

ECOWISE HOLDINGS LIMITED

Company Registration No. 200209835C

Unaudited Full Year Financial Statement for the year ended 31 October 2008

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 year ended 31 October 2008. These figures have not been audited.

1(a) (i) Income Statement

	Group 31.10.2008 (S\$'000)	Group 31.10.2007 (S\$'000)	% Change
Revenue	23,000	21,631	6.3
Cost of Sales	(13,230)	(9,490)	39.4
Gross Profit	9,770	12,141	(19.5)
Other Items of Income			
Interest Income	45	61	(26.2)
Other Credits	5,380	2	N.M
Other Items of Expenses			
Distribution Costs	(121)	(81)	49.4
Administrative Expenses	(6,126)	(5,035)	21.7
Finance Costs	(135)	(146)	(7.5)
Other Charges	(2,292)	(866)	164.7
Share of Profit from Equity – Accounted Associate	458	-	100.0
Profit Before Tax From Continuing Operations	6,979	6,076	14.9
Income Tax Expense	(1,148)	(829)	38.5
Profit From Continuing Operations, Net of Tax	5,831	5,247	11.1
Profit Attributable to Equity Holders of Parent, Net of Tax	5,881	4,861	21.0
(Loss) / Profit Attributable to Minority Interest, Net of Tax	(50)	386	(113.0)

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

	Group 31.10.2008 (S\$'000)	Group 31.10.2007 (S\$'000)
1. Interest Income	45	61
2. Finance Costs	(131)	(146)
3. Depreciation	(1,405)	(1,237)
4. Gain on Disposal of Property, Plant & Equipment	17	1
5. Gain on Sale of Investment in Subsidiary	5,103	-
6. Property , Plant and Equipment Written Off	(24)	-
7. Loss on Impairment of Property, Plant & Equipment	(1,439)	(35)
8. Share-Based Compensation Expenses	(825)	(784)
9. Amortisation of Employee of share Option Expenses	-	(28)
10. Share of the profit of Accounted Associate	458	-
11. Gain on Foreign Exchange	258	-
12. Allowance for Impairment on Trade Receivable	-	(17)
13. Provision for Obsolete Inventories	-	(2)
14. Amount due to Former Director Waived	-	1

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

	Group 31.10.2008 (S\$'000)	Group 31.10.2007 (S\$'000)	Company 31.10.2008 (S\$'000)	Company 31.10.2007 (S\$'000)
ASSETS				
Non-Current Assets:				
Property, Plant and Equipment	7,961	7,167	465	160
Intangible Assets	198	183	-	-
Investment in Subsidiaries	-	-	4,906	5,421
Investment in Associate	1,568	-	-	-
Deferred Tax Asset	81	365	-	142
Total Non-Current Assets	9,808	7,715	5,371	5,723
Current Assets:				
Inventories	827	741	-	-
Trade and Other Receivables	8,996	6,706	15,045	5,360
Cash and Cash Equivalents	13,216	7,400	1,261	2,863
Total Current Assets	23,039	14,847	16,306	8,223
Total Assets	32,847	22,562	21,677	13,946
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	17,735	8,906	17,735	8,906
Retained Earnings	4,724	3,068	295	225
Other Reserves	881	784	881	784
Equity, Attributable to Equity Holders of the Parent, Total	23,340	12,758	18,911	9,915
Minority Interest	763	798	-	-
Total Equity	24,103	13,556	18,911	9,915
Non-Current Liabilities:				
Provision	69	65	-	-
Deferred Tax Liabilities	72	234	20	-
Finance Leases	1,046	1,075	163	130
Total Non-Current Liabilities	1,187	1,374	183	130
Current Liabilities:				
Income Tax Payable	830	891	79	95
Trade and Other Payables	6,217	5,736	2,484	3,782
Finance Leases, Current	510	525	20	24
Other Financial Liabilities	-	480	-	-
Total Current Liabilities	7,557	7,632	2,583	3,901
Total Liabilities	8,744	9,006	2,766	4,031
Total Equity and Liabilities	32,847	22,562	21,677	13,946

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

Amount repayable in one year or less, or on demand

As at 31.10.2008 (S\$'000)		As at 31.10.2007 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
S\$510	-	S\$1,005	-

Amount repayable after one year

As at 31.10.2008 (S\$'000)		As at 31.10.2007 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
S\$1,046	-	S\$1,075	-

Details of any collateral

The finance lease liability of S\$1,556,000 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 31.10.2008 (S\$'000)	Group 31.10.2007 (S\$'000)
Cash Flows From Operating Activities:		
Profit Before Tax	6,979	6,076
Depreciation of Property, Plant and Equipment	1,405	1,237
Interest Income	(45)	(61)
Interest Expense	135	146
Impairment Loss on Plant and Equipment	1,439	35
Gain on Disposal of Property, Plant & Equipment	(17)	(1)
Gain on Sale of Investment in Subsidiary	(5,103)	-
Property, Plant and Equipment Written Off	24	-
Amortisation of Employee of Share Option Expenses	-	28
Share-Based Compensation Expenses	825	784
Share of Profit from Equity – Accounted Associate	(458)	-
Operating Cash Flows before Changes in Working Capital	5,184	8,244
Inventories	(86)	(284)
Trade and Other Receivables, Current	(4,526)	(1,525)
Trade and Other Payables, Current	5,346	(237)
Net Cash Flows From Operations Before Interest and Tax	5,918	6,198
Income Taxes Paid	(1,003)	(780)
Net Cash Flows From Operating Activities	4,915	5,418

	Group 31.10.2008 (S\$'000)	Group 31.10.2007 (S\$'000)
Cash Flows From Investing Activities		
Proceeds From Sales of Property , Plant and Equipment	295	31
Purchase of Property, Plant and Equipment	(3,320)	(925)
Acquisition of Subsidiary From Minority Interest	-	(280)
Increase in investment in Associate	(1,155)	-
Proceeds of sales of Subsidiary (Net of Cash Disposed) (Note A)	4,992	580
Cash restricted In Use	-	(10)
Interest Received	45	61
Net Cash Flows From/(Used in) Investing Activities	857	(543)
Cash Flows From Financing Activities		
Dividend Paid to Equity Shareholders	(6,725)	(833)
Dividend Paid to Minorities	-	(386)
Issue of Share (Net of Share Issue Expenses)	8,101	140
Other Financial Liabilities, Current	(480)	(492)
Finance Lease Repayment	(721)	(434)
Interest Paid	(131)	(142)
Net Cash Flows From/(Used in) Financing Activities	44	(2,147)
Net Increase in Cash and Cash Equivalents	5,816	2,728
Cash and Cash Equivalents, Cash Flow Statement ,Beginning Balance	7,360	4,632
Cash and Cash Equivalents, Cash Flow Statement ,Ending Balance	13,176	7,360

Cash and Cash Equivalents in the Cash Flow Statement		
As shown above	13,216	7,400
Cash Restricted in Use Over 3 months	(40)	(40)
Cash and cash equivalents at end of period	13,176	7,360

Note A: Disposal of a subsidiary

	Group 31.10.2008 (S\$'000)	Group 31.10.2007 (S\$'000)
Cash and Cash Equivalents	148	20
Trade and Other Receivables, Current	2,235	687
Inventories	-	28
Property ,Plant and Equipment	60	129
Trade Payables and Other Payables, Current	(2,365)	(653)
Finance Lease, Current	-	(22)
Income Tax Payable, Current	-	(11)
Deferred Tax Liabilities	(3)	-
Intangible	-	422
Total Net Assets	75	600
Net Cash inflow on disposal		
Total Consideration of subsidiary disposed	5,140	600
Cash and Cash Equivalents disposed	(148)	(20)
Net of Cash Disposed	4,992	580

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)
Group						
Current Year						
Opening balance at 1 November 2007	8,906	784	3,068	12,758	798	13,556
Profit for the year	-	-	5,881	5,881	(50)	5,831
Total Recognised Income for the Year	-	-	5,881	5,881	(50)	5,831
Other Movement in Equity						
Issue of Share Capital	8,101	-	-	8,101	-	8,101
Issue of Performance Share	728	(728)	-	-	-	-
Share-Based Compensation	-	825	-	825	-	825
Business Combinations	-	-	-	-	15	15
Dividends	-	-	(4,225)	(4,225)	-	(4,225)
Total Other Movement in Equity	8,829	97	(4,225)	4,701	15	4,716
Closing Balance at 31 October 2008	17,735	881	4,724	23,340	763	24,103
Balance at 1 November 2006	8,729	9	1,540	10,278	1,047	11,325
Previous Year						
Profit for the year	-	-	4,861	4,861	386	5,247
Total Recognised Income for the Year	-	-	4,861	4,861	386	5,247
Other Movement in Equity						
Issue of Share Capital	140	-	-	140	-	140
Share-Based Compensation	-	812	-	812	-	812
Equity Share Options Exercised	37	(37)	-	-	-	-
Business Combinations	-	-	-	-	(249)	(249)
Dividends	-	-	(3,333)	(3,333)	(386)	(3,719)
Total Other Movement in Equity	177	775	(3,333)	(2,381)	(635)	(3,061)
Closing Balance at 31 October 2007	8,906	784	3,068	12,758	798	13,556

	Share Capital (S\$'000)	Share-based compensation Reserves (S\$'000)	Retained Earnings (S\$'000)	Total (S\$'000)
Company				
Current Year				
Opening Balance at 1 November 2007	8,906	784	225	9,915
Profit for the Year	-	-	4,295	4,295
Total Recognised Income for the Year	-	-	4,295	4,295
Other Movement in Equity				
Issue of Share Capital	8,101	-	-	8,101
Issue of Performance Share	728	(728)	-	-
Share-Based Compensation	-	825	-	825
Dividends	-	-	(4,225)	(4,225)
Total Other Movement in Equity	8,829	97	(4,225)	4,701
Closing Balance at 31 October 2008	17,735	881	295	18,911

	Share Capital (S\$'000)	Share-based compensation Reserves (S\$'000)	Retained Profits (S\$'000)	Total (S\$'000)
Company				
Opening Balance at 1 November 2006	8,729	9	961	9,699
Previous Year				
Profit for the Year	-	-	2,597	2,597
Total Recognised Income for the Year	-	-	2,597	2,597
Other Movement in Equity				
Issue of Share Capital	140	-	-	140
Share-Based Compensation	-	812	-	812
Equity Share Options Exercised	37	(37)	-	-
Dividends	-	-	(3,333)	(3,333)
Total Other Movement in Equity	177	775	(3,333)	(2,381)
Closing Balance at 31 Oct 2007	8,906	784	225	9,915

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

Details of Changes in the Company's Shares Capital		Number of Ordinary Shares	Paid-up Capital S\$'000
As at 1 November 2007	Issue and paid up ordinary shares	83,325,000	8,906
23 November 2007	Renounceable non-underwritten right issue at \$0.01	249,975,000	2,500
26 February 2008	Issue ordinary shares pursuant to Performance Share Plan	11,705,500	728
20 October 2008	Issue additional renounceable non-underwritten rights issue at \$0.01	214,165,181	2,142
31 October 2008	Issue ordinary shares pursuant to warrants exercised at \$0.05	77,493,550	3,875
	Share issue expenses	-	(416)
As at 31 October 2008	Issue and fully paid ordinary shares at end of the financial year	636,664,231	17,735

During the financial year 83,324,862 warrants were allotted on 23 November 2007, and additional warrants of 2,696,828 were issued pursuant to the additional renounceable non-underwritten rights exercise. As at 31 October 2008 a total of 77,493,550 warrants were exercised and 8,528,140 warrants remained outstanding.

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 October 08 was 636,664,231 and as at 31 October 2007 was 83,325,000.

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 2007 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:

	Group	Group
	31.10.2008	31.10.2007
(i) Based on weighted average number of ordinary share in issue	1.68 cents	5.86 cents
(ii) On a fully diluted basis	1.59 cents	5.67 cents

Basic earnings per share is calculated based on the consolidated profit after tax of S\$5,881,000 (2007: S\$4,861,000) and on 349,050,788 (2007: 82,898,000) weighted average ordinary shares in issue during the year.

Fully diluted earnings per share are calculated based on 370,197,555 (2007: 85,798,288) shares, assuming the full conversion of warrants outstanding at 31 October 2008.

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
	31.10.2008	31.10.2007	31.10.2008	31.10.2007
Net asset backing per ordinary share based on number of shares in issue at end of year	3.67 cents	14.86 cents	2.97 cents	11.55 cents

The Group's net asset backing per share above has been calculated based on shareholders' equity of S\$23,340,000 (31.10.2007: S\$12,758,000) and the share capital of 636,664,231 ordinary shares (31.10.2007: 85,875,000).

The Company's net asset backing per share above has been calculated based on shareholders' equity of S\$18,911,000 (31.10.2007: S\$9,915,000) and the share capital of 636,664,231 ordinary shares (31.10.2007: 85,875,000).

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 increased by 6.3% for the FY 2008 to S\$23.00 million compared with the corresponding period FY 2007 of S\$21.63 million. This was mainly due to income from operating management services to associate company and increased activities at our horticulture materials recycling park at Lim Chu Kang and biomass cogeneration plant, offset by slightly lower copper slag collection revenue in the last two months of the year.

Gross profit margin decreased from 56.1% in FY 2007 to 42.5% in FY 2008 as a result of increased operation cost mainly due to higher diesel cost, depreciation expenses and staff cost as well as non-consolidation of processing activities from associate company.

Administrative expenses were higher than FY 2007 mainly due to higher staff cost and increased activities.

Other credits increased by S\$5.84 million compared to the corresponding period last year mainly due to an exceptional gain on disposal of 50% in the share capital of its subsidiary to joint venture partner and share of profit from associate company.

Other charges increased mainly due to impairment provision for loss making Lim Chu Kang composting plant.

As a result of the above factors, the Group's profit before income tax increased from S\$6.08 million to S\$6.98 million.

Balance Sheet

The Group's current assets increased by S\$8.19 million from S\$14.85 million in 31 October 2007 to S\$23.04 million in 31 October 2008 mainly due to proceeds from disposal of 50% in the share capital of its subsidiary to joint venture partners for S\$ 5.14 million and exercise of warrants.

The Group's non-current assets increased S\$2.09 million from S\$7.72 million in 31 October 2007 to \$9.81million in 31 October 2008 mainly due to increase investment in associate company, asset purchased for new spent grain drying business and asset built for sale to associate company.

Group's current liabilities decreased by S\$75,000 from S\$7.63 million in 31 October 2007 to S\$7.56 million in 31 October 2008 mainly due to payment of special dividend accrual in previous year and early settlement of borrowings, partially offset by increased trade payable from associate company

Group's non-current liabilities decreased by S\$187,000 mainly due to decreased provision for deferred taxation partially and repayment of finance lease.

Cash Flow

The cash and cash equivalents at 31 October 2008 was S\$13.22 million. The increase of S\$5.82 million was mainly due to proceed from disposal of 50% in the share capital of its subsidiary to the associate company and proceeds from issue of shares, partially offset by payment of the special dividends declared in the preceding and current financial year.

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

The Directors are pleased to inform that the results for the year ended 31 October 2008 is in line with the half year announcement made on 12 June 2008 if not for the impairment provision made.

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 global economic slowdown and credit crunch have led to a more challenging business environment in our industry which may 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? Yes

i.	Name of dividend	Special interim	Final dividend
ii.	Dividend type	Cash	None
iii.	Dividend amount per share	S\$0.01	Nil
iv.	Tax rate	Exempt one tier	Nil

(b) Corresponding Period of the Immediately Preceding Financial Year

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

i.	Name of dividend	Special interim
ii.	Dividend type	Cash
iii.	Dividend amount per share	S\$0.03
iv.	Tax rate	Exempt one tier

(c) Date payable

Paid on 22 October 2008

(d) Books closure date

Not applicable

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

Not applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Group Revenue and expenses as at 31 October 2008	Business Segments					Eliminations \$'000	Consolidated \$'000
	Collection \$'000	Processing \$'000	Solutions \$'000	Corporate \$'000			
Revenue from external customers	17,257	5,721	22	-	-	-	23,000
Inter-segment revenue	563	10,589	125	4,204	(15,481)		-
Total Revenue	17,820	16,310	147	4,204	(15,481)		23,000
Segment results representing profit / (loss) from operations	3,292	(2,744)	5,251	4,480	(3,210)		7,069
Interest income	59	27	4	193	(238)		45
Finance costs	(85)	(113)	(150)	(25)	238		(135)
Profit before income tax	3,266	(2,830)	5,105	4,648	(3,210)		6,979
Taxation							(1,148)
Minority interests							50
Profit for the financial year attributable to shareholders							5,881

Group assets and liabilities as at 31 October 2008	Business Segments					Eliminations \$'000	Consolidated \$'000
	Collection \$'000	Processing \$'000	Solutions \$'000	Corporate \$'000			
Segment assets	13,821	12,504	7,788	21,677	(22,943)		32,847
Total assets							32,847
Segment liabilities	10,447	9,395	6,223	2,768	(20,089)		8,744
Total liabilities							8,744
Capital expenditure additions	748	2,229	13	462	(132)		3,320
Depreciation	169	1,182	8	47	(1)		1,405
Other non-cash items							
- Gain on disposal of plant and equipment	(34)	59	-	(42)	-		(17)
- Plant and equipment written off	-	-	-	24	-		24
- Loss on impairment of plant and equipment	-	1,439	-	-	-		1,439

Group Revenue and expenses as at 31 October 2007	Business Segments				Eliminations \$'000	Consolidated \$'000
	Collection \$'000	Processing \$'000	Solutions \$'000	Corporate \$'000		
Revenue from external customers	18,428	3,193	6	4	-	21,631
Inter-segment revenue	509	20,020	60	3,600	(24,189)	-
Total Revenue	18,937	23,213	66	3,604	(24,189)	21,631
Segment results representing profit / (loss) from operations	2,064	4,019	(209)	(2,512)	(2,225)	6,161
Interest income	60	10	901	76	(986)	61
Finance costs	(64)	(108)	(49)	(10)	85	(146)
Profit before income tax	2,060	3,921	643	2,578	(3,126)	6,076
Taxation						(829)
Minority interests						(386)
Profit for the financial year attributable to shareholders						4,861

Group assets and liabilities as at 31 October 2007	Business Segments				Eliminations \$'000	Consolidated \$'000
	Collection \$'000	Processing \$'000	Solutions \$'000	Corporate \$'000		
Segment assets	9,464	16,004	1,837	13,946	(18,689)	22,562
Total assets						22,562
Segment liabilities	6,246	9,829	1,478	4,031	(12,578)	9,006
Total liabilities						9,006
Capital expenditure	157	1,640	130	12	-	1,939
Depreciation	96	1,106	6	29	-	1,237
Other non-cash items						
- (Gain)/Loss on disposal of plant and equipment	-	(1)	-	-	-	(1)
- Provision for obsolete inventories	-	-	2	-	-	2
- Allowance for impairment on trade receivables	1	16	-	-	-	17
- Provision for impairment in plant and equipment	-	35	-	-	-	35

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Please refer to Note 8.

15. A breakdown of sales

	Group 31.10.2008 (S\$'000)	Group 31.10.2007 (S\$'000)	Increase / (Decrease) %
Sales reported for the first half year	10,435	11,740	(11.1)
Operating profit after tax before deducting minority interests reported for the first half year	6,628	2,836	133.7
Sales reported for the second half year	12,565	9,891	27.0
Operating (loss) / profit after tax before deducting minority interests reported for the second half year	(797)	2,411	(133.1)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year (2008)	Latest Full Year (2007)
Ordinary	S\$4,224,950	S\$3,333,000
Preference	0	0
Total:	S\$4,224,950	S\$3,333,000

BY ORDER OF THE BOARD

Lee Thiam Seng

Teoh Teik Kee

Director

Director

29/12/2008