



ECOWISE HOLDINGS LIMITED

Company Registration No. 200209835C

**Unaudited Financial Statement for the first quarter ended 31 January 2009**

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

**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

The Board of Directors is pleased to announce the results of the Group for the first quarter ended 31 January 2009. These figures have not been audited.

**1(a) (i) Income Statement**

	<b>Group Q1FY2009 (S\$'000)</b>	<b>Group Q1FY2008 (S\$'000)</b>	<b>% Change</b>
<b>Revenue</b>	5,130	5,295	(3.1)
Cost of Sales	(3,508)	(2,717)	29.1
<b>Gross Profit</b>	1,622	2,578	(37.1)
<b>Other Items of Income</b>			
Interest Income	6	15	(60.0)
Other Credits	73	76	(3.9)
<b>Other Items of Expenses</b>			
Distribution Costs	(36)	(18)	100.0
Administrative Expenses	(1,165)	(990)	17.7
Finance Costs	(19)	(52)	(63.5)
Other Charges	(168)	(303)	44.6
<b>Share of Profit from Equity – Accounted Associate</b>	128	-	Nm
<b>Profit Before Tax From Continuing Operations</b>	441	1,306	(66.2)
Income Tax Expense	(80)	(237)	(66.2)
<b>Profit From Continuing Operations, Net of Tax</b>	361	1,069	(66.2)
<b>Profit Attributable to Equity Holders of Parent, Net of Tax</b>	411	1,011	(59.3)
<b>(Loss) / Profit Attributable to Minority Interest, Net of Tax</b>	(50)	58	(186.2)

**1(a) (ii) Notes to income statement:-**

	<b>Group Q1FY2009 (S\$'000)</b>	<b>Group Q1FY2008 (S\$'000)</b>
1. Interest Income	6	15
2. Finance Costs	(19)	(52)
3. Depreciation	(393)	(348)
4. Gain on Disposal of Plant and Equipment	34	76
5. Share-Based Compensation Expenses	(168)	(303)
6. Share of the Profit of Equity - Accounted Associate	128	-
7. Foreign Exchange Adjustment Gain	39	-

Note: nm = not meaningful

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

	<b>Group 31.01.2009 (S\$'000)</b>	<b>Group 31.10.2008 (S\$'000)</b>	<b>Company 31.01.2009 (S\$'000)</b>	<b>Company 31.10.2008 (S\$'000)</b>
<b>ASSETS</b>				
<b>Non-Current Assets:</b>				
Property, Plant and Equipment	7,278	7,022	457	464
Intangible Assets	198	198	-	-
Investment in Subsidiaries	-	-	4,907	4,907
Investment in Associate	1,702	1,568	-	-
Deferred Tax Asset	81	81	-	-
<b>Total Non-Current Assets</b>	<b>9,259</b>	<b>8,869</b>	<b>5,364</b>	<b>5,371</b>
<b>Current Assets:</b>				
Asset Held For Sale FRS 105	-	939	-	-
Inventories	816	827	-	-
Trade and Other Receivables	9,400	8,797	13,879	14,969
Other Assets	220	199	100	76
Cash and Cash Equivalents	12,758	13,216	2,730	1,261
<b>Total Current Assets</b>	<b>23,194</b>	<b>23,978</b>	<b>16,709</b>	<b>16,306</b>
<b>Total Assets</b>	<b>32,453</b>	<b>32,847</b>	<b>22,073</b>	<b>21,677</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share Capital	17,735	17,735	17,735	17,735
Retained Earnings	5,135	4,724	401	295
Other Reserves	1,049	881	1,049	881
<b>Equity, Attributable to Equity Holders of the Parent, Total</b>	<b>23,919</b>	<b>23,340</b>	<b>19,185</b>	<b>18,911</b>
<b>Minority Interest</b>	<b>713</b>	<b>763</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>24,632</b>	<b>24,103</b>	<b>19,185</b>	<b>18,911</b>
<b>Non-Current Liabilities:</b>				
Provision	69	69	-	-
Deferred Tax Liabilities	72	72	20	20
Finance Leases	927	1,028	157	163
<b>Total Non-Current Liabilities</b>	<b>1,068</b>	<b>1,169</b>	<b>177</b>	<b>183</b>
<b>Current Liabilities:</b>				
Income Tax Payable	912	830	121	79
Trade and Other Payables	5,354	6,217	2,570	2,484
Finance Leases	487	528	20	20
<b>Total Current Liabilities</b>	<b>6,753</b>	<b>7,575</b>	<b>2,711</b>	<b>2,583</b>
<b>Total Liabilities</b>	<b>7,821</b>	<b>8,744</b>	<b>2,888</b>	<b>2,766</b>
<b>Total Equity and Liabilities</b>	<b>32,453</b>	<b>32,847</b>	<b>22,073</b>	<b>21,677</b>

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

**Amount repayable in one year or less, or on demand**

As at 31.01.2009 (S\$'000)		As at 31.10.2008 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
S\$487	-	S\$528	-

**Amount repayable after one year**

As at 31.01.2009 (S\$'000)		As at 31.10.2008 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
S\$927	-	S\$1,028	-

**Details of any collateral**

The finance lease liability of S\$1,414,000 is secured against the lease assets.

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

	Group Q1FY2009 (S\$'000)	Group Q1FY2008 (S\$'000)
<b>Cash Flows From Operating Activities:</b>		
Profit Before Tax	441	1,306
Depreciation of Property, Plant and Equipment	393	348
Interest Income	(6)	(15)
Interest Expense	19	52
Gain on Disposal of Plant and Equipment	(34)	(76)
Share-Based Compensation Expenses	168	303
Share of Profit from Equity – Accounted Associate	(128)	-
<b>Operating Cash Flows before Changes in Working Capital</b>	<b>853</b>	<b>1,918</b>
Inventories	11	(88)
Trade and Other Receivables, Current	(603)	485
Other Assets	(21)	95
Trade and Other Payables, Current	(863)	21
<b>Net Cash Flows (Used in)/From Operations Before Interest and Tax</b>	<b>(623)</b>	<b>2,431</b>
Income Taxes (Paid)/Refund	(2)	28
<b>Net Cash Flows (Used In)/From Operating Activities</b>	<b>(625)</b>	<b>2,459</b>

	<b>Group Q1FY2009 (S\$'000)</b>	<b>Group Q1FY2008 (S\$'000)</b>
<b>Cash Flows From Investing Activities</b>		
Proceeds From Sales of Plant and Equipment	50	233
Purchase of Plant and Equipment	(701)	(799)
Asset Held For Sale FRS 105	973	-
Interest Received	6	15
<b>Net Cash Flows From/(Used In) Investing Activities</b>	<b>328</b>	<b>(551)</b>
<b>Cash Flows From Financing Activities</b>		
Issue of Shares (Net of Share Issue Expenses)	-	232
Other Financial Liabilities	-	(123)
Finance Lease Repayments	(142)	(292)
Interest Paid	(19)	(52)
<b>Net Cash Flows Used In Financing Activities</b>	<b>(161)</b>	<b>(235)</b>
Net (Decrease)/Increase in Cash and Cash Equivalents	(458)	1,673
Cash and Cash Equivalents, Cash Flow Statement ,Beginning Balance	13,176	7,360
Cash and Cash Equivalents, Cash Flow Statement ,Ending Balance	12,718	9,033

<b>Cash and Cash Equivalents in the Cash Flow Statement</b>		
As Shown Above	12,758	9,073
Cash Restricted in Use Over 3 months	(40)	(40)
Cash and Cash Equivalents At End of Period	12,718	9,033

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)	Share-based compensation Reserves (S\$'000)	Retained Earnings (S\$'000)	Parent Sub - Total (S\$'000)	Minority Interest (S\$'000)	Total Equity (S\$'000)
<b>Group</b>						
<b>Current Period</b>						
<b>Opening Balance at 1 November 2008</b>	17,735	881	4,724	23,340	763	24,103
<u>Items of Income Recognised Directly in Equity:</u>						
Profit for the Period	-	-	411	411	(50)	361
<b>Total Recognised Income for the Period</b>	-	-	411	411	(50)	361
<u>Other Movements in Equity:</u>						
Share-Based Compensation	-	168	-	168	-	168
<b>Total Other Movements In Equity</b>	-	168	-	168	-	168
<b>Closing Balance at 31 January 2009</b>	17,735	1,049	5,135	23,919	713	24,632
<b>Balance at 1 November 2007</b>	8,906	784	3,068	12,758	798	13,556
<b>Previous Period</b>						
<u>Items of Income Recognised Directly in Equity:</u>						
Profit for the Period	-	-	1,011	1,011	58	1,069
<b>Total Recognised Income for the Period</b>	-	-	1,011	1,011	58	1,069
<u>Other Movements in Equity:</u>						
Issue of Share Capital	232	-	-	232	-	232
Share-Based Compensation	-	303	-	303	-	303
<b>Total Other Movements in Equity</b>	232	303	-	535	-	535
<b>Closing Balance at 31 January 2008</b>	9,138	1,087	4,079	14,304	856	15,160

	Share Capital (S\$'000)	Share-based Compensation Reserves (S\$'000)	Retained Earnings (S\$'000)	Total Equity (S\$'000)
<b>Company</b>				
<b>Current Period</b>				
<b>Opening Balance at 1 November 2008</b>	17,735	881	295	18,911
<u>Items of Income Recognised Directly in Equity:</u>				
Profit for the Period	-	-	106	106
<b>Total Recognised Income for the Period</b>	-	-	106	106
<u>Other Movements in Equity:</u>				
Share-Based Compensation	-	168	-	168
<b>Total Other Movements in Equity</b>	-	168	-	168
<b>Closing Balance at 31 January 2009</b>	17,735	1,049	401	19,185
	Share Capital (S\$'000)	Share-based Compensation Reserves (S\$'000)	Retained Earnings (S\$'000)	Total Equity (S\$'000)
<b>Company</b>				
<b>Previous Period</b>				
<b>Opening Balance at 1 November 2007</b>	8,906	784	225	9,915
<u>Items of Income Recognised Directly in Equity:</u>				
Profit for the Period	-	-	114	114
<b>Total Recognised Income for the Period</b>	-	-	114	114
<u>Other Movements in Equity:</u>				
Issue of Share Capital	232	-	-	232
Share-Based Compensation	-	303	-	303
<b>Total Other Movements in Equity</b>	232	303	-	535
<b>Closing Balance at 31 January 2008</b>	9,138	1,087	339	10,564

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

During the quarter, no ordinary shares were issued by the company

**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 immediately preceding financial year.**

The total number of issued shares excluding treasury shares as at 31 January 2009 was 636,664,231 and as at 31 October 2008 was 636,664,231.

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

Nil

**2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The above financial statements have not been audited or reviewed.

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

Not applicable.

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

The above financial information has been prepared using the same accounting policies and methods of computation as presented in the financial statements for the year ended 31 October 2008 except as described in paragraph 5.

**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**

There are no changes in accounting policies and methods of computation used in the preparation of the financial information in this announcement except for the adoption of the respective new and revised Financial Reporting Standard ("FRS") which has no significant impact on the financial position or performance of the Group.

**6. Earnings per ordinary share of the group for the current 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 net profit attributable to shareholders:

	<b>Group</b>	<b>Group</b>
	<b>Q1FY2009</b>	<b>Q1FY2008</b>
Profit after tax (S\$)	411,000	1,011,000
Weighted average number of ordinary shares for basic earnings per share	636,664,231	322,186,443
Weighted average number of ordinary shares, assuming full conversion of warrants outstanding for diluted earnings per share	641,721,616	383,814,257
(i) Based on weighted average number of ordinary shares in issue (cents)	0.06	0.31
(ii) On a fully diluted basis (cents)	0.06	0.26

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	Group	Group	Company	Company
	31.01.2009	31.10.2008	31.01.2009	31.10.2008
Shareholders' equity (S\$)	23,919,000	23,340,000	19,185,000	18,911,000
Number of ordinary of shares at end of financial period/year	636,664,231	636,664,231	636,664,231	636,664,231
Net asset backing per ordinary share based on number of shares in issue at end of period/year (cents)	3.76	3.67	3.01	2.97

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Income Statement

Group revenue decreased by 3.1% for the first quarter of FY 2009 to S\$5.13 million compared with the corresponding period FY 2008 of S\$5.29 million. This was mainly due to decrease activities at our horticulture materials recycling park at Lim Chu Kang and lower collections from our customers' shipyards. However, the above was partially offset by income from providing management services to associate company.

Gross profit margin decreased from 48.7% in first quarter of FY 2008 to 31.6 % in first quarter of FY 2009 as a result of non-consolidation of processing activities from associate company.

Distribution cost increased by 100% in first quarter of FY 2009 due to more travelling oversea to explore new business opportunities.

Administrative expenses were S\$175,000 higher than the corresponding period in FY 2008 due to increase in staff cost and rental expenses.

Finance costs were S\$33,000 lower than corresponding period in FY 2008 due to the reduction in hire purchase obligations.

Other charges decreased mainly due to lesser performance share awarded under the ecoWise performance share plan for current quarter.

As a result of lower gross profit and higher administrative expenses, the Group's profit before income tax decreased from S\$1.31 million to S\$0.44 million.

Balance Sheet

The Group's current assets decreased by S\$0.78 million as compared to financial year ended 31 October 2008 mainly due to collections from trade receivables and the disposal of asset held for sale.

The Group's non-current assets increased S\$0.39 million from S\$8.87 million in 31 October 2008 to \$9.26 million in 31 January 2009 mainly due to share of profit of equity accounted associate company and completion of construction of spent grain drying plant.

Group's current liabilities decreased by S\$0.82 million from S\$7.58 million in 31 October 2008 to S\$6.75 million in 31 January 2009 mainly due to settlement of capital expenditure which are classified under "Assets held for sale" and repayment of finance lease.

Group's non-current liabilities decreased by S\$101,000 mainly due to repayment of finance lease.

Cash Flow

The Group's net cash and cash equivalents decreased due to billings for asset built for sale to associate company and payment of trade payables compared to the same quarter last year.

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

Not Applicable

**10. A commentary at the date of the announcement of the 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**

Copper slag collection and processing business is expected to continue to be the main driver of the Group for next 12 months. The Group expects renewable energy to be its second engine of growth and will continue to explore other types of business which is in synergy with its existing business.

The Group, through its 51% subsidiary, Wuhan ecoWise Energy Co Ltd, had on 10 February 2009 signed an Asset Purchase Agreement with Wuhan Dongxihu District Government to acquire all the tangible and intangible assets of Wuhan Shiyuan Thermal Power Co., Ltd including but not limited to land use rights, buildings and other infrastructure. The Group intends to convert this thermal power plant into a biomass co-generation plant in the near future. Through this acquisition, the Group will be able to expand its renewable energy business into a market with huge potential in China

The global economic slowdown and credit crunch have led to a more challenging business environment in our industry which may r affect our copper slag collection business. However, the Group views the current economic climate as opportunities to seek cautiously any potential strategic acquisitions or joint venture at attractive prices. The Group will continue its search for value acquisitions or mergers and will remain prudent in its selection.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? No

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? No

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

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

No dividend has been declared or recommended for the three months ended 31 January 2009.

**13. Confirmation by the Board pursuant to rule 705 (4) of the listing manual**

On behalf of the Board of Directors of the Company, we, the undersigned , hereby confirm to the best of the knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the first quarter ended 31st January 2009 to be false or misleading.

**BY ORDER OF THE BOARD**

Lee Thiam Seng

Director

Teoh Teik Kee

Director

13/03/2009