governments and large businesses have increasingly made sustainability their utmost priority in an effort to keep global temperature rise to below 2 degrees Celsius, conserve the bio-diversity of our natural environment, and to reduce or eliminate the use of fossil fuel for our energy needs. Various agencies of the Singapore government provide incentives and support for companies involved in renewable energy sector, including research and development activities, which the Group will avail itself of if it meets the qualifying requirements. To this end, the businesses of the Group are in substantive alignment with the goals as set out in The 2030 Agenda for Sustainable Development adopted by all United Nations Member States in 2015.

Notwithstanding, as previously stated, technologies in the renewable energy sector continues to develop and advance and this may pose challenges for the Group when compared to companies with larger financial resources who are able to acquire or adapt to new technologies to meet market demands.

As stated in Note 2.3 of Section E, the Group's ability to continue as going concerns continues to be under review by Management and the Board.

9 Dividend information

If a decision regarding dividend has been made:

- (a) **Whether an interim (final) ordinary dividend has been declared (recommended)**
None
- (b)(i) **Amount per share**
Nil
- (b)(ii) **Previous corresponding period**
Nil
- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**
Not applicable
- (d) **Date payable**
Not applicable
- (e) **Record date**
Not applicable

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 3-month and 9-month financial period ended 31 January 2024 as the Group made a net loss and there is no distributable income or reserves available for the payment of dividends.

10 Interested Party Transaction (“IPT”) – 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) of the Catalist Rules. 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.

As previously reported, on 28 July 2022, Mr Lee Thiam Seng, Executive Chairman and CEO of the Company, granted a short-term and unsecured loan for a total amount of S\$750,000 to the Company. The loan is repayable on or before 31 December 2022, subject to an extension to be mutually agreed by both parties. Since 1 January 2023, the loan attracts an interest rate of 6.3% per annum and repayable on demand. As at 31 January 2024, the loan from Mr Lee Thiam Seng has a remaining balance of S\$668,000 (30 April 2023: S\$621,000) including the interest incurred during 9-month period ended 31 January 2024 amounting to S\$47,000.

For the current reporting period ended on 31 January 2024 and for the financial period ending on 30 April 2024, the total amount of interest paid and payable to Mr. Lee will not exceed 3% of the Group’s latest audited net tangible assets.

11 Confirmation by the Board of Directors pursuant to Rule 705(5) of the Catalist Rules

The Board of Directors of the Company hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial statements for 3-month and 9-month financial period ended 31 January 2024 to be false or misleading in any material aspect.

12 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H of the Catalist Rules) under Rule 720(1) of the Catalist Rules

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

13 Disclosures pursuant to Rule 706A of the Catalist Rules

There were no acquisition or sale of shares in any of the Group’s subsidiary or associated company nor incorporation or winding up or striking off of any subsidiary or associated company by the Company or any of the Group’s entities during 3-month and 9-month financial period ended 31 January 2024.

BY ORDER OF THE BOARD

Lee Thiam Seng

Executive Chairman and CEO

15 March 2024

This announcement has been prepared by ecoWise Holdings Limited (“**Company**”) and its contents have been reviewed by the Company’s sponsor, SAC Capital Private Limited (“**Sponsor**”).

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (“**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.

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