



ECOWISE HOLDINGS LIMITED
Company Registration No. 200209835C

DISCLAIMER OF OPINION BY THE INDEPENDENT AUDITOR ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 APRIL 2024 ("FY2024")

Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Board of Directors (the "**Board**") of ecoWise Holdings Limited (the "**Company**"), and together with its subsidiaries, the "**Group**") wishes to announce that Baker Tilly TFW LLP has issued a disclaimer of opinion ("**Disclaimer of Opinion**") in their independent auditor's report dated 15 August 2024 (the "**Independent Auditor's Report**") on the audited consolidated financial statements of the Group and the Company for the financial year ended 30 April 2024 ("**FY2024**") (the "**Audited FY2024 Financial Statements**").

The basis for the Disclaimer of Opinion is contained in the Independent Auditor's Report. Please refer to the copy of the Independent Auditor's Report attached herein for further details.

The Independent Auditor's Report and a complete set of the Audited FY2024 Financial Statements are also contained in the Company's Annual Report for FY2024 which was released on SGXNet. Shareholders of the Company are advised to read this announcement in conjunction with the Annual Report for FY2024.

The shares in the Company have been suspended from trading on the Singapore Exchange Securities Trading Limited since 18 June 2021. Shareholders and potential investors of the Company are advised to read this announcement and further announcements by the Company carefully. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Lee Thiam Seng
Executive Chairman and CEO
16 August 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.

The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

Appendix 1
Independent Auditor's Report

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ECOWISE HOLDINGS LIMITED**

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of ecoWise Holdings Limited (the "Company ") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 April 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information.

We do not express an opinion on the accompanying financial statements of the Group and statement of financial position and statement of changes in equity of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for Disclaimer of Opinion

- 1) *Opening balances and limitation of scope in relation to China subsidiaries (Disposal group classified as held for sale)*

A disclaimer of opinion was rendered on the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial period ended 30 April 2023. The extract of the basis for disclaimer of opinion is disclosed in Note 41 to the financial statements.

- 1a) *Limitation of scope in relation to the China subsidiaries (Disposal group classified as held for sale)*

As disclosed in Note 11 to the financial statements, the assets and liabilities directly associated with the China subsidiaries classified as Disposal group held for sale amount to \$938,000 and \$2,140,000 respectively. The China subsidiaries included Chongqing ecoWise Investment Management Co., Ltd. ("CQEIM"), Changyi Enersave Biomass to Energy Co., Ltd. ("CEBEC") and Chongqing eco-CTIG Rubber Technology Co., Ltd. ("CECRT") (collectively, the "China subsidiaries").

Since the preceding financial period, management is unable to provide sufficient justification that the criteria to be classified as held-for-sale have been satisfactorily met in accordance with SFRS (I) 5 *Non-current Assets Held for Sale and Discontinued Operations*.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ECOWISE HOLDINGS LIMITED (cont'd)**

Report on the Audit of the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

1) *Opening balances and limitation of scope in relation to China subsidiaries (Disposal group classified as held for sale) (cont'd)*

1a) *Limitation of scope in relation to the China subsidiaries (Disposal group classified as held for sale) (cont'd)*

In addition, the matters forming the basis of disclaimer of opinion relating to the China subsidiaries presented in the preceding financial period (Note 41) remain pertinent to the current period financial statements. The details are described below:

- a) the service agreements entered by CQEIM and the related accounting implications;
- b) the disclosure of related party relationships, transactions and balances in relation to the China subsidiaries;
- c) the completeness of the China subsidiaries included for the Group's consolidation purpose;
- d) the accounting of long outstanding payable in relation to CEBEC;
- e) the recoverability of receivables in relation to the China subsidiaries.

We were also unable to obtain sufficient appropriate audit evidence such as obtaining confirmations from lawyers, banks, related parties, and third parties and supporting documents for verification of certain balances and transactions for the China subsidiaries.

1b) *Internal audit under "Notice of Compliance" ("NOC")*

Furthermore, as disclosed in Note 39 and 41 of the financial statements, Singapore Exchange Regulation Pte. Ltd. ("SGX RegCo") has issued a NOC which requires the Company to commission an internal audit.

As disclosed in Note 39, SGX RegCo directed the internal auditor, Ernst & Young Advisory Pte. Ltd. ("EY") to conduct a review of the key areas highlighted in the NOC, including the adequacy and effectiveness of financial reporting internal controls, release of announcements, escalation and information flow to the Board and safeguarding of the Company's assets. Subsequent to this, an expanded scope of internal audit was directed by SGX RegCo to include the service agreements entered by Chongqing ecoWise Investment Management Co., Ltd., disclosures of related party relationships, transactions and balances, and the unconsolidated entities in China.

As of 28 March 2024, the internal audit under NOC conducted by EY had been completed. The key findings of the internal audit are disclosed in Note 39 of the financial statements. Based on the findings, we are unable to satisfy ourselves with regards to the recording of the transactions in relation the China subsidiaries that occurred during the period covered by the internal audit and the possible effects of these transactions and findings on the financial information of the China subsidiaries, classified as disposal group held for sale, as reported in these financial statements for the financial year ended 30 April 2024 and the corresponding period ended 30 April 2023.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ECOWISE HOLDINGS LIMITED (cont'd)**

Report on the Audit of the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

1) *Opening balances and limitation of scope in relation to China subsidiaries (Disposal group classified as held for sale) (cont'd)*

Consequently, we are also unable to satisfy ourselves with regards to:

- i) the loss from discontinued operations (net of tax) of \$Nil (financial period 2023: \$7,225,000) and assets and liabilities directly associated to the disposal group classified as held-for-sale as disclosed in Note 11 to the financial statements;
- ii) the basic and diluted loss per share attributable to equity holders of the Company for loss from discontinued operations as disclosed in Note 13 to the financial statements;
- iii) the reasonableness and appropriateness of the gross carrying amount of trade and other receivables and cash and cash equivalents of \$2,143,000 and \$292,000, less accumulated impairment loss of \$2,143,000 and \$292,000 respectively, as at 30 April 2024, and its related credit risk disclosures in accordance with SFRS(I) 7 *Financial Instruments: Disclosures* as disclosed in Note 11 to the financial statements;
- iv) the reasonableness and appropriateness of the gross carrying amount of property, plant and equipment of \$4,226,000 (2023: \$4,226,000), less accumulated impairment loss of \$4,226,000 (2023: \$4,226,000) as at 30 April 2024, in relation to the disposal group classified as held-for-sale as disclosed in Note 11 to the financial statements;
- v) any other gain or loss to be recognised on the remeasurement of the disposal group classified as held for sale;
- vi) the cash flows effects of the discontinued operations to the consolidated statement of cash flows of the Group as disclosed in Note 11 to the financial statements;
- vii) the disclosure of related party information relating to the disposal group; and
- viii) the disclosure of segment information relating to the disposal group.

In view of the matters described in the *Basis for Disclaimer of Opinion* on the financial statements for the preceding financial period ended 30 April 2023 and the Basis of Disclaimer paragraphs (1a) and (1b) above, we are unable to determine whether the opening balances as at 1 May 2023 are fairly stated. Since the opening balances as at 1 May 2023 enter into the determination of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended 30 April 2024, we are unable to determine whether any adjustments might have been found necessary in respect of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended 30 April 2024.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ECOWISE HOLDINGS LIMITED (cont'd)

Report on the Audit of the Financial Statements (cont'd)

Basis for Disclaimer of Opinion (cont'd)

2) Impairment assessment of the Group's property, plant and equipment in Malaysia

As of 30 April 2024, the carrying amount of the Group's property plant and equipment amounted to \$7,778,000 (2023: \$12,140,000), as disclosed in Note 14 to the financial statements. In Malaysia, the property, plant and equipment amounted to \$5,025,000 (2023: \$9,465,000).

As disclosed in Note 41 to the financial statements, we were unable to satisfy ourselves if the opening balances of the property plant and equipment and accumulated losses as at 1 November 2021 contained misstatements and consequently, we were unable to determine if the impairment loss recognised during the preceding financial period ended 30 April 2023 of \$452,000, was appropriate.

Our opinion on the current financial year's financial statements is modified because of the possible effect of these matters on the comparability of the current financial year's figures and the corresponding figures.

3) Valuation of equity investment at fair value through profit or loss

As disclosed in Note 25 of the financial statements, the carrying amount of the Group's equity investment at fair value through profit or loss ("FVTPL") in relation to China-UK Low Carbon Enterprise Co., Ltd ("CULCEC") was \$1,013,000 (30 April 2023: \$1,513,000), and a fair value loss of \$500,000 was recognised during the financial year. Fair value of the investment in unquoted equity shares are determined based on the expected amounts to be realised through the sale of assets and repayment of obligations as assessed by management based on the information provided by liquidator as at end of the financial year.

As disclosed in Note 41, to the financial statements, we have issued a disclaimer of opinion on, among others, the FVTPL as of 30 April 2023. Since the opening balances as of 1 May 2023 affect the determination of the current financial year's consolidated profit or loss, we are unable to determine whether any other adjustments might have been necessary with respect to the fair value loss of FVTPL recorded by the Group, for the financial year ended 30 April 2024, and the comparability of the fair value loss recorded in the current financial year and its corresponding figures.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ECOWISE HOLDINGS LIMITED (cont'd)**

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct the audit of the Group and Company's financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Report on Other Legal and Regulatory Requirements

In our opinion, in view of the significance of the matters referred in the *Basis for Disclaimer of Opinion* section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Low See Lien.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

15 August 2024