ECOWISE HOLDINGS LIMITED
Company Registration No. 200209835C

Unaudited Financial Statements for the First Quarter Ended 31 January 2019

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	Q1 FY2019 (S$'000)	**Q1 FY2018 (S$'000)**	**% Change**
Revenue	13,466	14,535	(7.4%)
Cost of Sales	(11,247)	(12,366)	(9.0%)
Gross Profit	2,219	2,169	2.3%
Other Items of Income			
Finance Income	7	12	(41.7%)
Other Gains	34	61	(44.3%)
Other Items of Expenses			
Marketing and Distribution Expenses	(532)	(628)	(15.3%)
Administrative Expenses	(2,044)	(2,264)	(9.7%)
Finance Costs	(241)	(283)	(14.8%)
Other Losses	(80)	(91)	(12.1%)
Share of Results from Associate and Jointly-Controlled Entity, Net of Tax	(85)	(46)	84.8%
Loss Before Income Tax	(722)	(1,070)	(32.5%)
Income Tax (Expense)/Income	(127)	170	(174.7%)
Loss for the Period	(849)	(900)	(5.7%)
Other Comprehensive Income			
Items that may be Reclassified Subsequently to Profit or Loss:			
Exchange Differences on Translating Foreign Operations, Net of Tax	272	878	(69.0%)
Effective Portion of Changes in Fair Value of Cash Flow Hedges	18	(1)	n/m
Total Other Comprehensive Income for the Period	290	877	(66.9%)
Total Comprehensive Loss for the Period	(559)	(23)	n/m
(Loss)/Income for the Period Attributable to:			
Owners of the Company	(873)	(952)	(8.3%)
Non-Controlling Interests	24	52	(53.8%)
Loss for the Period	(849)	(900)	(5.7%)
Total Comprehensive (Loss)/Income for the Period Attributable to:			
Owners of the Company	(785)	(314)	150.0%
Non-Controlling Interests	226	291	(22.3%)
Total Comprehensive Loss for the Period	(559)	(23)	n/m

"n/m" denotes not meaningful.

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

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

	Group	
	Q1 FY2019 (S$'000)	**Q1 FY2018 (S$'000)**
Finance Lease Income	282	303
Finance Income		
– Interest Income	7	12
Finance Costs	(240)	(283)
Depreciation of Property, Plant and Equipment	(827)	(948)
Amortisation of Intangible Assets	(22)	(35)
Amortisation of Land Use Rights	(15)	(21)
Gain on Disposal of Property, Plant and Equipment	18	1
Net Fair Value (Loss)/Gain on Derivative Financial Instruments	(82)	28
Foreign Exchange Gain/(Loss), Net	2	(91)
Adjustments for Over Provision for Taxation in Respect of Prior Years	-	98
Provision for Retirement Benefit Obligations Expenses, Net	(10)	(10)
Amortisation of Deferred Income	2	2
Allowance for Doubtful Receivables -Reversed	15	3
Allowance for Inventory Obsolescence -(Made)/Reversed	(26)	9

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

	Group		Company	
	31 January 2019 (S$'000)	31 October 2018 (S$'000)	31 January 2019 (S$'000)	31 October 2018 (S$'000)
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	30,756	30,705	419	406
Intangible Assets	1,561	1,590	-	-
Land Use Rights	1,400	1,400	-	-
Investments in Subsidiaries	-	–	33,069	33,069
Investments in Associates	1,894	1,596	-	-
Investment in Jointly-Controlled Entity	1,593	1,678	-	-
Finance Lease Receivables	9,403	9,637	-	-
Other Assets	297	295	-	-
Deferred Tax Assets	574	514	-	-
Total Non-Current Assets	47,478	47,415	33,488	33,475
Current Assets				
Inventories	6,647	6,594	-	-
Income Tax Receivables	211	272	-	-
Trade and Other Receivables	17,035	18,603	4,595	4,152
Finance Lease Receivables	931	898	-	-
Other Assets	1,260	1,232	30	51
Derivative Financial Instruments	33	38		-
Cash and Cash Equivalents	3,493	3,938	79	14
	29,610	31,575	4,704	4,217
Assets of Disposal Group Classified as Held for Sale	1,167	1,104	-	-
Total Current Assets	30,777	32,679	4,704	4,217
Total Assets	78,255	80,094	38,192	37,692
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	48,170	48,170	48,170	48,170
Accumulated Losses	(7,772)	(6,899)	(16,596)	(16,346)
Foreign Currency Translation Reserve	(5,114)	(5,220)	-	-
Other Reserves	2,302	2,299	-	-
Reserve of Disposal Group Classified as Held for Sale	(502)	(481)	-	-
Equity Attributable to Owners of the Company	37,084	37,869	31,574	31,824
Non-Controlling Interests	2,895	2,669	-	-
Total Equity	39,979	40,538	31,574	31,824
LIABILITIES				
Non-Current Liabilities				
Provision for Retirement Benefit Obligations	820	830	-	-
Loans and Borrowings	5,305	5,693	159	170
Deferred Tax Liabilities	2,262	2,310	-	-
Provision for Reinstatment Cost	350	350	-	-
Deferred Income	5	7	-	-
Total Non-Current Liabilities	8,742	9,190	159	170

	Group		Company	
	31 January 2019 (S$'000)	31 October 2018 (S$'000)	31 January 2019 (S$'000)	31 October 2018 (S$'000)
Current Liabilities				
Income Tax Payable	433	414	13	11
Trade and Other Payables	13,642	14,049	6,383	5,643
Derivative Financial Instruments	76	17	-	-
Loans and Borrowings	12,115	12,702	63	44
Deferred Income	7	7	-	-
Provisions	1,768	1,768	-	-
	28,041	28,957	6,459	5,698
Liabilities Directly Associated with Assets Held for Sale	1,493	1,409	-	-
Total Current Liabilities	29,534	30,366	6,459	5,698
Total Liabilities	38,276	39,556	6,618	5,868
Total Equity and Liabilities	78,255	80,094	38,192	37,692

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

	Group			
	As at 31 January 2019		As at 31 October 2018	
	Secured	Unsecured	Secured	Unsecured
	(S$'000)	(S$'000)	(S$'000)	(S$'000)
Amount repayable in one year or less, or on demand	9,576	2,539	9,846	2,857
Amount repayable after one year	4,837	468	5,344	349

Details of any collateral

As at 31 January 2019, secured loans and borrowings comprised:

- Finance lease liabilities of S$2,231,000 (31 October 2018: S$1,992,000) were secured by the lessors' charge over the leased assets.
- Loans and borrowings of S$7,848,000 (31 October 2018: S$8,278,000) were secured by property, plant and equipment and assets of certain subsidiaries in Malaysia.
- Loans and borrowings of S$2,116,000 (31 October 2018: S$2,181,000) were secured by property, plant and equipment of subsidiaries in Singapore.
- Loans and borrowings of S$2,218,000 (31 October 2018: S$2,739,000) were secured by an assignment of a supply agreement with a customer and a fixed and floating charge over present and future undertakings, property assets, revenue and rights in relation to the biomass co-generation power plant at Gardens by the Bay (Marina South). The Group's investment in the biomass co-generation power plant is classified as finance lease receivables.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Q1 FY2019 (S$'000)	**Q1 FY2018 (S$'000)**
Cash Flows From Operating Activities		
Loss Before Income Tax	(722)	(1,070)
Depreciation of Property, Plant and Equipment	827	948
Gain on Disposal of Property, Plant and Equipment	(18)	(1)
Amortisation of Intangible Assets	22	35
Amortisation of Land Use Rights	15	21
Share of Results from Associates and Jointly- Controlled Entity, Net of Tax	85	46
Net Fair Value Loss/(Gain) on Derivative Financial Instruments	82	(28)
Amortisation of Deferred Expenses	-	-
Provision for Retirement Benefit Obligations Expenses, Net	10	10
Amortisation of Deferred Income	(2)	(2)
Finance Lease Income	(282)	(303)
Finance Income	(7)	(12)
Finance Costs	261	283
Operating Cash Flows Before Changes in Working Capital	271	(73)
Inventories	(94)	(315)
Trade and Other Receivables	1,457	801
Finance Lease Receivables	201	119
Other Assets	(30)	(112)
Trade and Other Payables	(326)	261
Finance Lease Income Received	282	303
Retirement Benefit Obligations Paid	(22)	-
Net Cash Flows From Operations Before Income Tax	1,739	984
Income Tax Paid	(106)	(33)
Net Cash Flows From Operating Activities	1,633	951
Cash Flows From Investing Activities		
Acquisition of Property, Plant and Equipment	(565)	(672)
Proceeds from Disposal of Property, Plant and Equipment	184	-
Repayment from a Jointly-Controlled Entity	132	306
Interest Income Received	7	12
Net Cash Flows Used In Investing Activities	(242)	(354)
Cash Flows From Financing Activities		
Proceeds from Loans and Borrowings	111	1,906
Repayments of Loans and Borrowings	(1,259)	(1,113)
Interest Expenses Paid	(233)	(271)
Acquisition of Non-Controlling Interest without Change in Control	-	-
Increase in Cash Restricted in Use Over 3 Months[(a)]	(661)	2
Net Cash Flows (Used In)/From Financing Activities	(2,042)	524
Net (Decrease)/Increase in Cash and Cash Equivalents	(651)	1,121
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(164)	(114)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	(39)	(231)
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	(854)	776

	Group	
	Q1 FY2019 (S$'000)	Q1 FY2018 (S$'000)
Cash and Cash Equivalents in the Statement of Cash Flows		
Cash and Cash Equivalents[(b)]	3,493	6,187
Cash Restricted in Use	(2,236)	(2,493)
Bank Overdrafts	(2,111)	(2,918)
Cash and Cash Equivalents At End of Period	(854)	776

(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$2,090,000 (31 January 2018: S$3,334,000).

Non-Cash Transactions

Property, plant and equipment amounting to S$596,000 (Q1 FY2018: S$295,000) 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$'000)	Accumulated Losses (S$'000)	Foreign Currency Translation Reserve (S$'000)	Other Reserves (S$'000)	Reserve of Disposal Group Classified as Held for Sale (S$'000)	Parent Sub – Total (S$'000)	Non-Controlling Interests (S$'000)	Total Equity (S$'000)
Group								
Current Period								
At 1 November 2018	48,170	(6,899)	(5,220)	2,300	(481)	37,870	2,669	40,539
Total Comprehensive (Loss)/Profit								
(Loss)/Profit for the Period	-	(873)	-	-		(873)	24	(849)
Movements in Equity								
Exchange Differences on Translating Foreign Operations, Net of Tax	-	-	106	(16)	(21)	69	202	271
Effective Portion of Changes in Fair Value of Cash Flow Hedges	-	-	-	18	-	18	-	18
Acquisition of Interest in Subsidiary from Non-Controlling Interests With No Change In Control	-	-	-	-	-	-	-	-
	-	-	106	2	(21)	87	202	289
At 31 January 2019	48,170	(7,772)	(5,114)	2,302	(502)	37,084	2,895	39,979
Previous Period								
At 1 November 2017	48,170	(2,104)	(5,339)	2,214	(537)	42,404	2,245	44,649
Total Comprehensive (Loss)/Profit								
(Loss)/Profit for the Period	-	(952)	-	-		(952)	52	(900)
Movements in Equity								
Exchange Differences on Translating Foreign Operations, Net of Tax	-	-	516	134	(11)	639	239	878
Effective Portion of Changes in Fair Value of Cash Flow Hedges	-	-	-	(1)	-	(1)	-	(1)
Acquisition of Interest in Subsidiary from Non-Controlling Interests With No Change In Control	-	-	-	-	-	-	(32)	(32)
	-	-	516	133	(11)	638	207	845
At 31 January 2018	48,170	(3,056)	(4,823)	2,347	(548)	42,090	2,504	44,594

	Share Capital (S$'000)	Accumulated Losses (S$'000)	Total Equity (S$'000)
Company			
Current Period			
At 1 November 2018	48,170	(16,346)	31,824
Total Comprehensive Loss for the Period	-	(250)	(250)
At 31 January 2019	48,170	(16,596)	31,574
Previous Period			
At 1 November 2017	48,170	(5,936)	42,234
Total Comprehensive Loss for the Period	-	(5)	(5)
At 31 January 2018	48,170	(5,941)	42,229

1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.**

State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Ordinary Shares	Paid-up Capital (S$'000)
At 1 November 2018 and 31 January 2019	957,483,029	48,170

As at 31 January 2019, the number of outstanding share awards under ecoWise Performance Share Plan was Nil (31 January 2018 : Nil).

1(d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares, excluding treasury shares, was 957,483,029 ordinary shares as at 31 January 2019 (31 October 2018: 957,483,029 ordinary shares).

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

There were no treasury shares held by the Company as at 31 January 2019.

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

These financial statements have not been audited or reviewed by the Company's auditors.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except for the adoption of the new and revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that are effective for the period beginning on 1 November 2018 (see item 5), the Group and the Company have applied the same accounting policies and methods of computation and new and revised in the preparation of the financial statements for the current period as compared with the audited financial statements for the year ended 31 October 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The adoption of new and revised FRS and INT FRS do not have any significant effect on the financial performance or position of the Group and Company.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

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

	Group	
	Q1 FY2019 (cents)	**Q1 FY2018 (cents)**
(i) Based on weighted average number of ordinary shares in issue	(0.091)	(0.099)
(ii) On a fully diluted basis	(0.091)	(0.099)

Earnings per share for the quarter ended 31 January 2019

Basic earnings per share for Q1 FY2019 is calculated based on the loss attributable to owners of the Company of S$872,000 (Q1 FY2018: loss attributable to owners of the Company of S$952,000) and on 957,483,029 (Q1 FY2018: 952,983,029) weighted average number of ordinary shares in issue during the period.

Fully diluted earnings per share for Q1 FY2019 is calculated based on 957,483,029 (Q1 FY2018: 957,483,029) weighted average number of ordinary shares in issue and shares that are contingently issuable during the period.

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

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

	Group		Company	
	31 January 2019 (cents)	**31 October 2018 (cents)**	**31 January 2019 (cents)**	**31 October 2018 (cents)**
Net asset value per ordinary share at end of period/year	3.87	3.96	3.30	3.32

The Group's net asset value per ordinary share is calculated based on net assets attributable to owners of the Company of S$37,085,000 (31 October 2018: S$37,869,000) and 957,483,029 (31 October 2018: 957,483,029) ordinary shares.

The Company's net asset value per ordinary share is calculated based on net assets of S$31,574,000 (31 October 2018: S$31,824,000) and 957,483,029 (31 October 2018: 957,483,029) ordinary shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of Comprehensive Income

	Group		
	Q1 FY2019 (S$'000)	Q1 FY2018 (S$'000)	% Change
Revenue			
Renewable Energy Segment	2,965	2,600	14.0%
Resource Recovery Segment	10,436	11,897	(12.3%)
Integrated Environmental Management Solutions Segment	65	38	71.1%
Total	13,466	14,535	(7.4%)

The Group's revenue for the first quarter ended 31 January 2019 ("Q1 FY2019") of S$13.47 million was S$1.07 million or 7.4% lower as compared to the corresponding period of last financial year ("Q1 FY2018").

Q1 FY2019 revenue decreased by 7.4% mainly due to lower revenue recorded by the Group's resource recovery segment and integrated environmental management solutions segment attributable to decrease in collection fee from used copper slag and decrease in revenue from technical support services rendered.

The Group's gross profit of S$2.22 million in Q1 FY2019 was higher as compared to S$2.17 million in Q1 FY2018 mainly due to lower direct cost from the Group's resource recovery segment from the sale of rubber compounds, retreaded tyres and other materials under Sunrich Resources Sdn. Bhd. and its subsidiaries ("SRR Group"), decrease in manpower and upkeep and repair cost for machineries and equipment.

Other gains decreased by S$0.03 million to S$0.03 million in Q1 FY2019 mainly due to decrease in gain of financial derivative of S$0.03 million and insurance claim of S$0.03 million as compared with Q1 FY2018, partially offset by increase in gain on disposal of fixed assets of S$0.02 million and doubtful debts recovery S$0.01 million.

Marketing and distribution expenses decreased by 15.3% to S$0.53 million in Q1 FY2019 mainly due to lower sales commission, staff salary and bonus.

Administrative expenses decreased by 9.7% to S$2.04 million in Q1 FY2019 mainly due to decrease in manpower cost attributed to higher headcount, depreciation expenses, professional and legal fees, travelling, transport and accommodation and upkeep of motor vehicles.

Depreciation expenses decreased by 12.8% to S$0.83 million in Q1 FY2019 mainly due to some of the property, plant and equipment that still in use were fully depreciated.

Other losses decreased by 12.1% to S$0.08 million in Q1 FY2019 mainly due to lower foreign exchange loss.

Share of losses from associate and jointly-controlled entity of S$0.09 million in Q1 FY2019 was mainly due to the Group's share of losses incurred by Chongqing eco-CTIG Rubber Technology Co. Ltd.

The Group recorded loss before tax of S$0.72 million in Q1 FY2019 mainly due to lower revenue generated.

The Group recorded income tax expenses of S$0.13 million in Q1 FY2019 as compared to income tax income of S$0.17 million in Q1 FY2018, mainly due to taxation charges from taxable profit of the Group's resources recovery segment and renewable energy segment.

As a result of the above factors, the Group recorded a loss of S$0.85 million in Q1 FY2019 as compared to a loss of S$0.90 million in Q1 FY2018.

Statement of Financial Position

The Group's non-current assets increased by 0.2% or S$0.07 million to S$47.48 million as at 31 January 2019.

The Group's property, plant and equipment increased by S$0.05 million to S$30.76 million as at 31 January 2019 mainly attributable to newly acquired plant and equipment of S$1.16 million partially offset by depreciation charges of S$0.83 million, disposal of plant and equipment of S$0.17 million and effects of movements in foreign exchange rates of S$0.11 million.

Investments in associate and jointly-controlled entity increased by S$0.21 million, collectively, mainly due to the Group's share of losses from associate and jointly-controlled entity of S$0.09 million and partially offset by effects of movements in foreign exchange rates gain of S$0.30 million.

Finance lease receivables relate to the Group's investment in biomass co-generation power plant at Gardens by the Bay which is accounted for as a finance lease. Total non-current and current finance lease receivables decreased from S$10.54 million as at 31 October 2018 to S$10.33 million as at 31 January 2019 attributable to billings to and collections from the customer.

The Group's current assets decreased by S$1.90 million to S$30.78 million as at 31 January 2019 mainly due to decrease in income tax receivables of S$0.06 million, trade and other receivables by S$1.57 million, derivative financial instruments by S$0.01 million and cash and cash equivalents by S$0.45 million and partially offset by increase in inventories by S$0.05 million, other assets by S$0.03 million, finance lease receivable of S$0.04 million and assets held for sale of S$0.06 million. The increase in inventories were mainly attributable to SRR Group increasing its purchase of inventories.

The Group's non-current liabilities decreased by S$0.45 million mainly due to repayment of loans and borrowings.

The Group's current liabilities decreased by S$0.83 million to S$29.53 million as at 31 January 2019 mainly due to decrease in trade and other payables of S$0.41 million and loan and borrowing of S$0.59 million and partially offset by increase in income tax payable of S$0.03 million, reclassed to liabilities directly associated with assets held for sale of S$0.08 million and derivative financial instruments of S$0.06 million.

The Group's total loans and borrowings decreased by S$0.98 million mainly due to repayment of loans and borrowings of S$1.26 million and effects of movements in foreign exchange rates of S$0.08 million and partially offset by proceeds from loans and borrowings of S$0.11 million and finance lease liabilities of S$0.25 million.

Statement of Cash Flow

For the quarter ended 31 January 2019

The Group's cash and cash equivalents decreased by S$0.65 million in Q1 FY2019 due to net positive cash flows from operating activities of S$1.63 million, net cash flows used in investing activities of S$0.24 million and net cash flows used in financing activities of S$2.04 million.

Net cash flows from operating activities in Q1 FY2019 was S$1.63 million compared to corresponding period Q1 FY2018 of S$0.95 million, mainly attributable to decrease in loss before income tax of S$0.35 million, increase in inventories of S$0.22 million, increase in trade and other receivables of S$0.66 million and increase in finance lease receivables of S$0.08 million and partially offset by increase in trade and other payables of S$0.59 million. The increase in inventories were due to increased purchases and higher materials cost, the increase in trade and other payables were due to slower payment to suppliers and the increase in trade and other receivables were due to higher collections from customers by the Group in Q1 FY2019 as compared to Q1 FY2018.

Net cash flows used in investing activities of S$0.24 million in Q1 FY2019 comprised mainly the Group's capital expenditures on property, plant and equipment of S$0.56 million partially offset by loan repayment by a jointly-controlled entity of S$0.13 million and proceeds from disposal of property, plant and equipment of S$0.19 million.

Net cash flows used in financing activities of S$2.04 million in Q1 FY2019 comprised mainly repayments of loans and borrowings of S$1.26 million, finance costs of S$0.23 million and increase in cash restricted in use of S$0.66 million and partially offset by the proceeds from loan and borrowings of S$0.11 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

All segments

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

Resource Recovery segment

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

Renewable Energy segment

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

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

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

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

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

None.

(d) Books closure date

None.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the quarter ended 31 January 2019.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general IPT mandate.

14. Confirmation by the Board pursuant to rule 705 (5) of the listing manual

On behalf of the Board of Directors of the Company, the undersigned, hereby confirm that to the best of the Board's knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the first quarter ended 31 January 2019 to be false or misleading in any material aspect.

15. Confirmation pursuant to rule 720 (1) of the listing manual

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

BY ORDER OF THE BOARD

Cao Shixuan
Director

15 March 2019

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

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

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