

ECOWISE HOLDINGS LIMITED

Half Year Financial Statement for the 6 months ended 30 April 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****1(a) (i) Income Statement**

	Group 30.04.2008 (S\$'000)	Group 30.04.2007 (S\$'000)	% Change
Revenue	10,435	11,740	(11.1)
Cost of Sales	(5,014)	(5,490)	(8.7)
Gross Profit	5,421	6,250	(13.3)
Other Items of Income			
Interest Income	24	29	(17.2)
Other credits	5,179	3	1,725.3
Other Items of Expenses			
Distribution costs	(42)	(52)	(19.2)
Administrative expenses	(2,519)	(2,481)	1.5
Finance costs	(81)	(70)	15.7
Other charges	(493)	(220)	124.09
Profit Before Tax From Continuing Operations	7,489	3,459	116.5
Income Tax Expense	(861)	(623)	38.2
Profit Net of tax	6,628	2,836	133.7
Profit Attributable to Equity Holders of Parent, Net of Tax	6,542	2,618	149.9
Profit Attributable to Minority Interest, Net of Tax	86	218	(60.6)
	6,628	2,836	133.7

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

	Group 30.04.2008 (S\$'000)	Group 30.04.2007 (S\$'000)
1. Interest Income	24	29
2. Finance costs	(81)	(70)
3. Depreciation	(724)	(576)
4. Gain on Disposal of Property, Plant & Equipment	76	3
5. Gain on Sale of Investment in Subsidiary	5,103	-
6. Property, Plant and Equipment Written Off	24	-
7. Share-Based Payment	(469)	(220)

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 30.04.2008 (S\$'000)	Group 31.10.2007 (S\$'000)	Company 30.04.2008 (S\$'000)	Company 31.10.2007 (S\$'000)
ASSETS				
Non-Current Assets:				
Property, Plant and Equipment, Total	8,628	7,167	451	160
Intangible Assets, Total	183	183	-	-
Investment in Subsidiaries	-	-	5,421	5,421
Investment in Joint Ventures	38	-	-	-
Deferred Tax Asset	32	365	-	142
Total Non-Current Assets	8,881	7,715	5,872	5,723
Current Assets:				
Inventories	856	741	-	-
Trade and Other Receivables, Current	10,507	6,706	12,040	5,360
Cash and Cash Equivalents	10,330	7,400	556	2,863
Total Current Assets	21,693	14,847	12,596	8,223
Total Assets	30,574	22,562	18,468	13,946
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	12,190	8,906	12,190	8,906
Retained Earnings	9,610	3,068	4,753	225
Other Reserves, Total	527	784	527	784
Equity, Attributable to Equity Holders of the Parent, Total	22,327	12,758	17,470	9,915
Minority Interest	884	798	-	-
Total Equity	23,211	13,556	17,470	9,915
Non-Current Liabilities:				
Provision, Non – Current, Total	65	65	-	-
Deferred Tax Liabilities	313	234	2	-
Finance Leases, Non - Current	1,123	1,075	173	130
Total Non-Current Liabilities	1,501	1,374	175	130
Current liabilities:				
Income Tax Payable, Current	852	891	87	95
Trade and Other Payables, Current	4,439	5,736	716	3,782
Finance Leases, Current	571	525	20	24
Other Financial Liabilities, Current	-	480	-	-
Total Current Liabilities	5,862	7,632	823	3,901
Total Liabilities	7,363	9,006	998	4,031
Total Equity and Liabilities	30,574	22,562	18,468	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 30.04.2008 (S\$'000)		As at 31.10.2007 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
S\$571	-	S\$1,005	-

Amount repayable after one year

As at 30.04.2008 (S\$'000)		As at 31.10.2007 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
S\$1,123	-	S\$1,075	-

Details of any collateral

The finance lease liability of S\$1,694,000 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 30.04.2008 (S\$'000)	Group 30.04.2007 (S\$'000)
Cash Flows From Operating Activities:		
Profit Before Tax	7,489	3,459
Depreciation of Property, Plant and Equipment	724	576
Interest Income	(24)	(29)
Interest Expense	81	70
Gain on Disposal of Property, Plant & Equipment	(76)	(3)
Gain on Sale of Investment in Subsidiary	(5,103)	-
Share-Based Payment	469	220
Property, Plant and Equipment Written Off	24	-
Operating Cash Flows before changes in working capital	3,584	4,293
Inventories	(116)	(147)
Trade and Other Receivables, Current	(6,036)	(1,482)
Trade and Other Payables, Current	3,569	(75)
Net Cash Flows From Operations Before Interest and Tax	1,001	2,589
Income Taxes Paid	(485)	(412)
Net Cash Flows From Operating Activities	516	2,177

	Group 30.04.2008 (\$'000)	Group 30.04.2007 (\$'000)
Cash Flows From Investing Activities		
Disposal of Property , Plant and Equipment	169	31
Purchase of Property , Plant and Equipment	(1,835)	(538)
Disposal of Subsidiary (Net of Cash Disposed) (Note A)	4,992	580
Interest Received	24	29
Net Cash Flows From Investing Activities	3,350	102
Cash Flows From Financing Activities		
Dividend Paid to Equity Shareholders	(2,500)	(833)
Issue of Share (Net of Share Issue Expenses)	2,558	140
Other Financial Liabilities, Current	(480)	(246)
Finance Lease Repayment	(433)	(169)
Interest Paid	(81)	(70)
Net Cash Flows Used in Financing Activities	(936)	(1,178)
Net Increase in Cash and Cash Equivalents	2,930	1,101
Cash and Cash Equivalents, Cash Flow Statement ,Beginning Balance	7,360	4,632
Cash and Cash Equivalents, Cash Flow Statement ,Ending Balance	10,290	5,733

Cash and Cash Equivalents in the Cash Flow Statement		
As shown above	10,330	5,763
Cash Restricted in Use Over 3 months	(40)	(30)
Cash and cash equivalents at end of period	10,290	5,733

Note A: Disposal of a subsidiary

	Group 30.04.2008 (\$'000)	Group 30.04.2007 (\$'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
Total Consideration	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 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-based compensation Reserves (S\$'000)	Retained Earnings (S\$'000)	Parent sub - Total (S\$'000)	Minority Interest (S\$'000)	Total Equity (S\$'000)
Group						
Opening balance at 1 November 2007	8,906	784	3,068	12,758	798	13,556
Current Period						
Profit for the Period	-	-	6,542	6,542	86	6,628
Total Recognised Income for the Period	-	-	6,542	6,542	86	6,628
Issue of Share Capital	2,558	-	-	2,558	-	2,558
Issue of Performance Share	726	(726)	-	-	-	-
Share-based Payment	-	469	-	469	-	469
Total Other Movement in Equity	3,284	(257)	-	3,027	-	3,027
Closing Balance at 30 April 2008	12,190	527	9,610	22,327	884	23,211
Balance at 1 November 2006	8,729	9	1,540	10,278	1,047	11,325
Current Period						
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 Share Capital	140	-	-	140	-	140
Share-based Payment	-	220	-	220	-	220
Dividend Paid	-	-	(933)	(933)	-	(933)
Total Other Movement in Equity	140	220	(933)	(573)	-	(573)
Closing Balance at 30 April 2007	8,869	229	3,225	12,323	1,365	13,688

	Share Capital (S\$'000)	Share-based compensation Reserves (S\$'000)	Retained Earnings (S\$'000)	Total (S\$'000)
Company				
Opening Balance at 1 November 2007	8,906	784	225	9,915
Current Period				
Profit for the Period	-	-	4,528	4,528
Total Recognised Income for the Period	-	-	4,528	4,528
Issue of Share Capital	2,558	-	-	2,558
Issue of Performance Share	726	(726)	-	-
Share-based Payment	-	469	-	469
Dividend Paid	-	-	-	-
Total Other Movement in Equity	3,284	(257)	-	3,027
Closing Balance at 30 April 2008	12,190	527	4,753	17,470

	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
Current Period				
Profit for the Period	-	-	2	2
Total Recognised Income for the Period	-	-	2	2
Issue of Share Capital	140	-	-	140
Share-based Payment	-	220	-	220
Dividend Paid	-	-	(833)	(833)
Total Other Movement in Equity	140	220	(833)	(473)
Closing Balance at 30 April 2007	8,869	229	130	9,228

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

The renounceable non-underwritten rights cum warrants issue of up to 249,975,000 new shares at an issue price of \$0.01 for each Rights Share, with up to 83,325,000 free detachable warrants were allotted on 23 November 2007. As at 30 April 2008 a total of 5,497,663 warrants were exercised and 77,827,337 warrants remained outstanding. On 26 February 2008, 11,705,500 shares (after adjustment for rights cum warrant issue) were allotted pursuant to the ecoWise Performance Share Plan. As at 30 April 2008 a total of 21,671,000 performance shares were granted to employees of the Group under the ecoWise Performance Share Plan.

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 30 April 08 was 350,503,163 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 accounting policies and methods of computation adopted by the Group for the half year ended 30 April 2008 are consistent with those used in the annual audited statements as at 31 October 2007.

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
	30.04.2008	30.04.2007
(i) Based on weighted average number of ordinary share in issue	2.11 cents	0.82 cents
(ii) On a fully diluted basis	1.72 cents	0.79 cents

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

The basic and fully diluted earnings per share above have been calculated based on the Group's net profit attributable to shareholders of S\$6,541,000 (2007: S\$2,618,000) and on 310,739,728 (2007: 319,123,135) weighted average ordinary shares in issue during the year. Fully diluted earnings per share are calculated based on 379,964,087 (2007: 332,165,946) shares, assuming the vesting of the employee performance shares as at 30 Apr 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
	30.04.2008	31.10.2007	30.04.2008	31.10.2007
Net asset backing per ordinary share based on number of shares in issue at end of period/year	6.37 cents	3.71 cents	4.98 cents	2.89 cents

The Group's net asset backing per share above has been calculated based on shareholders' equity of S\$22,327,000 (31.10.2007: S\$12,758,000) and the number of ordinary shares issued at 30 April 2008 of 350,503,163 (31.10.2007: 343,500,000).

The Company's net asset backing per share above has been calculated based on shareholders' equity of S\$17,470,000 (31.10.2007: S\$9,915,000) and the number of ordinary shares issued at 30 April 2008 of 350,503,163 (31.10.2007: 343,500,000).

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 decreased 11.1% for the first half of FY2008 to S\$10.44 million compared with the corresponding period FY2007 of S\$11.74 million. The decrease was mainly due to decreased copper slag collection as a result of lesser surface blasting activities at our customers' shipyards during the period despite a buoyant shipbuilding and repair sector. This was partially offset by increased activities at our horticulture materials recycling park at Lim Chu Kang and biomass cogeneration plant.

Gross profit margin decreased from 53.2% in April 2007 to 51.9% in April 2008 as a result of increased operation cost mainly due to higher diesel cost.

Administrative expenses were slightly higher than the corresponding period mainly due to higher staff cost and increased activities.

Other credits / charges improved by S\$4,903,000 compared to the corresponding period due to exceptional gain on disposal of 50% in the share capital of its subsidiary to joint venture partner

As a result of the above factors, the Group's profit before income tax increased sharply from S\$3.46 million to S\$7.49 million.

Balance Sheet

The Group's current assets increased by S\$6.84 million from S\$14.85 million in 31 October 2007 to S\$21.69 million in 30 April 2008 mainly due to proceeds from disposal of 50% in the share capital of its subsidiary to joint venture partner for S\$ 5.14 million.

Group's non-current assets increased by S\$1.38 million from S\$ 7.72 million in 31 October 2007 to \$9.10 million in 30 April 2008 mainly due to purchase of new plant and equipment.

Group's current liabilities decreased by S\$1.77 million from S\$7.63 million in 31 October 2007 to S\$5.86 million in 30 April 2008 mainly due to payment of dividends declared in FY 2007 and early settlement of long-term borrowings.

Group's non-current liabilities increased by S\$127,000 due to increase in deferred tax liabilities and finance lease.

Cash Flow

The cash and cash equivalents at 30 April 2008 was S\$10.33 million. The increase of S\$2.93 million was mainly due to proceed from disposal of 50% in the share capital of its subsidiary to the joint venture partner.

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 2008 is in line with the previous full year announcement made on 27 December 2007.

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 shipbuilding, repair and maintenance activities is expected to remain buoyant in the second half of FY 2008 and will continue to contribute positively to our used copper slag collection business. Barring any unforeseen circumstances, the Group remains positive of its performance in second half of FY2008 and the next 12 months.

The Company has identified renewal energy as its strategic growth in its next phase of growth and had set up a new business unit and recruited a general manager to head this unit.

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? 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

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

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. 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 2008 to be false or misleading.

BY ORDER OF THE BOARD

Lee Thiam Seng

Teoh Teik Kee

Director

Director

12/06/2008