

Condensed Interim Financial Statements and Dividend Announcement for the 3-Month Financial Period ended 31 July 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 financial period ended 31 July 2024. In view of the disclaimer of opinion issued by the Company’s independent auditor, Baker Tilly TFW LLP, for the financial year ended 30 April 2024 (“FY2024”), quarterly reporting announcement is mandatory pursuant to Singapore Exchange Securities Trading Limited’s (“SGX-ST”) requirements 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		% Change +/-
		3-month period ended 31 July 2024 (“1Q FY2025”) (S\$’000) Unaudited	3-month period ended 31 July 2023 (“1Q FY2024”) (S\$’000) Unaudited	
Continuing operations				
Revenue	4	8,356	7,943	5
Cost of sales		(6,580)	(6,943)	(5)
Gross profit		1,776	1,000	78
Other (loss)/income - net		(117)	220	n/m
<u>Operating expenses</u>				
Marketing and distribution expenses		(124)	(152)	(18)
Administrative expense		(1,308)	(1,334)	(2)
Finance costs		(185)	(235)	(21)
Profit/(loss) before income tax	5	42	(501)	n/m
Income tax credit/(expense)		16	(204)	n/m
Profit/(loss) from continuing operations		58	(705)	n/m
Discontinued operations				
Profit from discontinued operations		181	-	n/m
Total profit/(loss)		239	(705)	n/m
<u>Other comprehensive income/(loss)</u>				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations, net of tax		193	(104)	n/m
Reclassification of FCTR of disposal group classified as held for sale to profit or loss upon disposal		497	-	n/m
Cash flow hedges, net of tax		122	-	n/m
Total other comprehensive income/(loss) for the period		812	(104)	n/m
Total comprehensive income/(loss) for the period		1,051	(809)	n/m

A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (cont'd)

	Note	Group		% Change +/-
		3-month period ended 31 July 2024 ("1Q FY2025") (S\$'000) Unaudited	3-month period ended 31 July 2023 ("1Q FY2024") (S\$'000) Unaudited	
Total profit/(loss) for the period attributable to:				
Owners of the company		240	(702)	n/m
Non-controlling interests		(1)	(3)	(67)
		239	(705)	n/m
Total profit/(loss) for the period attributable to equity holders of the Company:				
Profit/(loss) from continuing operations		59	(702)	n/m
Profit from discontinued operations		181	-	n/m
		240	(702)	n/m
Total comprehensive income/(loss) for the period attributable to:				
Owners of the company		1,052	(806)	n/m
Non-controlling interests		(1)	(3)	(67)
		1,051	(809)	n/m
Earnings/(loss) per share				
From continuing and discontinued operations				
Basic and diluted (S\$ cents)		0.03	(0.07)	n/m
From continuing operations				
Basic and diluted (S\$ cents)		0.01	(0.07)	n/m
From discontinued operations				
Basic and diluted (S\$ cents)		0.02	-	n/m

"n/m" denotes not meaningful.

B. Condensed Interim Consolidated Statements of Financial Position

	Note	Group		Company	
		As at 31 July 2024 (S\$'000) Unaudited	As at 30 April 2024 (S\$'000) Audited	As at 31 July 2024 (S\$'000) Unaudited	As at 30 April 2024 (S\$'000) Audited
ASSETS					
Current assets					
Inventories		2,543	2,335	-	-
Financial assets at fair value through profit or loss		1,013	1,013	-	-
Trade and other receivables	6	7,555	9,113	4,101	5,850
Lease receivables		1,557	1,516	-	-
Derivative financial assets		90	-	-	-
Other current assets		924	848	50	26
Cash and cash equivalents		1,138	746	251	17
		14,820	15,571	4,402	5,893
Assets held for sale	7	6,130	6,000	-	-
Disposal group assets classified as held for sale	13	-	938	-	-
Total current assets		20,950	22,509	4,402	5,893
Non-current assets					
Property, plant and equipment	8	7,499	7,778	14	8
Right-of-use assets	9	1,177	1,165	168	175
Investment properties		1,178	1,200	-	-
Investments in subsidiaries		-	-	19,191	19,191
Lease receivables		2,553	2,925	-	-
Total non-current assets		12,407	13,068	19,373	19,374
Total assets		33,357	35,577	23,775	25,267

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

	Note	Group		Company	
		As at 31 July 2024 (S\$'000) Unaudited	As at 30 April 2024 (S\$'000) Audited	As at 31 July 2024 (S\$'000) Unaudited	As at 30 April 2024 (S\$'000) Audited
LIABILITIES					
Current liabilities					
Income tax payable		324	317	54	54
Trade and other payables	11	6,213	7,237	10,041	14,830
Provisions		531	771	-	-
Derivative financial liabilities		-	32	-	-
Loans and borrowings	12	4,395	4,674	-	-
Lease liabilities	14	316	410	19	19
		11,779	13,441	10,114	14,903
Liabilities directly associated with disposal group classified as held for sale	13	517	2,140	-	-
Total current liabilities		12,296	15,581	10,114	14,903
Non-current liabilities					
Provisions		353	338	-	-
Loans and borrowings	12	3,608	3,645	-	-
Lease liabilities	14	164	127	83	86
Deferred tax liabilities		721	722	-	-
Total non-current liabilities		4,846	4,832	83	86
Total liabilities		17,142	20,413	10,197	14,989
NET ASSETS		16,215	15,164	13,578	10,278
EQUITY					
Share capital		47,890	47,890	47,890	47,890
Accumulated losses		(28,483)	(28,723)	(34,312)	(37,612)
Foreign currency translation reserves ("FCTR")		(5,482)	(5,668)	-	-
FCTR of disposal group classified as held for sale		81	(423)	-	-
Other reserves		2,247	2,125	-	-
Equity attributable to owners of the Company		16,253	15,201	13,578	10,278
Non-controlling interests		(38)	(37)	-	-
Total equity		16,215	15,164	13,578	10,278

C. Condensed Interim Consolidated Statement of Cash Flows

	Group	
	3-month period ended 31 July 2024 (S\$'000) Unaudited	3-month period ended 31 July 2023 (S\$'000) Unaudited
<u>Cash flows from operating activities</u>		
Profit/(loss) before tax from continuing operations	42	(501)
Profit from discontinued operations	181	-
	223	(501)
Adjustments for:		
Depreciation of property, plant and equipment	453	843
Depreciation of right-of-use assets	139	167
Depreciation of investment properties	22	25
(Reversal of)/allowance for doubtful debts	(4)	(86)
Gain on disposal of property, plant and equipment	(11)	(56)
Gain on disposal of assets held for sale	-	(12)
Gain on reversal of provision for reinstatement cost	(84)	-
Net fair value gain on derivative financial instruments	-	(5)
Finance lease income	(119)	(156)
Finance costs	185	235
Net foreign exchange gain	(55)	(239)
Operating cash flows before changes in working capital	749	215
Change in working capital:		
Inventories	(208)	1,300
Trade and other receivables	1,562	(466)
Lease receivables	450	483
Other non-current assets	(76)	77
Trade and other payables	(436)	(688)
Provision for reinstatement cost	(156)	-
Net cash flows from operations	1,885	921
Income tax paid	(28)	(235)
Net cash flows from operating activities	1,857	686
<u>Cash flows from investing activities</u>		
Acquisition of property, plant and equipment	(54)	-
Proceeds from disposal of property, plant and equipment	11	66
Proceeds from disposal of assets held for sale	-	15
Net cash flows (used in)/from investing activities	(43)	81
<u>Cash flows from financing activities</u>		
Repayments of loans and borrowings	(459)	(512)
Repayment of other payables to director and key management personnel	(656)	-
Lease liabilities – principal portion paid	(139)	(159)
Interest paid	(172)	(209)
Decrease in restricted cash	-	8
Net cash flows used in financing activities	(1,426)	(872)
Net increase/(decrease) in cash and cash equivalents	388	(105)
Effect of exchange rate changes on cash and cash equivalents	4	(4)
Cash and cash equivalents, beginning balance	625	779
Cash and cash equivalents, ending balance	1,017	670
Cash and cash equivalents as per consolidated statement of financial position	1,138	791
Cash restricted in use	(121)	(121)
Cash and cash equivalents as per consolidated statement of cash flows	1,017	670

D. Condensed Interim Consolidated Statements of Changes in Equity

Group	Share capital (S\$'000)	Accumulated losses (S\$'000)	FCTR	FCTR of disposal group classified as held for sale (S\$'000)	Other reserves (S\$'000)	Equity attributable to owners of the Company (S\$'000)	Non-controlling interests (S\$'000)	Total equity (S\$'000)
At 1 May 2024	47,890	(28,723)	(5,668)	(423)	2,125	15,201	(37)	15,164
Profit/(loss) for the period	-	240	-	-	-	240	(1)	239
Other comprehensive income								
Exchange differences on translating foreign operations, net of tax	-	-	186	7	-	193	-	193
Reclassification of FCTR of disposal group classified as held for sale	-	-	-	497	-	497	-	497
Cash flow hedges, net of tax	-	-	-	-	122	122	-	122
Total comprehensive income/(loss) for the period	47,890	240	186	504	122	1,052	(1)	1,051
At 31 July 2024	47,890	(28,483)	(5,482)	81	2,247	16,253	(38)	16,215
Group	Share capital (S\$'000)	Accumulated losses (S\$'000)	FCTR (S\$'000)	FCTR of disposal group classified as held for sale (S\$'000)	Other reserves (S\$'000)	Equity attributable to owners of the Company (S\$'000)	Non-controlling interests (S\$'000)	Total equity (S\$'000)
At 1 May 2023	47,890	(27,428)	(5,327)	(525)	2,182	16,792	(36)	16,756
Loss for the period	-	(702)	-	-	-	(702)	(3)	(705)
Other comprehensive loss								
Exchange differences on translating foreign operations, net of tax	-	-	(104)	-	-	(104)	-	(104)
Total comprehensive loss for the period	-	(702)	(104)	-	-	(806)	(3)	(809)
At 31 July 2023	47,890	(28,130)	(5,431)	(525)	2,182	15,986	(39)	15,947

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>			
At 1 May 2024	47,890	(37,612)	10,278
Total comprehensive income for the period	-	3,300	3,300
At 31 July 2024	47,890	(34,312)	13,578
At 1 May 2023	47,890	(33,847)	14,043
Total comprehensive loss for the period	-	(462)	(462)
At 31 July 2023	47,890	(34,309)	13,581

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 financial period ended 31 July 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 July 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 since the last annual financial statements for the financial year ended 30 April 2024. The accounting policies adopted are consistent with those of the previous financial year 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 financial year ended 30 April 2024. 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 2024. 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, 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 from 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 default 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 the 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) 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 financial asset is determined at S\$1,513,000 based on the Group's share of the net assets of CULCEC based on information provided by the liquidator.

As at 31 July 2024, the Group has re-assessed and determined the fair value of CULCEC to be S\$1.01 million (RMB5.5 million). This amount represents the net expected amounts to be realised through sale of assets, net of repayment obligations of CULCEC.

Management may also use qualitative assessment of whether changes or events subsequent to the relevant transaction would imply a change in the investment's fair value. Although management believes that the assumptions concerning the estimate of expected amounts to be realised are appropriate, changes in estimates and assumptions could result in changes in the carrying values of these financial assets. Because of the inherent uncertainty of the valuation, management's estimate of fair values which are derived from the reported proportionate share of the fair value of the underlying net assets of the investment, may differ significantly from the values that would have been used had a ready market existed for the investment.

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

An assessment is made for the reporting period to determine 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 are undertaken, significant assumptions will be used. 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.

(iv) 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 are 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.

(v) 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.

(vi) Income tax

The entity recognises tax liabilities and assets 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 judgmental and not susceptible to precise determination.

2.3 Going concern

For 1Q FY2025, the Group recorded a profit after tax of S\$239,000 (1Q FY2024: loss after tax of S\$705,000) and it has continued to generate positive cash flows from operating activities of S\$1.86 million (1Q FY2024: S\$686,000). Furthermore, the Group's working capital position has also improved significantly, with net current assets of S\$8.65 million as at 31 July 2024 compared to the net current assets of S\$6.93 million as at 30 April 2024.

Management expects the Group's operations, cash flows and financial position to improve further because of management's continuous efforts as follows:

- 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 lost in the past;
- b) Working with strategic partners to offer more products and services that are synergistic with current operations;
- c) Exploring collaboration opportunities with various technology companies in areas such as digitalisation, ICA (instrumentation, computerisation, and automation) and modularisation of process units for developing and owning intellectual properties and proprietary know-how in the environmental industries;
- d) Monetising of the Group's non-core assets through disposal. The Group has actively pursued the sale of properties reclassified as non-current assets held for sale. Notably, a wholly-owned subsidiary has entered into a conditional Sale and Purchase Agreement for a Malaysian property (Section E, paragraph 7); and
- e) The Company has entered into a Placement and Underwriting Agreement to raise additional funds through a private placement to enable the Group to further strengthen its balance sheet and financial health by increasing available resources for operational and growth needs (Section E, paragraph 16).

Having considered the cash flows projection of the Group and the measures described above, the Group and the Company's financial statements have been prepared under the going concern assumption.

3. Seasonal operations

The Group's businesses are not significantly affected by seasonal or cyclical factors during the financial period. However, the Group's operations for the financial period ended 31 July 2024 have been affected by the Notice of Compliance ("NOC") dated 25 June 2021 issued by SGX-ST which requires significant management's attention. The Company has fulfilled all relevant requirements under the NOC with the last requirement, being the internal review and the expanded scope carried out by Ernst & Young Advisory Pte Ltd ("EY") in accordance with the NOC, were completed on 28 March 2024. Subsequently, on 30 April 2024, the Board had engaged another independent firm to act as internal auditor, and their scope of work, amongst others, includes the review and enhancement of the Company's operating procedures and corresponding internal controls in relation to the areas of concern identified in the independent review by EY. This review has been completed on 8 August 2024. Overall, the Board is satisfied that the subsequent enhancements that are put in place are adequate to address the areas of concern identified in the internal audit report by EY.

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 Financial information by operating segments

	3-month period ended 31 July 2024 (S\$'000)	3-month period ended 31 July 2023 (S\$'000)	% Change +/(-)
Revenue by segment			
Renewable energy	2,799	1,958	43
Resource recovery	5,530	5,958	(7)
Integrated environmental management solutions	27	27	-
Total	8,356	7,943	5
Gross profit	1,776	1,000	78
Gross profit margin	21.25%	12.59%	

4.1 Financial information by operating segments (cont'd)

Profit or loss from continuing operations and reconciliations

<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	3-month period ended	3-month period ended	3-month period ended	3-month period ended	3-month period ended	3-month period ended	3-month period ended	3-month period ended	3-month period ended
	31 July 2024	31 July 2023	31 July 2024	31 July 2023	31 July 2024	31 July 2023	31 July 2024	31 July 2023	31 July 2024	31 July 2023
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Revenue										
Revenue from external customers	2,799	1,958	5,530	5,958	27	27	-	-	8,356	7,943
Inter-segment revenue	265	280	-	16	46	59	(311)	(355)	-	-
Segment revenue	3,064	2,238	5,530	5,974	73	86	(311)	(355)	8,356	7,943
Segment results before allocation of corporate management fees	855	295	299	74	(58)	(100)	(412)	(293)	684	(24)
Allocated corporate management Fees	(232)	(143)	(180)	(150)	-	-	412	293	-	-
Segment results	623	152	119	(76)	(58)	(100)	-	-	684	(24)
Unallocated corporate results									(457)	(242)
Loss before finance income, dividend income, finance costs and income tax expense									227	(266)
Finance costs									(185)	(235)
Income tax credit/(expense)									16	(204)
Profit/(loss) from continuing operations, net of tax									58	(705)
Profit from discontinued operations, net of tax									181	-
Profit/(loss) for the period									239	(705)

4.1 Financial information by operating segments (cont'd)

Assets and liabilities reconciliation

<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 Jul 2024 (S\$'000)	As at 30 April 2024 (S\$'000)	As at 31 Jul 2024 (S\$'000)	As at 30 April 2024 (S\$'000)	As at 31 Jul 2024 (S\$'000)	As at 30 April 2024 (S\$'000)	As at 31 Jul 2024 (S\$'000)	As at 30 April 2024 (S\$'000)	As at 31 Jul 2024 (S\$'000)	As at 30 April 2024 (S\$'000)
Segment assets	22,969	22,606	39,211	32,948	8,343	10,192	(37,893)	(31,593)	32,630	34,153
Disposal group assets classified as held for sale	-	938	-	-	-	-	-	-	-	938
Income tax recoverable allocated to operating segments	-	38	229	217	-	-	-	-	229	255
Unallocated corporate assets									498	231
Total assets									33,357	35,577
Segment liabilities	50,153	48,473	14,939	16,767	3,704	10,959	(63,000)	(69,123)	5,796	7,076
Loans and borrowings allocated to operating segments	-	-	6,329	6,597	1,674	1,722	-	-	8,003	8,319
Income tax payable allocated to operating segments	27	-	147	168	96	96	-	-	270	264
Unallocated income tax payable									54	54
Deferred tax liabilities									721	722
Liabilities directly associated with disposal group classified as held for sale	-	1,620	384	386	133	134	-	-	517	2,140
Unallocated corporate liabilities									1,781	1,838
Total liabilities									17,142	20,413
Capital expenditure allocated to operating segments:										
Property, plant and equipment	42	11	5	28	-	-	-	-	47	39
Right-of-use assets	156	-	-	-	-	-	-	-	156	-
Unallocated corporate capital expenditure									7	192
Total capital expenditure									210	231

4.1 Financial information by operating segments (cont'd)

Other material items

<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	3-month period ended	3-month period ended	3-month period ended	3-month period ended	3-month period ended	3-month period ended	3-month period ended	3-month period ended	3-month period ended
	31 July 2024	31 July 2023	31 July 2024	31 July 2023	31 July 2024	31 July 2023	31 July 2024	31 July 2023	31 July 2024	31 July 2023
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Depreciation of property, plant and equipment and investment properties:										
Allocated to operating segments	174	207	246	570	54	86	-	-	474	863
Unallocated corporate depreciation									1	5
									<u>475</u>	<u>868</u>
Depreciation of right-of-use assets:										
Allocated to operating segments	79	86	53	81	-	-	-	-	132	167
Unallocated corporate depreciation									7	-
									<u>139</u>	<u>167</u>
Gain on disposal of property, plant and equipment	(2)	-	(9)	(56)	-	-	-	-	(11)	(56)
Gain on disposal of asset held for sale	-	-	-	(12)	-	-	-	-	-	(12)
Reversal of allowance for doubtful receivables	-	-	(4)	(86)	-	-	-	-	(4)	(86)

4.2 Disaggregation of revenue

	Group	
	3-month period ended 31 July 2024 (S\$'000)	3-month period ended 31 July 2023 (S\$'000)
#A. Revenue classified by type of good or service:		
Sale of goods	6,295	6,179
Service income	1,914	1,580
Finance lease income	119	156
Others	28	28
Total revenue	8,356	7,943
#B. Revenue classified by duration of contract:		
Short term contracts	6,972	6,801
Long term contracts	1,384	1,142
Total revenue	8,356	7,943
#C. Revenue classified by timing of revenue recognition:		
Point in time	6,972	6,801
Over time	1,384	1,142
Total revenue	8,356	7,943

4.3 Geographical segment

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

	Group	
	3-month period ended 31 July 2024 (S\$'000)	3-month period ended 31 July 2023 (S\$'000)
Revenue		
Australia	2,887	4,045
Singapore	3,184	2,680
Malaysia	2,023	921
Others	262	297
	8,356	7,943

5. Profit/(loss) before income tax

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

	Group		
	3-month period ended 31 July 2024 (S\$'000)	3-month period ended 31 July 2023 (S\$'000)	% Change +/-
Depreciation of property, plant and equipment	453	843	(46)
Depreciation of right-of-use assets	139	167	(17)
Depreciation of investment properties	22	25	(12)
Gain on disposal of property, plant and equipment	(11)	(56)	(80)
Gain on disposal of assets held for sale	-	(12)	n/m
Gain on reversal of provision for reinstatement cost	(84)	-	n/m
Reversal of allowance for doubtful debts	(4)	(86)	(95)
Finance lease income	(119)	(156)	(24)
Currency exchange loss/(gain), net	232	(52)	n/m
Government grant	(16)	(14)	14

6. Trade and other receivables

	Group		Company	
	As at 31 July 2024 (S\$'000)	As at 30 April 2024 (S\$'000)	As at 31 July 2024 (S\$'000)	As at 30 April 2024 (S\$'000)
<u>Trade receivables</u>				
Third parties	7,968	9,667	41	30
Less: allowance for impairment	(875)	(861)	(25)	(25)
Net	7,093	8,806	16	5
Subsidiaries	-	-	2,805	2,531
Subtotal	7,093	8,806	2,821	2,536
<u>Other receivables</u>				
Third parties	527	370	-	-
Less: allowance for impairment	(65)	(63)	-	-
Net	462	307	-	-
Subsidiaries	-	-	1,280	3,314
Subtotal	462	307	1,280	3,314
Total trade and other receivables	7,555	9,113	4,101	5,850

7. Assets Held for Sale

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

	GROUP	
	As at 31 July 2024 (S\$'000)	As at 30 April 2024 (S\$'000)
Property, plant and equipment	2,222	2,175
Right-of-use assets	3,908	3,825
Assets held for sale	6,130	6,000

The Group has reclassified certain non-core assets in Seremban and Sabah, Malaysia with a net book value of MYR12.63 million (S\$3.68 million) and MYR8.38 million (S\$2.45 million), respectively, as assets held for sale. The estimated market values of these properties are S\$4 million (MYR14 million) and S\$3 million (MYR10.5 million), respectively, based on the latest valuation report.

On 9 May 2024, Sunrich Integrated Sdn. Bhd. (“**Sunrich**”), a wholly-owned subsidiary of the Group and the legal owner of the abovementioned Seremban property classified as Assets Held for Sale (“**Property**”), received and accepted an offer to purchase with a third-party buyer (“**Purchaser**”) for a purchase consideration of MYR14 million for the disposal of the Property. On 31 May 2024, Sunrich entered into a conditional Sale and Purchase Agreement (“**SPA**”) with the Purchaser. The completion of the SPA is subject to certain conditions, which include, among others, the grant of relevant State Authority’s consent to transfer the property to the buyer. Please refer to the Company’s announcements dated 13 May 2024 and 3 June 2024 for more information.

The Group is also actively looking for interested buyer of the remaining non-core assets in Sabah and expects them to be disposed of during the current financial year.

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

During 1Q FY2025, additions to PPE amounted to S\$54,000 (1Q FY2024: Nil), whilst the carrying amount of PPE disposed of is Nil (1Q FY2024: S\$10,000).

9. Right-of-use assets

During 1Q FY2025, the Group acquired motor vehicle under finance lease amounting to S\$156,000. Depreciation for the current quarter amounted to S\$139,000. Additionally, right-of-use assets were impacted by an upward currency translation adjustment of S\$14,000, and disposal of S\$19,000. There was no acquisitions or disposals of right-of-use assets in 1Q FY2024.

10. Net asset value

	Group		Company	
	As at 31 July 2024	As at 30 April 2024	As at 31 July 2024	As at 30 April 2024
Net assets attributable to owners of the Company (S\$'000)	16,253	15,201	13,578	10,278
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)	1.71	1.60	1.43	1.08

11. Trade and other payables

	Group		Company	
	As at 31 July 2024 (S\$'000)	As at 30 April 2024 (S\$'000)	As at 31 July 2024 (S\$'000)	As at 30 April 2024 (S\$'000)
<u>Trade payables</u>				
Outside parties and accrued liabilities	4,362	4,572	872	849
Subsidiaries	-	-	8,333	3,114
Subtotal	4,362	4,572	9,205	3,963
<u>Other payables</u>				
Outside parties	1,017	1,188	2	3
Director	834	879	834	879
Key management	-	598	-	-
Subsidiaries	-	-	-	9,985
Subtotal	1,851	2,665	836	10,867
Total trade and other payables	6,213	7,237	10,041	14,830

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

Other payable to a director is unsecured, with an interest rate of 6.5% (FY2024: 6.5%) per annum and repayable on demand. Please refer to paragraph 10 of Section F for more details.

Other payable to a key management which was settled during 1Q FY2025 was unsecured, interest-free and repayable on demand. Total amount paid for the full settlement was MYR2.05 million (approximately S\$598,000) plus MYR23,000 (approximately S\$7,000) for reimbursement of incidental expenses.

12. Loans and borrowings

	Group			
	At 31 July 2024		At 30 April 2024	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	4,395	-	4,674	-
Amount repayable after one year	3,608	-	3,645	-

Details of collateral

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

- Loans and borrowings of S\$6.33 million (30 April 2024: S\$6.60 million), secured by property, plant and equipment and assets held for sale in Malaysia.
- Loans and borrowings of S\$1.67 million (30 April 2024: S\$1.72 million), secured by property, plant and equipment and investment properties of subsidiary in Singapore.

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

In FP2023, following the resignation of the 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 arose (or hereinafter also referred to as the "China Subsidiaries"). Accordingly, 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". The China Subsidiaries did not contribute any revenue to the Group for the current reporting period.

The Group is in the midst of changing the legal representative for the China subsidiaries.

On 31 July 2024, the Company's subsidiary, ecoWise New Energy Pte. Ltd., entered into a share sale and purchase agreement with a third-party buyer to divest its entire interests in Hivern Investments Pte Ltd and its subsidiary, CEBEC.

Simultaneously, the Company entered into similar agreements for the sale of its entire interests in ecoWise Solutions Pte. Ltd. and ecoWise RubberTech Pte. Ltd., together with their subsidiaries, CQEIM and CECRT. The completion of this agreement is conditional upon fulfilment of certain conditions precedent, including the transfer of excluded assets, which are currently underway.

For further details, please refer to the Company's announcement dated 1 August 2024.

As of 31 July 2024, the disposal group liabilities held for sale primarily consist of the carrying amounts of liabilities of CQEIM and CECRT.

14. Lease liabilities

	Group		Company	
	As at 31 July 2024 S\$'000	As at 30 April 2024 S\$'000	As at 31 July 2024 S\$'000	As at 30 April 2024 S\$'000
Current	316	410	19	19
Non-current	164	127	83	86
	480	537	102	105

As at 31 July 2024, finance lease liabilities of S\$480,000 (30 April 2024: S\$537,000) were secured by the lessors' charge over the leased assets.

15. Related party transactions

There are no material related party transactions aside from the outstanding loan from a director as disclosed in paragraph 10 of Section F, and the loan from a key management as disclosed in Note 11 of Section E which was fully settled during the current period.

16. Subsequent events

As announced on 2 August 2024, the Company has on that date entered into a Placement and Underwriting Agreement with SAC Capital Private Limited ("**Placement Agent**"), pursuant to which the Company is proposing to raise additional funds by issuing: (a) up to an aggregate of 200,000,000 new ordinary shares ("**Placement Shares**") to be subscribed by places to be procured by the Placement Agent at an issue price of S\$0.015 for each Placement Share; and (b) up to 200,000,000 detachable, transferrable and non-listed warrants ("**Warrant**") at an issue price of S\$0.001 per Warrant, on the basis of one (1) Warrant for each Placement Share, with each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (each, a "**Warrant Share**") at an exercise price of S\$0.0165 for each Warrant Share (the "**Proposed Placement cum Warrants Issue**"). The Company had, subsequently at its Extraordinary General Meeting held on 30 August 2024, obtained the approval of its shareholders on *inter alia*, the Proposed Placement cum Warrants Issue.

There are no other subsequent events which may require disclosure and/or adjustment to this set of interim financial statements.

F. Other Information Required by Catalyst 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 (S\$'000)
As at 31 July 2024 and 30 April 2024	957,483,029	48,170
	Number of treasury shares	Percentage of the aggregate number of treasury shares held against total number of shares outstanding
As at 31 July 2024 and 30 April 2024	8,637,300	0.90%

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

As at 31 July 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 2024: 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 1Q FY2025.

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 1Q FY2025.

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 FY2024. The basis for the disclaimer of opinion is in relation to the following:

1. Opening balances and limitation of scope in relation to the China subsidiaries (Disposal Group classified as held for sale)
 - 1a. Limitation of scope in relation to the China subsidiaries (Disposal group classified as held for sale)
 - 1b. Internal audit under "*Notice of Compliance*" ("**NOC**")
2. Impairment assessment of the Group's property, plant and equipment in Malaysia
3. Valuation of equity investment at fair value through profit and loss

The Company's announcement dated 16 August 2024, which includes the Independent Auditor's Report of Baker Tilly, provides more details on the first basis for disclaimer regarding opening balances and the limitation of scope in relation to the China Subsidiaries (Disposal Group classified as held for sale). As announced on 1 August 2024, on 31 July 2024, the Group has entered into Share Sale and Purchase Agreements with a third-party buyer, Mr. Chhoa Kiat Lim, Thomas for the disposal and sale of all the issued and paid-up equity interest of ecoWise Solutions Pte. Ltd. ("**EWS**"), ecoWise RubberTech Pte. Ltd. ("**ERT**") and Hivern Investments Pte. Ltd. ("**Hivern**"). The total consideration of disposal is S\$3, at S\$1 for each entity. The disposal excludes the investment properties and 100% equity interests in ecoWise Materials Pte. Ltd. owned by EWS ("**Excluded Assets**"). Despite the Disposals, the issue identified by Baker Tilly regarding the opening balance relating to the China Subsidiaries will carry over into at least one more financial year, i.e. FY2025 financial statements due to impact of the opening balance on the FY2025 results and the comparability of FY2025 figures with FY2024 corresponding figures. For more information regarding the results of internal audit under NOC affecting the China Subsidiaries, please refer to the Executive Summary of the independent review conducted by EY attached to the Company's announcement dated 28 March 2024.

Regarding the second basis for disclaimer concerning the impairment assessment of the Group's property, plant and equipment in Malaysia ("**Malaysian PPE**"), Baker Tilly was unable to confirm the opening balance of Malaysian PPE as at 1 November 2021 due to insufficient audit evidence. This limitation prevented them from assessing the appropriateness of the impairment loss of S\$452,000 recognised in FP2023 and the comparability of the FY2024 figures with FP2023 corresponding figures. This issue will not be carried over to FY2025 financial statements.

The third basis for disclaimer relates to the valuation of the equity investment at fair value through profit or loss in CULCEC, a company that entered into liquidation in China in March 2020. Baker Tilly was unable to verify the fair value of this investment as at 1 May 2023 due to insufficient audit evidence. As a result, they could not assess the appropriateness of the S\$500,000 fair value loss recognised in FY2024 or the comparability of this loss with FY2023 corresponding figures. This issue will continue to impact the FY2025 financial statements due to comparability of FY2025 figures with FY2024 corresponding figures.

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.

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

	Group	
	3-month period ended 31 July 2024	3-month period ended 31 July 2023
Profit/(loss) for the period attributable to the owners of the Company (S\$'000)	240	(702)
Weighted average number of shares in issue ('000)	948,846	948,846
(i) Basic earnings/(loss) per shares (S\$ cents)	0.03	(0.07)
(ii) On a fully diluted basis (S\$ cents)	0.03	(0.07)

The basic and diluted earnings/(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 1Q FY2025 rose to S\$8.35 million, a 5% growth compared to 1Q FY2024. This increase was primarily attributable to stronger performance in the Renewable Energy segment, which saw revenue grew by S\$841,000, whilst revenue from Resource Recovery segment dipped by S\$428,000. Overall, the positive impact from Renewable Energy segment drove the Group's top-line growth.

The increase in Renewable Energy revenue was largely attributable to a new contract secured with a major food manufacturer in March 2024. This contract boosted revenue from spent grain by S\$756,000. Additionally, revenue from ISO-tank heating increased by S\$88,000.

Resource Recovery revenue declined primarily due to a significant decrease in orders from a key overseas customer of Malaysia's rubber compound business. This downturn led to a reduction of S\$642,000 in revenue. However, concurrent increased rental income of S\$213,000 partially offset this negative impact, mitigating the overall revenue decrease of Resource Recovery segment.

Cost of Sales

Cost of sales for 1Q FY2025 decreased to S\$6.58 million, a 5% reduction compared to 1Q FY2024, reflecting the positive impact of management's strategic cost-reduction initiatives. Despite increased revenue, the Group were able to achieve this reduction through a combination of process improvements and tighter cost management.

The S\$363,000 decrease in cost of sales was primarily driven by reductions in depreciation expense of S\$31,000, repairs and maintenance of S\$282,000, diesel costs of S\$17,000, and insurance expense of S\$87,000. These cost savings were partially offset by increased costs in manpower of S\$7,000, raw materials of S\$31,000, and other indirect costs S\$16,000.

Gross Profit and Gross Profit Margin

The improvement in gross profit and gross profit margin in 1Q FY2025 compared to 1Q FY2024 was primarily driven by a combination of factors as discussed above, i.e., increase in revenue, coupled with effective cost-saving measures and operational efficiencies, which contributed to this positive performance.

Other (Loss)/ Income- Net

Other loss - net in 1Q FY2025 of S\$117,000 was primarily attributable to currency translation loss of S\$232,000, partially offset by (i) gain from disposal of fixed assets of S\$11,000; (ii) reversal of provision for reinstatement of leased properties of S\$84,000; (iii) government grants of S\$16,000; and (iv) other income of S\$4,000.

Other income - net in 1Q FY2024 of S\$220,000 consists of (i) gain from disposal of fixed assets of S\$56,000; (ii) reversal of allowance for doubtful debts of S\$86,000; (iii) government grants of S\$14,000; (iv) gain on disposal of assets held for sale of S\$12,000; and (v) currency translation gain of S\$52,000.

Marketing and Distribution Expenses

In 1Q FY2025, marketing and distribution expenses declined by 18% to S\$28,000 compared to the same period in the previous year (1Q FY2024). This decrease was primarily driven by a reduction in depreciation expenses of S\$15,000 and a decrease in manpower costs of S\$16,000 due to a reduction in the sales department's headcount.

Administrative Expense

During the first quarter of the current financial year (1Q FY2025), administrative expenses decreased by S\$26,000 or 2% compared to the same period in the previous year (1Q FY2024), primarily due to a reduction in legal and professional fees of S\$53,000, depreciation expenses of S\$56,000, and upkeep and maintenance expenses of S\$8,000. However, these reductions were offset by increased manpower costs of S\$23,000, insurance premiums of S\$16,000, and other miscellaneous expenses S\$52,000.

Finance Costs

During the first quarter of the current financial year (1Q FY2025), finance costs decreased by S\$50,000 compared to the same period in the previous financial year (1Q FY2024). This is primarily attributable to a decrease in interest-bearing obligations resulting from the timely repayment of debt.

Income Tax Expense

Income tax credit of S\$16,000 for 1Q FY2025 represents deferred tax assets recognised in Malaysian entities. There is no taxable profit in 1Q FY2025, hence there is no current income tax expense recognised in profit or loss.

Profit from Discontinued Operations

Profit from discontinued operations of S\$181,000 for 1Q FY2025 (Nil for 1Q FY2024) pertains to gain on disposal of investments in Hivern, and its subsidiary CEBEC, which are included in the "Disposal group classified as held for sale" as discussed in Section E paragraph 13 above.

Profit/(loss) Net of Tax

As a result of the above, the Group recorded a profit from continuing operations of S\$58,000 for 1Q FY2025 as compared to a loss of S\$705,000 for 1Q FY 2024, and a total profit from continuing and discontinued operations of S\$239,000 for 1Q FY2025 as compared to total loss of S\$705,000 for 1Q FY2024.

Statement of Financial Position

Assets

Property, plant and equipment decreased by S\$279,000 from S\$7.78 million as at 30 April 2024 to S\$7.50 million as at 31 July 2024, mainly due to (i) depreciation of S\$453,000; (ii) additions of S\$54,000; and (iii) upward translation adjustment on property, plant and equipment denominated in foreign currency of S\$119,000.

Right-of-use assets increased by S\$12,000 from S\$1.17 million as at 30 April 2024 to S\$1.18 as at 31 July 2024 mainly due to (i) depreciation of S\$139,000; (ii) additions of S\$156,000; (iii) upward translation adjustment on right-of-use assets denominated in foreign currency of S\$14,000; and (iv) disposal of S\$19,000.

Investment properties refer to the Group's properties leased to third parties. Movement during 1Q FY2025 pertains solely to depreciation.

Financial assets at fair value through profit or loss relate to the Group's investment in CULCEC which is in the process of liquidation. As at 31 July 2024, the Group has determined the fair value of CULCEC to be S\$1.01 million (RMB5.5 million) based on the latest information provided by the liquidator as at 21 June 2024. This amount represents the net expected amounts to be received by Group upon the completion of liquidation and the distribution of remaining funds to the shareholders.

Lease receivables (non-current and current) relate to the Group's investment in the 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 by S\$331,000 from S\$4.44 million as at 30 April 2024 to S\$4.11 million as at 31 July 2024, mainly attributable to the conversion of billings to collections from the customer.

Inventories level increased by S\$208,000 or 9% from S\$2.33 million as at 30 April 2024 to S\$2.54 million as at 31 July 2024. This increase was primarily driven by the customers' orders placed towards the end of the quarter leading the Group to top-up inventories to ensure adequate availability of materials to meet current and potential surges in orders.

Trade and other receivables decreased by S\$1.55 million from S\$9.11 million as at 30 April 2024 to S\$7.56 million as at 31 July 2024. This decrease was primarily attributed to a reduction in trade receivables in Malaysia's rubber compound business, mainly due to a decline in sales to a major customer overseas.

Other current assets comprising prepayments and deposits increased by S\$76,000 from S\$848,000 as at 30 April 2024 to S\$924,000 as at 31 July 2024 mainly due to increase in prepaid expenses incurred during the first quarter of the financial year.

Cash and cash equivalents increased by S\$392,000 from S\$746,000 as at 30 April 2024 to S\$1.14 million as at 31 July 2024. Please refer to the "Statement of Cash Flow" section below for explanations on the net increase in cash and cash equivalents of the Group.

Liabilities

Loans and borrowings (non-current and current) decreased by S\$316,000 from S\$8.32 million as at 30 April 2024 to S\$8.00 million as at 31 July 2024 mainly due to regular loan repayments to Malaysian banks and monthly installments on property loans in Singapore.

Lease liabilities (non-current and current) decreased by S\$57,000 from S\$537,000 as at 30 April 2024 to S\$480,000 as at 31 July 2024 mainly due to (i) principal repayments of S\$139,000; (ii) additions of S\$101,000; and (iii) other adjustments of S\$19,000.

Trade and other payables decreased by S\$1.02 million from S\$7.24 million as at 30 April 2024 to S\$6.21 million as at 31 July 2024 mainly due to (i) repayment of loan from key management of S\$598,000; (ii) repayments of year-end accruals (professional fees, staff benefits, etc) of S\$188,000; (iii) net decrease in other payable to director of S\$45,000; and (iii) net decrease in trade and other payables to third parties of about S\$193,000.

Working Capital

The Group's working capital improved from S\$6.93 million as at 30 April 2024 to S\$8.65 million as at 31 July 2024.

Statement of Cash Flow

Net cash flows from operating activities for 1Q FY2025 were S\$1.86 million, mainly attributable to (i) net cash inflows before changes in working capital of S\$749,000; (ii) decrease in trade and other receivables of S\$1.56 million; (iii) decrease in lease receivables of S\$450,000; (iv) increase in inventories of S\$208,000; (v) increase in other current assets of S\$76,000; (vi) decrease in trade and other payables of S\$436,000, and (vii) decrease in provision for reinstatement cost.

Net cash flows used in investing activities for 1Q FY2025 were S\$43,000, mainly attributable additions to PPE of S\$54,000, and partly offset by proceeds from disposal of PPE of S\$11,000.

Net cash flows used in financing activities for 1Q FY2025 were S\$1.43 million, mainly attributable to (i) repayments of loans and borrowings of S\$459,000; (ii) repayments of other payables to director and key management personnel of S\$656,000; (iii) repayments of lease liabilities of S\$139,000; and (iv) interest expense paid of S\$172,000.

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.

The Board and Management have taken proactive steps to stabilise the Group's operations and financial position. These include implementing cost-saving measures, divesting non-core assets, and optimising the Renewable Energy and Resource Recovery segments. These efforts have yielded positive results, with the Group achieving a profit in 1Q FY2025 and generating positive operating cash flow. For 1Q FY2025, the Group recorded a profit after tax of S\$239,000 (1Q FY2024: loss after tax of S\$705,000) and continued to generate positive cash flows from operations of S\$1.86 million (1Q FY2024: positive cash flows from operations of S\$686,000). Furthermore, as of 31 July 2024, the Group's net current assets stood at S\$8.65 million, which is a significant improvement compared with the net current assets of S\$6.93 million as of 30 April 2024.

The Group continues to actively evaluate the future of its tyre retreading business, given its recent losses as of 1Q FY2025 in the amount of S\$221,000. In the same financial quarter, the rubber compound business reported a loss of S\$98,000, after deducting management fee due to the Company of S\$150,000.

The Group's net current assets have improved significantly, further strengthening its financial position. The Board and Management are exploring opportunities to replicate successful Renewable Energy projects and continue to monetise non-core assets to reduce debt and enhance working capital.

The broader industry trend towards renewable energy investments presents growth opportunities for the Group. However, as previously stated, the rapid technological advancements in this sector may pose a challenge, particularly when competing with larger, well-resourced companies. As also previously stated, the Group will leverage its agility and innovation to secure projects and will consider strategic collaborations or joint ventures for larger opportunities. The Group's focus on sustainability aligns with global initiatives such as the 2030 Agenda for Sustainable Development, further reinforcing its commitment to responsible and environmentally conscious practices.

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/recommendeded, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the 3-month financial period ended 31 July 2024 as the Group has no distributable 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 Catalyst 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 upon by both parties. Since 1 January 2023, the loan bears an interest rate of 6.5% per annum and is repayable on demand. On 25 March 2024, Mr Lee Thiam Seng granted an additional loan of S\$200,000 for additional working capital to meet certain refundable deposits required for new contract secured by the Group. As at 31 July 2024, the loan from Mr Lee Thiam Seng has a remaining balance of S\$821,0000 (30 April 2024: S\$821,000) plus accrued interest amounting to S\$13,000 (30 April 2024: S\$58,000).

For the current financial period ended 31 July 2024 and for the financial year ending on 30 April 2025, the total amount of interest paid and payable to Mr Lee Thiam Seng 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 Catalyst 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 1Q FY2025 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 Catalyst Rules) under Rule 720(1) of the Catalyst Rules

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

13 Disclosures pursuant to Rule 706A of the Catalyst Rules

As announced on 1 August 2024, the Group has, on 31 July 2024, entered into Share Sale and Purchase Agreements with a third-party buyer, Mr. Chhoa Kiat Lim, Thomas for the disposal and sale of all the issued and paid-up equity interest of EWS, ERT and Hivern. The total consideration of the Disposals is \$3, at \$1 for each entity. The Disposals excludes the investment properties and 100% equity interests in ecoWise Materials Pte. Ltd. owned by EWS (“**Excluded Assets**”).

Upon completion of the Disposals, the following entities will cease to be the subsidiaries of the Group:

- (i) Hivern,
- (ii) ERT,
- (iii) EWS,
- (iv) CEBEC (wholly subsidiary of Hivern),
- (v) CQEIM (wholly subsidiary of EWS), and
- (vi) CECRT (35% equity interest owned by CQEIM and 65% equity interest owned by ERT).

Save for the Disposals, 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 financial period ended 31 July 2024.

BY ORDER OF THE BOARD

Lee Thiam Seng

Executive Chairman and CEO

13 September 2024

This announcement has 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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