

Unaudited Financial Statements for the Six Months and Half Year Ended 30 April 2021

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR AND FULL YEAR RESULTS

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

	Group		
	1H FY2021 ⁽¹⁾ (S\$'000) (Unaudited)	1H FY2020 ⁽²⁾ (S\$'000) (Unaudited)	% Change +/(−)
Revenue	23,708	23,106	2.6
Cost of Sales	(19,371)	(18,771)	3.2
Gross Profit	4,337	4,335	0.0
<u>Other Items of Income</u>			
Finance Income	11	26	(57.7)
Other Gains	2,317	1,320	75.5
<u>Other Items of Expenses</u>			
Marketing and Distribution Expenses	(823)	(924)	(10.9)
Administrative Expenses	(3,015)	(3,334)	(9.6)
Finance Costs	(479)	(390)	22.8
Other Losses	(8)	(32)	(75.0)
Share of Results from an Associate and a Jointly- Controlled Entity, Net of Tax	(266)	(68)	n/m
Profit Before Income Tax	2,074	933	n/m
Tax Expense	(331)	(324)	2.2
Profit, Net of Tax	1,743	609	n/m
<u>Other Comprehensive (Loss)/Income</u>			
Exchange Differences on Translating Foreign Operations, Net of Tax	(451)	(337)	33.8
Effective Portion of Changes in Fair Value of Cash Flow Hedges	(518)	28	n/m
Defined Benefit Plan - Actuarial Gain	76	—	n/m
Other Comprehensive Loss, Net of Tax	(893)	(309)	n/m
Total Comprehensive Income, Net of Tax	850	300	n/m

	Group		
	1H FY2021 ⁽¹⁾ (S\$'000) (Unaudited)	1H FY2020 ⁽²⁾ (S\$'000) (Unaudited)	% Change +/(−)
Profit, Net of Tax, attributable to:			
Owners of the Company	1,561	388	n/m
Non-Controlling Interests	182	221	(17.6)
	1,743	609	n/m
Total Comprehensive Income, Net of Tax, attributable to:			
Owners of the Company	655	280	n/m
Non-Controlling Interests	195	20	n/m
Total Comprehensive Income, Net of Tax	850	300	n/m

"n/m" denotes not meaningful.

Notes:

- (1) "1H FY2021": Half year financial period from 1 November 2020 to 30 April 2021.
- (2) "1H FY2020": Half year financial period from 1 November 2019 to 30 April 2020.

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

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

	Group		
	1H FY2021 (S\$'000) (Unaudited)	1H FY2020 (S\$'000) (Unaudited)	% Change +/(–)
Finance Lease Income ⁽¹⁾	462	513	(9.9)
Depreciation of Property, Plant and Equipment ⁽²⁾	(1,459)	(1,730)	(15.7)
Depreciation of Investment Properties ⁽³⁾	(102)	–	100
Depreciation of Right-of-use Assets ⁽⁴⁾	(234)	–	100
Amortisation of Intangible Assets ⁽⁵⁾	(37)	(46)	(19.6)
Amortisation of Land Use Rights	(28)	(30)	(6.7)
Gain on Disposal of Property, Plant and Equipment ⁽⁶⁾	38	60	(36.7)
Net Fair Value Loss on Derivative Financial Instruments	–	(32)	n/m
Foreign Exchange Gain, Net ⁽⁷⁾	640	592	8.1
Government Grant Income ⁽⁸⁾	94	211	(55.5)
Provision for Retirement Benefit Obligations Expenses, Net	(13)	(19)	(31.6)
Amortisation of Deferred Income	–	4	n/m
Allowance for Doubtful Receivable	(8)	–	100
Gain on Disposal of Subsidiary ⁽⁹⁾	1,467	431	n/m
Bad debts recovered ⁽¹⁰⁾	51	22	n/m
Adjustments for Under Provision of Taxation in Respect of Prior Years ⁽¹¹⁾	122	–	100

“n/m” denotes not meaningful.

Notes:

- (1) Finance lease income relates to income generated by the Group's plant acquired under finance lease agreements. Finance lease income decreased systematically over lease terms.
- (2) Decrease in depreciation due to (i) disposal of assets, and (ii) assets fully depreciated in prior year.
- (3) Relates to depreciation of investment properties acquired in the financial year ended 31 October 2020 (“FY2020”).
- (4) Relates to the adoption of SFRS(I) 16 in FY2020, the Group recognized right-of-use assets of S\$1.86 million and associated lease liabilities of S\$1.86 million for its leases previously classified as operating leases. Right-of-use assets are depreciated over the expected useful life of 3 and 5 years respectively. Nil balance was recorded during 1H FY2020 as the Group only adopted SFRS(I) 16 during its preparation of the full year financial statements for FY2020.
- (5) Decrease in amortization of intangible assets as certain intangible assets were impaired in prior year.
- (6) Gain on disposal of property, plant and equipment was lower in 1H FY2021 as compared to 1H FY2020, mainly due to lower gain on disposal of machinery in 1H FY2021.
- (7) Foreign exchange gain in 1H FY2021 was higher as compared to 1H FY2020, mainly due to (i) weakening of the Chinese Yuan against Singapore dollar (“SGD”), and (ii) strengthening of Australian dollar (“AUD”) against Malaysia Ringgit (“MYR”).
- (8) Government grant income was lower in 1H FY2021 as compared to 1H FY2020, mainly due to lower jobs credit grant and jobs support scheme received in 1H FY2021.
- (9) Gain on disposal of subsidiary in 1H FY2021 relates to disposal of a subsidiary, Saiko Rubber (Malaysia) Sdn Bhd which was completed on 23 April 2021. Gain on disposal of subsidiary in 1H FY2020 relates to disposal of Asia Cleantech Hub Pte. Ltd. together with its subsidiary (Swee Chioh Fishery Pte. Ltd.) which was completed on 25 February 2020.
- (10) Doubtful debts were reversed upon subsequent receipt of payment from customers.
- (11) Adjustments for under-provision of taxation in respect of prior years in 1H FY2021 relate to under-provision of income tax as compared to final submission to the Inland Revenue Board of Malaysia.

1(b)(i)

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

	Group		Company	
	30 April 2021 (S\$'000) (Unaudited)	31 October 2020 (S\$'000) (Audited)	30 April 2021 (S\$'000) (Unaudited)	31 October 2020 (S\$'000) (Audited)
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	26,871	29,315	406	311
Right-of-use Assets	1,207	1,441	-	-
Investment Properties	1,914	2,017	-	-
Intangible Assets	793	844	-	-
Land Use Rights	1,304	1,306	-	-
Investments in Subsidiaries	-	-	31,833	31,833
Investment in an Associate	1,523	1,540	-	-
Investment in a Jointly-Controlled Entity	1,750	1,832	-	-
Finance Lease Receivables	7,069	7,636	-	-
Other Assets	289	285	-	-
Total Non-Current Assets	42,720	46,216	32,239	32,144
Current Assets				
Inventories	5,709	6,011	-	-
Income Tax Receivables	12	24	-	-
Trade and Other Receivables	13,355	14,765	1,693	999
Finance Lease Receivable	1,189	1,127	-	-
Derivative Financial Instruments	-	139	-	-
Other Assets	2,025	2,162	137	129
Cash and Cash Equivalents	4,948	6,768	7	33
Total Current Assets	27,238	30,996	1,837	1,161
Total Assets	69,958	77,212	34,076	33,305
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	48,170	48,170	48,170	48,170
Treasury Shares	(280)	(80)	(280)	(80)
Accumulated Losses	(4,837)	(6,461)	(21,165)	(21,022)
Foreign Currency Translation Reserve	(5,430)	(5,018)	-	-
Other Reserves	1,828	2,409	-	-
Equity Attributable to Owners of the Company	39,451	39,020	26,725	27,068
Non-Controlling Interests	28	4,001	-	-
Total Equity	39,479	43,021	26,725	27,068
LIABILITIES				
Non-Current Liabilities				
Provision for Retirement Benefit Obligations	397	790	-	-
Provision for Reinstatement Cost	350	350	-	-
Loans and Borrowings	8,436	6,936	-	-
Financial Liabilities – Lease Liabilities	1,520	1,870	162	82
Deferred Tax Liabilities	1,327	1,819	-	-
Deferred Income	50	50	-	-
Total Non-Current Liabilities	12,080	11,815	162	82

	Group		Company	
	30 April 2021 (S\$'000) (Unaudited)	31 October 2020 (S\$'000) (Audited)	30 April 2021 (S\$'000) (Unaudited)	31 October 2020 (S\$'000) (Audited)
Current Liabilities				
Income Tax Payables	708	702	59	41
Trade and Other Payables	7,268	11,902	7,084	6,070
Derivative Financial Instruments	376	1	-	-
Loans and Borrowings	8,774	8,109	-	-
Financial Liabilities – Lease Liabilities	1,243	1,631	46	44
Deferred Income	30	31	-	-
Total Current Liabilities	18,399	22,376	7,189	6,155
Total Liabilities	30,479	34,191	7,351	6,237
Total Equity and Liabilities	69,958	77,212	34,076	33,305

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

	Group			
	As at 30 April 2021		As at 31 October 2020	
	Secured	Unsecured	Secured	Unsecured
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Amount repayable in one year or less, or on demand	8,928	1,089	7,719	2,021
Amount repayable after one year	7,998	1,958	6,467	2,339

Details of any collateral

As at 30 April 2021, secured loans and borrowings comprised:

- Finance lease liabilities of S\$1,517,000 (31 October 2020: S\$1,746,000), secured by the lessors' charge over the leased assets.
- Loans and borrowings of S\$13,146,000 (31 October 2020: S\$9,547,000), secured by property, plant and equipment and assets of certain subsidiaries in Malaysia.
- Loans and borrowings of S\$2,264,000 (31 October 2020: S\$2,328,000), secured by property, plant and equipment of subsidiaries in Singapore.

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

	Group	
	1H FY2021 (S\$'000) (Unaudited)	1H FY2020 (S\$'000) (Unaudited)
<u>Cash Flows From Operating Activities</u>		
Profit Before Tax	2,074	933
Depreciation of Property, Plant and Equipment	1,459	1,730
Depreciation of Investment Properties	102	—
Depreciation of Right-of-use Assets	234	—
Gain on Disposal of Property, Plant and Equipment	(38)	(60)
Amortisation of Intangible Assets	37	46
Amortisation of Land Use Rights	28	30
Share of Results from an Associate and a Jointly-Controlled Entity, Net of Tax	266	68
Gain on Disposal of Subsidiary	(1,467)	(431)
Net Fair Value Loss on Derivative Financial Instruments	—	32
Provision for Retirement Benefit Obligations Expenses, Net	13	19
Amortisation of Deferred Income	—	(4)
Finance Lease Income	(462)	(513)
Finance Income	(11)	(26)
Finance Costs	479	390
Net Foreign Exchange	(537)	—
Operating Cash Flows Before Changes in Working Capital	2,177	2,214
Inventories	(1,318)	(1,926)
Trade and Other Receivables	(1,304)	1,171
Finance Lease Receivable	505	458
Other Assets	122	(964)
Trade and Other Payables	(2,612)	870
Deferred Income	8	—
Finance Lease Income Received	462	513
Retirement Benefit Obligations Paid	—	(8)
Net Cash Flows (Used In)/From Operations	(1,960)	2,328
Income Tax Paid	(245)	(251)
Net Cash Flows (Used In)/From Operating Activities	(2,205)	2,077
<u>Cash Flows From Investing Activities</u>		
Acquisition of Property, Plant and Equipment	(1,787)	(2,169)
Proceeds from Disposal of Property, Plant and Equipment	1,913	65
Repayment from/(Loan to) a Jointly-Controlled Entity	82	(166)
Acquisition of a Subsidiary, Net of Cash	(11)	—
Proceeds from Disposal of a Subsidiary	1,648	—
Interest Received	11	26
Net Cash Flows From/(Used in) Investing Activities	1,856	(2,244)
<u>Cash Flows From Financing Activities</u>		
Proceeds from Loans and Borrowings	2,206	737
Repayments of Loans and Borrowings	(868)	(2,323)
Principal Elements of Lease Payments	(757)	—
Interest Paid	(436)	(373)
Share Buy-Back	(200)	—
Dividends Paid to Non-Controlling Interests of Subsidiaries	—	(239)
Decrease in Cash Restricted in Use Over 3 Months ^(a)	1,953	192
Net Cash Flows From/(Used In) Financing Activities	1,898	(2,006)

	Group	
	1H FY2021 (S\$'000) (Unaudited)	1H FY2020 (S\$'000) (Unaudited)
Net Increase/(Decrease) in Cash and Cash Equivalents	1,549	(2,173)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(112)	7
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	3,355	2,210
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	4,792	44
Cash and Cash Equivalents in the Statement of Cash Flows		
Cash and Cash Equivalents ^(b)	4,948	3,157
Cash Restricted in Use	(130)	(1,802)
Bank Overdrafts	(26)	(1,311)
Cash and Cash Equivalents At End of Period	4,792	44

(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\$128,000 as at 30 April 2021 (30 April 2020: S\$1,802,000).

Non-Cash Transactions

Property, plant and equipment amounting to S\$2,391,000 (1H FY2020: S\$48,000) were acquired through borrowing and finance leases.

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share Capital (S\$'000)	Treasury Shares (S\$'000)	Accumulated Losses (S\$'000)	Foreign Currency Translation Reserve (S\$'000)	Other Reserves (S\$'000)	Equity Attributable to Owners of the Company Subtotal (S\$'000)	Non- Controlling Interests (S\$'000)	Total Equity (S\$'000)
Group								
At 1 November 2020	48,170	(80)	(6,461)	(5,018)	2,409	39,020	4,001	43,021
Changes in Equity								
Profit for the Period	–	–	1,561	–	–	1,561	182	1,743
Exchange Differences on Translating Foreign Operations, Net of Tax	–	–	–	(412)	(39)	(451)	–	(451)
Effective Portion of Changes in Fair Value of Cash Flow Hedges	–	–	–	–	(518)	(518)	–	(518)
Defined Benefit Plan – Actuarial	–	–	63	–	–	63	13	76
Disposal of Equity Interests of Subsidiary	–	–	–	–	–	–	(4,181)	(4,181)
Purchase of Equity Interests of Subsidiaries	–	–	–	–	(24)	(24)	13	(11)
Purchase of Treasury Shares	–	(200)	–	–	–	(200)	–	(200)
	–	(200)	1,624	(412)	(581)	431	(3,973)	(3,542)
At 30 April 2021	48,170	(280)	(4,837)	(5,430)	1,828	39,451	28	39,479

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

<u>Company</u>	Share Capital (S\$'000)	Treasury Shares (S\$'000)	Accumulated Losses (S\$'000)	Total Equity (S\$'000)
At 1 November 2020	48,170	(80)	(21,022)	27,068
Total Comprehensive Loss for the Period	–	–	(143)	(143)
Treasury shares	–	(200)	–	(200)
At 30 April 2021	48,170	(280)	(21,165)	26,725
At 1 November 2019	48,170	(29)	(20,421)	27,720
Total Comprehensive Loss for the Period	–	–	(16)	(16)
At 30 April 2020	48,170	(29)	(20,437)	27,704

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

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

State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Issued and paid-up ordinary shares	Share capital (S\$'000)
As at 31 October 2020 and 30 April 2021	957,483,029	48,170
	Number of treasury shares	Percentage of the aggregate number of treasury shares held against the total number of shares outstanding
As at 31 October 2020	2,666,700	0.28%
Additions from 1 November 2020 to 30 April 2021	5,970,600	0.62%
As at 30 April 2021	8,637,300	0.90%

As at 30 April 2021, the total number of treasury shares held was 8,637,300 shares, representing 0.90% of total number of issued shares.

The Company does not have any subsidiary holdings 30 April 2021 and 30 April 2020. There were no outstanding convertibles as at 30 April 2021 and 30 April 2020.

- 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 948,845,729 ordinary shares as at 30 April 2021 (31 October 2020: 954,816,329 ordinary shares).

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

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

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

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

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

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

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

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

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

Not applicable. The latest audited financial statements of the Group for the financial year ended 31 October 2020 are not subject to any adverse opinion, qualified opinion or disclaimer of opinion.

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

Other than adoption of new or revised Singapore Financial Reporting Standards (International) and the related Interpretations to SFRS (I) issued by the Singapore Accounting Standards Council that are effective from 1 November 2020, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as with the most recently audited financial statements for the financial year ended 31 October 2020. The adoption of new or revised SFRS (I) and SFRS (I) INT did not require any significant modification of the measurement method or the presentation in the financial statements.

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

Please refer to section 4 above.

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

Earnings per ordinary share for the period based on profit for the period attributable to owners of the Company:

	Group	
	1H FY2021	1H FY2020
Profit for the period attributable to the owners of the Company (\$'000)	1,561	388
Weighted average number of shares in issue ('000)	948,846	956,486
(i) Basic profit per shares (\$ cents)	0.16	0.04
(ii) On a fully diluted basis (\$ cents)	0.16	0.04

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

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

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

	Group		Company	
	30 April 2021	31 October 2020	30 April 2021	31 October 2020
Net assets attributable to owners of the Company (S\$'000)	39,451	39,020	26,725	27,068
Number of shares at the end of the period/year, excluding treasury shares	948,845,729	954,816,329	948,845,729	954,816,329
Net asset value per ordinary share at the end of period/year (S\$ cents)	4.16	4.09	2.82	2.83

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

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of Comprehensive Income

	Group		
	1H FY2021 (S\$'000)	1H FY2020 (S\$'000)	% Change +/(-)
Revenue			
Renewable Energy Segment	3,663	5,061	(27.6)
Resource Recovery Segment	19,929	17,771	12.1
Integrated Environmental Management Solutions Segment	116	274	(57.7)
Total	23,708	23,106	2.6
Gross Profit	4,337	4,335	(0.0)
Gross Profit Margin	18.3%	18.8%	

Revenue

Revenue for 1H FY2021 of S\$23.71 million was S\$0.60 million or 2.6% higher as compared to 1H FY2020. The increase in revenue was due to higher revenue recorded by the Resource Recovery segment, attributable to increase in sales of retreaded tyres and rubber compounds under Sunrich Resources Sdn. Bhd. and its subsidiaries ("SRR Group") due to higher export sales. The increase was partially offset by decrease in revenue in (i) Renewable Energy segment, attributable to expiry of supply contract for spent grain with one of the customers in FY2020, and (ii) Integrated Environmental Management Solutions segment attributable to decrease in technical support services rendered.

Gross Profit and Gross Profit Margin

Gross profit remained stable at S\$4.34 million in each of 1H FY2021 and 1H FY2020. Gross profit margin declined by 0.5 percentage points from 18.8% in 1H FY2020 to 18.3% in 1H FY2021, mainly due to increase in material costs.

Other Gains

Other gains increased by S\$1.00 million to S\$2.32 million in 1H FY2021 (as compared to S\$1.32 million in 1H FY2020), mainly due to a one-off gain of S\$1.47 million (as compared to S\$0.43 million in 1H FY2020) in respect of the disposal of a subsidiary.

Marketing and Distribution Expenses

Marketing and distribution expenses decreased by 10.9% to S\$0.82 million in 1H FY2021 (as compared to S\$0.92 million in 1H FY2020), mainly due to tighter cost control measures undertaken by the Group as well as lesser marketing and distributing activities during the "Circuit Breaker" period in Singapore and the Movement Control Order in Malaysia.

Administrative Expenses

Administrative expenses decreased by 9.6% to S\$3.02 million in 1H FY2021 (as compared to S\$3.33 million in 1H FY2020), mainly due to decrease in (i) manpower cost attributed to lower headcount as part of the Group's cost control measures, and (ii) travelling, transport and accommodation in overseas business trips during the COVID-19 pandemic.

Finance Costs

Finance costs increased by 22.8% to S\$0.48 million in 1H FY2021 (as compared to S\$0.39 million in 1H FY2020), mainly due to increase in loans and borrowings during the period.

Other Losses

Other losses (S\$8,000 in 1H FY2021 as compared to S\$32,000 in 1H FY2020) are immaterial, and relate mainly to provision for doubtful debts and fair value loss on derivative financial instruments in the respective periods.

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

Share of results from an associate relates to the Group's share of profit or loss in China-UK Low Carbon Enterprise Co. Ltd. ("CULCEC"), and share of results from a jointly-controlled entity relates to the Group's share of profit or loss in Chongqing eco-CTIG Rubber Technology Co. Ltd. ("CECRT"). In 1H FY2021, the Group's share of results from an associate and a jointly-controlled entity comprised share of losses from CECRT of S\$0.22 million and share of losses from CULCEC of S\$0.05 million. The higher losses are mainly due to termination benefits and fixed production costs incurred by CECRT.

Tax Expense

The Group recorded tax expense of S\$0.33 million in 1H FY2021 and S\$0.32 million in 1H FY2020. Included in 1H FY2021 are current year tax expenses of S\$ 0.31 million and under-provision of prior year tax of S\$0.12 million, partially offset by the movement in deferred tax expenses of S\$0.12 million. Included in 1H FY2020 are current year tax expenses of S\$0.36 million, partially offset by the movement in deferred tax expenses of S\$0.05 million.

Profit, Net of Tax

As a result of the above, the Group recorded net profit of S\$1.74 million in 1H FY2021, as compared to S\$0.61 million in 1H FY2020.

Statement of Financial Position

Assets

Property, plant and equipment decreased by S\$2.45 million, from S\$29.32 million as at 31 October 2020 to S\$26.87 million as at 30 April 2021. The decreased was mainly attributable to (i) depreciation charges of S\$1.46 million, (ii) movements in foreign exchange rates of S\$0.29 million, (iii) disposal of property, plant and equipment of S\$1.88 million, and (iv) disposal of subsidiary of S\$3.0 million, partially offset by acquisition of new property, plant and equipment of S\$4.18 million.

Right-of-use assets, which relate to the Group's plants in Lim Chu Kang and Sungei Kadut, decreased by S\$0.23 million from S\$1.44 million as at 31 October 2020 to S\$1.21 million as at 30 April 2021, mainly due to depreciation of S\$0.23 million.

Investment properties, which relate to the Group's properties leased to third parties, decreased by S\$0.10 million from S\$2.02 million as at 31 October 2020 to S\$1.92 million as at 30 April 2021, mainly due to depreciation of S\$0.10 million.

Intangible assets, which relate mainly to the Group's trademarks and customer relationship, decreased by S\$0.05 million, from S\$0.84 million as at 31 October 2020 to S\$0.79 million as at 30 April 2021, mainly due to amortization charges of S\$0.05 million.

Investment in an associate relates to the Group's investment in CULCEC, which decreased by S\$0.02 million, from S\$1.54 million as at 31 October 2020 to S\$1.52 million as at 30 April 2021. This was due to the Group's share of loss results from the associate of S\$0.05 million, partially offset by foreign exchange gain of S\$0.03 million.

Investment in a jointly-controlled entity relates to the Group's investment in CECRT, which decreased by S\$0.08 million, from S\$1.83 million as at 31 October 2020 to S\$1.75 million as at 30 April 2021. This was due to the Group's share of loss results from a jointly-controlled entity of S\$0.22 million, partially offset by foreign exchange gain of S\$0.14 million.

Finance lease receivables (non-current and current) relate to the Group's investment in biomass co-generation power plant at Gardens by the Bay which is accounted for as a finance lease. Total non-current and current finance lease receivables decreased from S\$8.76 million as at 31 October 2020, to S\$8.26 million as at 30 April 2021, mainly attributable to billings to, and the collections from, the customer.

Inventories decreased by S\$0.30 million, from S\$6.01 million as at 31 October 2020, to S\$5.71 million as at 30 April 2021, mainly due to increase in raw materials to cope with the customers' orders, partially offset by the disposal of subsidiary of S\$1.67 million.

Trade and other receivables decreased by S\$1.41 million, from S\$14.77 million as at 31 October 2020, to S\$13.36 million as at 30 April 2021, mainly due to the absence of receivables of subsidiary of S\$2.65 million (as the subsidiary has been disposed), partially offset by the increase of S\$1.30 million due mainly to slow collection from customers.

Other assets relate to prepayments and deposit payment. Other assets (non-current and current) decreased by S\$0.14 million, from S\$2.45 million as at 31 October 2020 to S\$2.31 million as at 30 April 2021, mainly due to the utilization of deposits placed for the purchase of factory in Sabah which was completed on 2 December 2020.

Cash and cash equivalents decreased by S\$1.82 million, from S\$6.77 million as at 31 October 2020 to S\$4.95 million as at 30 April 2021. Please refer to "Statement of Cash Flow" section below for explanations on the decrease in cash and cash equivalents of the Group.

Liabilities

Loans and borrowings (non-current and current) increased by S\$2.17 million, from S\$15.04 million as at 31 October 2020 to S\$17.21 million as at 30 April 2021, mainly due to (i) proceeds from loans and borrowings of S\$4.56 million, partially offset by (i) repayment of loans and borrowings of S\$2.16 million, and (ii) effects of movements in foreign exchange of S\$0.23 million.

Lease liabilities (non-current and current) decreased by S\$0.74 million, from S\$3.50 million as at 31 October 2020 to S\$2.76 million as at 30 April 2021, due to repayment of lease liabilities.

Deferred tax liabilities decreased by S\$0.49 million, from S\$1.82 million as at 31 October 2020 to S\$1.33 million as at 30 April 2021, mainly due to temporary difference between accounting and tax treatment of assets.

Trade and other payables decreased by S\$4.63 million, from S\$11.90 million as at 31 October 2020 to S\$7.27 million as at 30 April 2021, mainly due to disposal of subsidiary of S\$2.28 million and repayment to suppliers.

Derivative financial instruments increased by S\$0.38 million as at 30 April 2021, mainly due to ineffective of financial derivative.

Working Capital

The Group's working capital increased by S\$0.22 million, from S\$8.62 million as at 31 October 2020 to S\$8.84 million as at 30 April 2021.

Statement of Cash Flow

Net cash flows used in operating activities for 1H FY2021 was S\$2.20 million, mainly attributable to (i) operating cash flows before changes in working capital of S\$2.18 million, (ii) finance lease income received of S\$0.46 million, (iii) decrease in finance lease receivables of S\$0.51 million, (iv) decrease in other assets of S\$0.12 million, partially offset by (i) increase in inventories of S\$1.32 million, (ii) increase in trade and other receivables of S\$1.30 million, (iii) decrease in trade and other payables of S\$2.61 million, and (iv) income tax paid of S\$0.24 million.

Net cash flows from investing activities for 1H FY2021 was S\$1.86 million, mainly attributable to (i) proceeds from disposal of property, plant and equipment of S\$1.91 million, and (ii) net proceeds from disposal of subsidiary of S\$1.65 million, (iii) repayment of loan from a jointly-controlled entity of S\$0.08 million, partially offset by capital expenditure on property, plant and equipment of S\$1.79 million.

Net cash flows from financing activities for 1H FY2021 was S\$1.90 million, mainly attributable to proceeds from loans and borrowings of S\$2.21 million, decrease in cash restricted in use of S\$1.95 million, partially offset by (i) repayments of loans and borrowings of S\$0.87 million, (ii) repayment of lease liabilities of S\$0.76 million, (iii) buy-back of company's shares of S\$0.20 million, and (iv) interest paid of S\$0.44 million.

As a result of the above, the Group's cash and cash equivalents increased by S\$1.55 million in 1H FY2021. The cash and cash equivalents as at 30 April 2021 amounted to S\$4.95 million.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

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

All segments

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

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

Resource Recovery segment

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

In view of the Full Movement Control Order ("FMCO") imposed by the Malaysia Government, the Group expects the sales of rubber compound and the retreading business to slow down in the near future.

Renewable Energy segment

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

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

Integrated Environmental Management Solutions Segment

The Group will continue to actively tender for project relating to design and build of gas boiler and the provision of technical support.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None.

(c) Date payable

None.

(d) Books closure date

None.

12. **If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for 1H FY2021 as the Group deems it appropriate to retain its cash for future growth of the Group.

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

The Group has not obtained an IPT general mandate from the Company's shareholders.

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

Save for Mr Lee Thiam Seng ("**Mr Lee**") (Executive Chairman and Chief Executive Officer), the board of directors of the Company ("**Board**") confirms that, to the best of the knowledge of the Board, nothing has come to the attention of the Board which may render the unaudited financial statements for the half year ended 30 April 2021 to be false or misleading in any material aspect.

As at the date of this announcement, Mr Lee has expressed his views to the remaining two Directors of the Board that he does not agree to the release of the unaudited financial statements for the half year ended 30 April 2021. The Company is working to further understand from Mr Lee his concerns, and will update shareholders of the Company accordingly where necessary, in compliance with the requirements of the Catalyst Rules. In view of the above, Mr Lee has been excluded from the above confirmation statement.

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

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

BY ORDER OF THE BOARD

Cao Shixuan
Executive Director

14 June 2021

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

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

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