

ECOWISE HOLDINGS LIMITED

Half Year Financial Statement for the 6 months ended 30 April 2007

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

1(a)(i) Income Statement

	Group 30.04.2007 (S\$'000)	Group 30.04.2006 (S\$'000)	% Change
Revenue	11,740	6,347	84.9
Cost of Sales	(5,490)	(3,497)	57.0
Gross profit	6,250	2,850	119.3
Financial income	29	1	2800.0
Financial expense	(70)	(66)	6.1
Distribution costs	(52)	(30)	73.3
Administrative expenses	(2,481)	(1,586)	56.4
Other credits/(charges)	(217)	(4)	5325.0
Profit before income tax	3,459	1,165	196.9
Income tax expense	(623)	(252)	147.2
Profit after income tax	2,836	913	210.6
Minority interest	(218)	(159)	37.1
Profit attributable to the shareholders	2,618	754	247.2

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

	Group 30.04.2007 (S\$'000)	Group 30.04.2006 (S\$'000)
1. Other income including interest income	29	1
2. Interest expense	(70)	(66)
3. Depreciation	(576)	(470)
4. Doubtful trade debts recovered	-	3
5. Gain/(Loss) on disposal of plant and equipment	3	(2)
6. Pre-operating expenses	-	(1)
7. Share-based payment expenses	(220)	(4)

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 30.04.2007 (S\$'000)	Group 31.10.2006 (S\$'000)	Company 30.04.2007 (S\$'000)	Company 31.10.2006 (S\$'000)
ASSETS				
Current assets:				
Cash and cash equivalents	5,763	4,662	768	119
Trade and other receivables	6,662	5,868	3,539	4,435
Inventories	603	485	-	-
Total current assets	13,028	11,015	4,307	4,554
Non-current assets:				
Investment in subsidiaries	-	-	5,820	6,340
Deferred tax assets	140	144	7	29
Goodwill	153	575	-	-
Property, plant and equipment	6,465	6,659	165	178
Total non-current assets	6,758	7,378	5,992	6,547
Total assets	19,786	18,393	10,299	11,101
LIABILITIES AND EQUITY				
Current liabilities:				
Trade and other payables	3,398	4,126	904	1,223
Current tax payable	1,018	823	-	-
Current portion of long-term borrowings	492	492	-	-
Current portion of finance leases	296	353	24	24
Total current liabilities	5,204	5,794	928	1,247
Non-current liabilities:				
Deferred tax liabilities	44	44	-	-
Long-term borrowings	234	480	-	-
Finance leases	616	750	143	155
Total non-current liabilities	894	1,274	143	155
Total liabilities	6,098	7,068	1,071	1,402
Shareholders' equity	12,323	10,278	9,228	9,699
Minority interest	1,365	1,047	-	-
Total equity	13,688	11,325	9,228	9,699
Total liabilities and equity	19,786	18,393	10,299	11,101

1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

As at 30.04.2007		As at 31.10.2006	
Secured	Unsecured	Secured	Unsecured
S\$788,000	-	S\$845,000	-

Amount repayable after one year

As at 30.04.2007		As at 31.10.2006	
Secured	Unsecured	Secured	Unsecured
S\$850,000	-	S\$1,230,000	-

Details of any collateral

The bank loan of S\$726,000 is secured by a fixed charge on the biomass fired cogeneration plant, a negative pledge over the assets of the subsidiary and a corporate guarantee from the Company. The finance lease liability of S\$912,000 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 30.04.2007 (S\$'000)	Group 30.04.2006 (S\$'000)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the year	2,836	913
Adjustments for:		
Income tax expense	623	252
Depreciation	576	470
Interest income	(29)	(1)
Interest expense	70	66
(Gain)/Loss on disposal of plant & equipment	(3)	1
Share-based payment expense	220	4
Operating profit before working capital changes	4,293	1,705
Trade and other receivables	(1,482)	(1,674)
Inventories	(147)	13
Trade and other payables	(75)	784
Cash generated from operations	2,589	828
Income tax paid	(412)	(77)
Net cash generated from operating activities	2,177	751

	Group 30.04.2007 (S\$'000)	Group 30.04.2006 (S\$'000)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant and equipment	(538)	(424)
Proceeds from disposal of plant and equipment	31	-
Proceeds from disposal of a subsidiary, net (Note A)	580	-
Interest received	29	1
Net cash generated from / (used in) investing activities	102	(423)
CASH FLOW FROM FINANCING ACTIVITIES:		
Decrease in finance leases	(169)	(118)
Decrease in borrowings	(246)	(246)
Proceeds from issuing shares to minority interests	-	500
Proceeds from issuing shares by share options	140	-
Dividends paid	(833)	-
Interest paid	(70)	(66)
Net cash (used in) / from financing activities	(1,178)	70
Net increase in cash	1,101	398
Cash and cash equivalents at beginning of period	4,632	691
Cash and cash equivalents at end of period	5,733	1,089

Cash and cash equivalents in the Cash Flow Statement		
Cash and cash equivalents	5,763	1,169
Less restricted cash	(30)	(80)
Cash and cash equivalents at end of period	5,733	1,089

Note A: Disposal of a subsidiary

	Group 30.04.2007 (S\$'000)	Group 30.04.2006 (S\$'000)
Cash and cash equivalents	20	
Trade and other receivables	687	-
Inventories	28	-
Plant and equipment	129	
Trade payables and accrued liabilities	(653)	-
Current portion of finance leases	(22)	-
Income tax payable	(11)	
Goodwill	422	
Total consideration	600	-
Cash balance disposed off	(20)	-
Cash inflow on disposal, net of cash disposed	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 capitalization 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 Premium (S\$'000)	Capital Reserves (S\$'000)	Retained Profits/ (Accumulated Losses) (S\$'000)	Total (S\$'000)	Minority Interest (S\$'000)	Total Equity (S\$'000)
Group							
Balance at 1 November 2005	6,206	2,003	2	(2,007)	6,204	281	6,485
Changes in equity for 2006							
Net income recognised directly in equity	-	-	-	-	-	-	-
Profit for the period	-	-	-	754	754	159	913
Total recognised income for the period	-	-	-	754	754	159	913
Transfer (Note B)	2,003	(2,003)	-	-	-	-	-
Share-based payments	-	-	4	-	4	-	4
Business combinations	-	-	-	-	-	500	500
Balance at 30 April 2006	8,209	-	6	(1,253)	6,962	940	7,902
Balance at 1 November 2006	8,729	-	9	1,540	10,278	1,047	11,325
Changes in equity for 2007							
Net income recognized directly in equity	-	-	-	-	-	-	-
Profit for the period	-	-	-	2,618	2,618	318	2,936
Total recognised income for the period	-	-	-	2,618	2,618	318	2,936
Issue of shares	140	-	-	-	140	-	140
Share-based payments	-	-	220	-	220	-	220
Dividends paid to shareholders	-	-	-	(833)	(833)	-	(833)
Dividends paid to minority interests	-	-	-	(100)	(100)	-	(100)
Balance at 30 April 2007	8,869	-	229	3,225	12,323	1,365	13,688

	Share Capital (S\$'000)	Share Premium (S\$'000)	Capital Reserves (S\$'000)	Retained Profits/ (Accumulated Losses) (S\$'000)	Total (S\$'000)
Company					
Balance at 1 November 2005	6,206	2,003	2	(3,859)	4,352
Transfer (Note B)	2,003	(2,003)	-	-	-
Share-based payments	-	-	4	-	4
Profit for the period	-	-	-	251	251
Balance at 30 April 2006	8,209	-	6	(3,608)	4,607

	Share Capital (S\$'000)	Share Premium (S\$'000)	Capital Reserves (S\$'000)	Retained Profits/ (Accumulated Losses) (S\$'000)	Total (S\$'000)
Company					
Balance at 1 November 2006	8,729	-	9	961	9,699
Issue of shares	140	-	-	-	140
Share-based payments	-	-	220	-	220
Dividends paid	-	-	-	(833)	(833)
Profit for the period	-	-	-	2	2
Balance at 30 April 2007	8,869	-	229	130	9,228

Note B.

With the changes to the Companies Act, Cap 50, effective from 30 January 2006, there is the removal of the concept of par value and authorized capital and there is no share premium account. The company had a premium account balance of \$2,003,000 at the end of last year. This amount has now been included in share capital as required by the changes to the Companies Act.

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

1,750,000 share options under the ecoWise Employee Share Option Scheme were exercised in whole at S\$0.08 per share on 29 January 2007. There is no more outstanding Employee Share Option to be exercised.

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 accounting policies and methods of computation adopted by the Group for the half year ended 30 April 2007 are consistent with those used in the annual audited statements as at 31 October 2006.

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 were no changes in the accounting policies and method of computation used in the preparation of the financial information in this announcement.

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
	30.04.2007	30.04.2006
(i) Based on weighted average number of ordinary share in issue	6.35 cents	1.94 cents
(ii) On a fully diluted basis	6.10 cents	1.90 cents

Basic and diluted earnings/(loss) per share ("EPS") is calculated on the Group's profit/ (loss) for the financial period attributable to the shareholders of the Company divided by the weighted average number of ordinary shares in issue during the financial period.

The annualised basic and fully diluted earnings/ (loss) per share above have been calculated based on the Group's net profit attributable to shareholders of S\$5,236,000 (2006 : S\$1,508,000) and on 82,455,000 (2006: 77,575,000) weighted average ordinary shares in issue during the year. Fully diluted earnings per share is calculated based on 85,825,000 (2006: 79,325,000) shares, assuming the vesting of the employee performance shares as at 30 Apr 2007.

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
	30.04.2007	31.10.2006	30.04.2007	31.10.2006
Net tangible asset backing per ordinary share based on number of shares in issue at end of period/year	14.79 cents	12.60 cents	11.07 cents	11.89 cents

The Group's net tangible asset backing per share above has been calculated based on shareholders' equity of S\$12,323,000 (31.10.2006 : S\$10,278,000) and the share capital of 83,325,000 ordinary shares (31.10.2006 : 81,575,000).

The Company's net tangible asset backing per share above has been calculated based on shareholders' equity of S\$9,228,000 (31.10.2006 : S\$9,699,000) and the share capital of 83,325,000 ordinary shares (31.10.2006 : 81,575,000).

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 84.9% for the first half of FY2007 to S\$11.74 million compared with the corresponding period FY2006 of S\$6.35 million. The increase was due to increased copper slag collection as a result of the increase in ship repair and maintenance activities requiring surface blasting at our customers' shipyards and new customers added during the period. There were also more activities at our horticulture materials recycling park at Lim Chu Kang.

Gross profit margin improved from 44.9% in April 2006 to 53.2% in April 2007 as a result of lower disposal costs contributing to the improved margins.

Administrative expenses were S\$895,000 higher than the corresponding period due to increase in staff related costs as the new operations activities increases and increase in performance incentive bonus provision.

Other charges were S\$213,000 higher than the corresponding period due to share-based payment expenses.

As a result of the above factors, the Group's profit before income tax increased significantly from S\$1.16 million to S\$3.46 million.

Balance Sheet

The Group's current assets increased by S\$2,013,000 from S\$11,015,000 in 31 October 2006 to S\$13,028,000 in 30 April 2007 mainly due to increase in trade receivables and cash and cash equivalents. Trade receivables were higher in line with the higher revenue.

Group's non-current assets decreased by S\$620,000 due to realization of goodwill on disposal of a subsidiary.

Group's current liabilities also decreased by S\$590,000 from S\$5,794,000 in 31 October 2006 to S\$5,204,000 in 30 April 2007 mainly due to payment of trade payables and accrued liabilities.

Group's non-current liabilities decreased by S\$380,000 due to payment of loan for the biomass fired cogeneration plant and finance lease.

The cash and cash equivalents at 30 April 2007 was S\$5,763,000. The increase of S\$1,101,000 was mainly due to higher revenue.

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 announce that the results for the half year ended 30 April 2007 is in line with the previous full year announcement made on 28 December 2006.

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

The increased ship repair and maintenance activities continued to contribute positively to our used copper slag collection business. However with the increased interest in the recycling of industrial waste materials including used copper slag, the market is expected to remain competitive. We are exploring ways to maintain our position as a leading copper slag recycler in Singapore.

Our biomass fired cogeneration plant is currently operating satisfactorily and we have begun actively meeting up with potential business partners to explore the wider usage and application of the energy.

Barring any unforeseen circumstances, the Group remains positive of its performance in second half of FY2007 and the next 12 months.

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

Not applicable

(d) Books closure date

Not applicable

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

No dividend had been declared for this announcement.

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

Not Applicable

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

Not Applicable

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 ()	Previous Full Year ()
Ordinary	0	0
Preference	0	0
Total:	0	0

17. Confirmation pursuant To Rule 705(4) of the Listing Manual

The Board of Directors of the Company hereby confirm to the best of their knowledge that nothing has come to their attention which may render the interim financial results for the period ended 30 April 2007 to be false or misleading.

BY ORDER OF THE BOARD

Lee Thiam Seng
Director

Teoh Teik Kee
Director

14/06/2007