

ECOWISE HOLDINGS LIMITED

Unaudited Full Year Financial Statement for the 12 months ended 31 October 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**

The Board of Directors is pleased to announce the results of the Group for the year ended 31 October 2007. These figures have not been audited.

1(a)(i) Income Statement

	Group 31.10.2007 (S\$'000)	Group 31.10.2006 (S\$'000)	% Change
Revenue	21,631	18,780	15.2
Cost of Sales	(9,490)	(8,767)	8.2
Gross profit	12,141	10,013	21.3
Financial income	61	7	771.4
Financial expense	(163)	(144)	13.2
Distribution costs	(81)	(59)	37.3
Administrative expenses	(5,035)	(4,378)	15.0
Other credits / (charges)	(847)	(841)	0.7
Profit before tax	6,076	4,598	32.2
Income tax expense	(829)	(685)	21.0
Profit after tax	5,247	3,913	34.1
Minority interest	(386)	(366)	5.5
Profit attributable to the shareholders	4,861	3,547	37.0

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

	Group 31.10.2007 (S\$'000)	Group 31.10.2006 (S\$'000)
1. Interest income	61	4
2. Interest expense	(145)	(133)
3. Depreciation	(1,237)	(956)
4. Allowance for impairment on trade receivables	(17)	-
5. Bad trade debts recovered / (written off)	-	3
6. Gain/(Loss) on disposal of plant and equipment	3	(8)
7. Loss on impairment of plant and equipment	(35)	(650)
8. Pre-operating expenses	-	(1)
9. Inventories written off	3	-
10. Amount due to former director waived	2	-
11. Plant and equipment written off	(2)	-
12. Share - based payment expense	(812)	(7)
13. Impairment loss on goodwill	-	(175)

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 31.10.2007 (S\$'000)	Group 31.10.2006 (S\$'000)	Company 31.10.2007 (S\$'000)	Company 31.10.2006 (S\$'000)
ASSETS				
Current assets:				
Cash and cash equivalents	7,400	4,662	2,863	119
Trade and other receivables	6,706	5,868	5,360	4,435
Inventories	741	485	-	-
Total current assets	14,847	11,015	8,223	4,554
Non-current assets:				
Investment in subsidiaries	-	-	5,421	6,340
Goodwill	183	575	-	-
Property, plant and equipment	7,167	6,659	160	178
Deferred tax assets	365	144	142	29
Total non-current assets	7,715	7,378	5,723	6,547
Total assets	22,562	18,393	13,946	11,101
LIABILITIES AND EQUITY				
Current liabilities:				
Trade and other payables	5,736	4,126	3,782	1,223
Income tax payables	891	823	95	-
Current portion of finance lease	525	353	24	24
Current portion of long-term borrowings	480	492	-	-
Total current liabilities	7,632	5,794	3,901	1,247
Non-current liabilities:				
Deferred tax liabilities	234	44	-	-
Finance lease	1,075	750	130	155
Long term provisions	65	-	-	-
Long-term borrowings	-	480	-	-
Total non-current liabilities	1,374	1,274	130	155
Total liabilities	9,006	7,068	4,031	1,402
Shareholders' equity	12,758	10,278	9,915	9,699
Minority interest	798	1,047	-	-
Total equity	13,556	11,325	9,915	9,699
Total liabilities and equity	22,562	18,393	13,946	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 31.10.2007 (S\$'000)		As at 31.10.2006 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
S\$1,005	-	S\$845	-

Amount repayable after one year

As at 31.10.2007 (S\$'000)		As at 31.10.2006 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
S\$1,075	-	S\$1,230	-

Details of any collateral

The bank loan of S\$480,000 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\$1,600,000 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 31.10.2007 (S\$'000)	Group 31.10.2006 (S\$'000)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the year	5,247	3,913
Adjustments for:		
Income tax expense	829	685
Depreciation	1,237	956
Interest income	(61)	(4)
Interest expense	145	133
(Gain) / Loss on disposal of plant and equipment	(3)	8
Impairment loss on plant and equipment	35	650
Impairment loss on goodwill	-	175
Share - based payment expense	812	7
Plant and equipment written off	2	-
Operating profit before working capital changes	8,243	6,523
Trade and other receivables	(1,525)	(2,896)
Inventories	(284)	(215)
Trade and other payables	(237)	1,782
Cash generated from operations	6,197	5,194
Income tax paid	(780)	(92)
Net cash generated from operating activities	5,417	5,102

	Group 31.10.2007 (S\$'000)	Group 31.10.2006 (S\$'000)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant and equipment	(925)	(982)
Disposal of plant and equipment	31	41
Disposal of subsidiary, net (Note A)	580	-
Acquisition of subsidiary company net of cash acquired (Note B)	-	214
Increase interest in subsidiary company	(280)	-
Cash restricted in use	(10)	50
Interest income received	61	4
Net cash used in investing activities	(543)	(673)
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issuing shares	140	-
Dividends to minority interests	(386)	(100)
Dividends to shareholders	(833)	-
Decrease in finance leases	(434)	(263)
Decrease in borrowings	(492)	(492)
Increase in minority interests	-	500
Interest expense paid	(141)	(133)
Net cash used in financing activities	(2,146)	(488)
Net increase in cash	2,728	3,941
Cash and cash equivalents at beginning of year	4,632	691
Cash and cash equivalents at end of year	7,360	4,632
Cash and cash equivalents at end of the year include the following		
Cash and bank balances	7,400	4,662
Less restricted cash	(40)	(30)
Cash and cash equivalents at end of year	7,360	4,632

Note A: Disposal of a subsidiary

	Group 31.10.2007 (S\$'000)	Group 31.10.2006 (S\$'000)
Cash and cash equivalents	20	-
Property, plant and equipment	129	-
Trade and other receivables	687	-
Inventories	28	-
Trade and other payables	(653)	-
Current portion of finance leases	(22)	-
Income tax payables	(11)	-
Goodwill	422	-
Total consideration	600	-
Net cash inflow on disposal:		-
Cash consideration	600	-
Cash and cash equivalents of subsidiary company disposed	(20)	-
Cash inflow on disposal, net of cash disposed	580	-

Note B: Acquisition of a subsidiary

	Group 31.10.2007 (S\$'000)	Group 31.10.2006 (S\$'000)
Cash and cash equivalents	-	214
Trade and other receivables	-	205
Inventories	-	15
Property, plant and equipment	-	65
Trade and other payables	-	(576)
Goodwill	-	597
Total net asset acquired	-	520
Consideration	-	520
Issue of share	-	(520)
Consideration paid in cash	-	-
Add: cash taken over	-	214
Cash inflow on acquisition, net of cash acquired	-	214

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

Group	Share Capital (S\$'000)	Share Premium (S\$'000)	Capital Reserve (S\$'000)	Retained Profits/ (Accumulated Losses) (S\$'000)	Total (S\$'000)	Minority Interest (S\$'000)	Total Equity (S\$'000)
Balance at 1 November 2005	6,206	2,003	2	(2,007)	6,204	281	6,485
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	6,206	2,003	2	(2,007)	6,204	281	6,485
Changes in equity for 2006							
Net income recognized directly in equity	-	-	-	-	-	-	-
Profit for the year	-	-	-	3,547	3,547	366	3,913
Total recognized income for the year	-	-	-	3,547	3,547	366	3,913
Transfer (Note C)	2,003	(2,003)	-	-	-	-	-
Dividends	-	-	-	-	-	(100)	(100)
Issue of share capital	520	-	-	-	520	-	520
Issue of share options	-	-	7	-	7	-	7
Business combinations	-	-	-	-	-	500	500
Balance at 31 October 2006	8,729	-	9	1,540	10,278	1,047	11,325
Balance at 1 November 2006	8,729	-	9	1,540	10,278	1,047	11,325
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	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 year	-	-	-	4,861	4,861	386	5,247
Total recognized income for the year	-	-	-	4,861	4,861	386	5,247
Transfer (Note C)	-	-	-	-	-	-	-
Dividends	-	-	-	(3,333)	(3,333)	(386)	(3,719)
Issue of share capital	140	-	-	-	140	-	140
Share based payments	-	-	812	-	812	-	812

Business combinations	-	-	-	-	-	(249)	(249)
Balance at 31 October 2007	8,869	-	821	3,068	12,758	798	13,556

	Share Capital (S\$'000)	Share Premium (S\$'000)	Capital Reserve (S\$'000)	Retained Profits/ (Accumulated Losses) (S\$'000)	Total (S\$'000)
<u>Company</u>					
Balance at 1 November 2005	6,206	2,003	2	(3,859)	4,352
Changes in accounting policy	-	-	-	-	-
Restated balance	6,206	2,003	2	(3,859)	4,352
Changes in equity for 2006					
Profit for the year	-	-	-	4,820	4,820
Total recognized income for the year	-	-	-	4,820	4,820
Transfer (Note C)	2,003	(2,003)	-	-	-
Issue of share capital	520	-	-	-	520
Issue of share options	-	-	7	-	7
Balance at 31 October 2006	8,729	-	9	961	9,699
Balance at 1 November 2006					
Changes in accounting policy	-	-	-	-	-
Restated balance	8,729	-	9	961	9,699
Changes in equity for 2007					
Profit for the year	-	-	-	2,597	2,597
Total recognized income for the year	-	-	-	2,597	2,597
Transfer (Note C)	-	-	-	-	-
Issue of share capital	140	-	-	-	140
Share based expenses	-	-	812	-	812
Dividends	-	-	-	(3,333)	(3,333)
Balance at 31 October 2007	8,869	-	821	225	9,915

Note C - 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 authorised capital and there is no share premium account. The company had a premium account balance of \$2,002,970 at the end of previous year. This amount has 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 share options outstanding as at 31 October 2007. The Share Option Plan was terminated by resolution held on 23 March 2007. On 23 March 2007, a total of 5,450,000 performance shares were granted to employees of the Group under the ecoWise Performance Share Plan.

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 2006 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 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
	31.10.2007	31.10.2006
(i) Based on weighted average number of ordinary share in issue	5.87 cents	4.51 cents
(ii) On a fully diluted basis	5.67 cents	4.41 cents

Basic earnings per share is calculated based on the consolidated profit after tax of S\$4,862,000 (2006: S\$3,547,000) and on 82,898,288 (2006: 78,627,000) weighted average ordinary shares of \$0.08 each in issue during the year. Fully diluted earnings per share is calculated based on 85,798,288 (2006: 80,377,000) shares, assuming the full vesting of the performance shares outstanding at 31 October 2007.

Note: Had the Rights shares be taken into consideration, the Group's basic and fully diluted earnings per share would be as follows based on 320,838,778 and 332,062,562 shares respectively for 2007:

	Group	Group
	31.10.2007	31.10.2006
(i) Based on weighted average number of ordinary share in issue	1.52 cents	1.17 cents
(ii) On a fully diluted basis	1.46 cents	1.14 cents

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
	31.10.2007	31.10.2006	31.10.2007	31.10.2006
Net asset backing per ordinary share based on number of shares in issue at end of period/year	14.86 cents	12.60 cents	11.55 cents	11.89 cents

The Group's net asset backing per share above has been calculated based on shareholders' equity of S\$12,758,000 (31.10.2006: S\$10,278,000) and the share capital of 85,875,000 (consisting of 83,325,000 ordinary shares in issue and 2,550,000 performance shares vested but not issued) (31.10.2006: 81,575,000).

The Company's net asset backing per share above has been calculated based on shareholders' equity of S\$12,415,000 (31.10.2006: S\$9,699,000) and the share capital of 85,875,000 (consisting of 83,325,000 ordinary shares in issue and 2,550,000 performance shares vested but not issued) (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

The Group recorded revenue of \$21.6 million for the FY2007 and was 15.2% higher than that of the corresponding period of S\$18.8 million in FY2006. This was mainly due to the increase in ship repair and maintenance activities which required surface blasting to be performed at our customers' shipyards and new customers added during the year.

Gross profit margin improved from 53.3% in FY2006 to 56.1% in FY2007 as a result of lower disposal costs contributing to the improved margins.

Administrative expenses was 15.0% higher than the corresponding period due to an increase in staff related costs as the operations expand, performance/incentive bonus was paid out for achieving the financial targets and also an increase in depreciation cost due to acquisition of new assets.

As a result of the above factors, the Group's profit before tax increased by 32.2% from S\$4,598,000 to S\$6,076,000.

Balance Sheet

The Group's total current assets increased by S\$3,832,000 mainly due to the increase in trade receivables and cash and cash equivalents as a result of higher sales partially offset by the disposal of Watertech Pte Ltd during the year..

Group's total non-current asset has increased by \$337,000 due to purchase of plant and equipment during the year.

Group's total current liabilities have increased by \$1,838,000 due mainly to dividends declared partially offset by the disposal of Watertech Pte Ltd during the financial year.

Group's total non-current liabilities have increased by \$100,000 due to additional finance leases taken up for new plant and equipment.

Cash Flows

The cash and cash equivalents at the end of the reporting period was at \$7,400,000. The increase of S\$2,728,000 was mainly due to higher sales, disposal of subsidiary partially offset by dividend payments.

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 2007 is in line with the half year announcement made on 14 June 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 stringent regulatory measures on disposal and recycling of used copper slag introduced by the regulatory bodies and the increased ship repair and maintenance activities continued to have a positive impact on our used copper slag collection business. New downstream activities to support our biomass fired cogeneration plant will have a positive contribution in our performance. Barring any unforeseen circumstances, the Group remains positive of the performance in the next 12 months.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes. Paid on 27 November 2007.

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

(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	Final
ii.	Dividend type	Cash
iii.	Dividend amount per share	S\$0.01
iv.	Tax rate	Exempt one tier

(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 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

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	2,065	4,035	(209)	(32)	319	6,178	
Financial income	60	10	901	2,620	(3,530)	61	
Financial expense	(65)	(124)	(49)	(10)	85	(163)	
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	9,828	1,479	4,031	(12,578)	9,006	
Total liabilities						9,006	
Capital expenditure additions	157	1,652	129	12	-	1,950	
Depreciation	96	1,105	6	30	-	1,237	
Other non-cash items							
- Gain on disposal of plant and equipment	-	(3)	-	-	-	(3)	
- Inventories written off	-	-	3	-	-	3	
- Loss on impairment of plant and equipment	-	35	-	-	-	35	
- Allowance for impairment on trade receivables	1	16	-	-	-	17	

Group Revenue and expenses as at 31 October 2006	Business Segments					Consolidated \$'000
	Collection \$'000	Processing \$'000	Solutions \$'000	Corporate \$'000	Eliminations \$'000	
Revenue from external customers	14,946	2,400	1,434	-	-	18,780
Inter-segment revenue	486	15,932	60	2,496	(18,974)	-
Total Revenue	15,432	18,332	1,494	2,496	(18,974)	18,780
Segment results representing profit from operations	2,029	2,788	105	2,004	(2,191)	4,735
Financial income	93	9	150	3,024	(3,269)	7
Financial expense	(50)	(107)	(48)	(96)	157	(144)
Profit before income tax	2,072	2,690	207	4,932	(5,303)	4,598
Taxation						(685)
Minority interests						(366)
Profit for the financial year attributable to shareholders						3,547

Group assets and liabilities as at 31 October 2006	Business Segments					Consolidated \$'000
	Collection \$'000	Processing \$'000	Solutions \$'000	Corporate \$'000	Eliminations \$'000	
Segment assets	8,145	12,619	1,553	11,101	(15,025)	18,393
Total assets						18,393
Segment liabilities	5,095	7,662	1,577	1,402	(8,668)	7,068
Total liabilities						7,068
Capital expenditure additions	3	2,847	133	11	(1,352)	1,642
Depreciation	102	832	14	36	(28)	956
Other non-cash items						
- (Gain)/Loss on disposal of plant and equipment	(72)	(124)	8	-	196	8
- Loss on impairment of plant and equipment	-	600	-	50	-	650
- Allowance for impairment on trade receivables	-	(4)	-	-	-	(4)

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 31.10.2007 (S\$'000)	Group 31.10.2006 (S\$'000)	Increase / (Decrease) %
Sales reported for the first half year	11,740	6,347	84.9
Operating profit after tax before deducting minority interests reported for the first half year	2,836	913	210.6
Sales reported for the second half year	9,891	12,433	(20.5)
Operating profit after tax before deducting minority interests reported for the second half year	2,411	3,000	(19.6)

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 (2007)	Latest Full Year (2006)
Ordinary	S\$2,499,750	S\$833,250
Preference	0	0
Total:	S\$2,499,750	S\$833,250

BY ORDER OF THE BOARD

Lee Thiam Seng

Teoh Teik Kee

Director

Director

27/12/2007