

**MASNET ANNOUNCEMENT****ECOWISE HOLDINGS LIMITED****Unaudited Full Year Financial Statement for the 12 months ended 31 October 2006****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 2006. These figures have not been audited.

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

	<b>Group 31.10.2006 (S\$'000)</b>	<b>Group 31.10.2005 (S\$'000)</b>	<b>% Change</b>
<b>Revenue</b>	18,780	7,798	140.8
Cost of Sales	(8,767)	(5,121)	71.2
<b>Gross profit</b>	10,013	2,677	274.0
Financial income	7	1	600.0
Financial expense	(144)	(129)	11.6
Distribution costs	(59)	(31)	90.3
Administrative expenses	(4,378)	(2,551)	71.6
Other credits / (charges)	(841)	(626)	34.3
<b>Profit / (loss) before tax</b>	4,598	(659)	797.7
Income tax expense	(685)	(111)	517.1
<b>Profit / (loss) after tax</b>	3,913	(770)	608.2
Minority interest	(366)	(102)	258.8
<b>Profit / (loss) attributable to the shareholders</b>	3,547	(872)	506.8

N.M. - Not meaningful

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

	<b>Group 31.10.2006 (S\$'000)</b>	<b>Group 31.10.2005 (S\$'000)</b>
1. Interest income	4	1
2. Interest expense	(133)	(129)
3. Depreciation	(956)	(624)
4. Reversal of provision for doubtful trade debts	-	22
5. Bad trade debts recovered / (written off)	3	(78)
6. Loss on disposal of plant and equipment	(5)	(4)
7. Loss on impairment of plant and equipment	(650)	(463)
8. Pre-operating expenses	1	-
9. Gain on disposal of subsidiaries	-	38
10. Loss on foreign exchange	-	(47)
11. Minority interests' share of loss	-	(38)
12. Gain on disposal of quoted investment	-	2
13. Loss on sale of club membership	-	(55)
14. Amortisation of share option	(7)	(2)
15. Impairment 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 31.10.2006 (S\$'000)	Group 31.10.2005 (S\$'000)	Company 31.10.2006 (S\$'000)	Company 31.10.2005 (S\$'000)
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	4,662	1,048	119	22
Trade and other receivables	5,849	2,766	4,435	3,511
Inventories	504	255	-	-
Income tax recoverable	-	-	142	-
<b>Total current assets</b>	<b>11,015</b>	<b>4,069</b>	<b>4,696</b>	<b>3,533</b>
<b>Non-current assets:</b>				
Investment in subsidiaries	-	-	6,340	3,036
Goodwill	575	153	-	-
Property, plant and equipment	6,659	6,607	178	253
Deferred tax assets	144	-	29	-
<b>Total non-current assets</b>	<b>7,378</b>	<b>6,760</b>	<b>6,547</b>	<b>3,289</b>
<b>Total assets</b>	<b>18,393</b>	<b>10,829</b>	<b>11,243</b>	<b>6,822</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Short term borrowings	-	277	-	-
Trade and other payables	4,126	1,768	1,223	2,267
Current tax payable	823	108	-	-
Current portion of finance lease	353	205	24	24
Current portion of long-term borrowings	492	492	-	-
<b>Total current liabilities</b>	<b>5,794</b>	<b>2,850</b>	<b>1,247</b>	<b>2,291</b>
<b>Non-current liabilities:</b>				
Deferred tax liabilities	44	21	-	-
Finance lease	750	501	155	179
Long-term borrowings	480	972	-	-
<b>Total non-current liabilities</b>	<b>1,274</b>	<b>1,494</b>	<b>155</b>	<b>179</b>
<b>Total liabilities</b>	<b>7,068</b>	<b>4,344</b>	<b>1,402</b>	<b>2,470</b>
<b>Shareholders' equity</b>	<b>10,278</b>	<b>6,204</b>	<b>9,841</b>	<b>4,352</b>
<b>Minority interest</b>	<b>1,047</b>	<b>281</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>11,325</b>	<b>6,485</b>	<b>9,841</b>	<b>4,352</b>
<b>Total liabilities and equity</b>	<b>18,393</b>	<b>10,829</b>	<b>11,243</b>	<b>6,822</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 31.10.2006 (S\$'000)		As at 31.10.2005 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
S\$845	-	S\$697	S\$277

**Amount repayable after one year**

As at 31.10.2006 (S\$'000)		As at 31.10.2005 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
S\$1,230	-	S\$1,473	-

**Details of any collateral**

The bank loan of S\$972,000 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\$1,103,000 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 31.10.2006 (S\$'000)	Group 31.10.2005 (S\$'000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net profit / (loss) for the year	3,913	(770)
Adjustments for:		
Income tax expense	685	111
Depreciation	956	624
Interest income	(4)	(1)
Interest expense	133	129
Receivable from minority interest written off	-	38
Loss on disposal of plant & equipment	5	4
Gain on disposal of subsidiaries	-	(38)
Loss on disposal of club membership	-	55
Impairment loss on plant and equipment	650	463
Impairment of goodwill	175	-
Share-based payment expense	7	2
Translation reserve realized upon disposal of subsidiary	-	46
<b>Operating profit before working capital changes</b>	<b>6,520</b>	<b>663</b>
Trade and other receivables	(2,877)	1,462
Inventories	(234)	(128)
Trade and other payables	1,782	(623)
<b>Cash generated from operations</b>	<b>5,191</b>	<b>1,374</b>
Income tax paid	(92)	(4)
<b>Net cash generated from operating activities</b>	<b>5,099</b>	<b>1,370</b>

	Group 31.10.2006 (S\$'000)	Group 31.10.2005 (S\$'000)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Cash restricted in use	50	-
Purchase of plant and equipment	(982)	(1,949)
Proceeds from disposal of plant and equipment	44	36
Proceeds from disposal of investment in subsidiaries, net (Note A)	-	(110)
Purchase of subsidiary company (Note B)	(306)	(389)
Proceeds from disposal of club membership	-	103
Interest income received	4	1
Proceeds from disposal of available-for-sale financial investments	-	13
<b>Net cash used in investing activities</b>	<b>(1,190)</b>	<b>(2,295)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from issuing shares by Company	520	-
Dividends paid to minority interest	(100)	-
Decrease in finance lease	(263)	(179)
(Decrease) / increase in borrowings	(492)	4
Proceed from issuing shares to minority interests (subsidiary)	500	-
Interest expense paid	(133)	(129)
<b>Net cash from / (used in) financing activities</b>	<b>32</b>	<b>(304)</b>
Net increase / (decrease) in cash	3,941	(1,229)
Cash at beginning of period	691	1,920
Cash at end of period	4,632	691
<b>Cash and cash equivalents in the Cash Flow Statement</b>		
Cash and bank balances	4,662	1,048
Less restricted cash	(30)	(80)
Bank overdrafts	-	(277)
Cash and cash equivalents at end of period	4,632	691

**Note A: Disposal of subsidiary companies**

	Group 31.10.2006 (S\$'000)	Group 31.10.2005 (S\$'000)
Cash and cash equivalents	-	1,554
Property, plant and equipment	-	2
Other receivables and prepayments	-	40
Trade payables and accrued liabilities	-	(51)
Other payables	-	(97)
Income tax payables	-	(3)
Gain on disposal of subsidiary companies	-	38
Minority interest's share of loss	-	(39)
Proceeds from disposal of subsidiary companies	-	1,444
Cash and cash equivalents of subsidiary companies disposed	-	(1,554)
<b>Cash outflow on disposal, net of cash disposed</b>	<b>-</b>	<b>(110)</b>

**Note B: Acquisition of a subsidiary companies**

	Group 31.10.2006 (S\$'000)	Group 31.10.2005 (S\$'000)
Cash and cash equivalents	214	31
Trade and other receivables	205	515
Inventories	15	-
Property, plant and equipment	65	88
Trade and other payables	(576)	(187)
Income tax payables	-	(2)
Minority interest	-	(178)
Goodwill	597	153
Payment for acquisition of subsidiary company	520	420
Cash and cash equivalents of subsidiary company acquired	(214)	(31)
<b>Cash outflow on acquisition, net of cash acquired</b>	<b>(306)</b>	<b>(389)</b>

**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 Premium (S\$'000)	Retained Profits/ Accumula ted Losses (S\$'000)	Capital Reserves (S\$'000)	Translation Reserves (S\$'000)	Total (S\$'000)	Minority Interests (S\$'000)	Total Equity (S\$'000)
<b>Group</b>								
<b>Balance at 1 November 2004</b>	6,206	2,003	(1,135)	-	(46)	7,028	-	7,028
<b>Changes in equity for 2005</b>								
Translation of foreign currency	-	-	-	-	46	46	-	46
Net income recognized directly in equity	-	-	-	-	46	46	-	46
Loss for the year	-	-	(872)	-	-	(872)	102	(770)
Total recognized expense for the year	-	-	(872)	-	46	(826)	102	(724)
Issue of share options	-	-	-	2	-	2	-	2
Business combinations	-	-	-	-	-	-	179	179
<b>Balance at 31 October 2005</b>	<b>6,206</b>	<b>2,003</b>	<b>(2,007)</b>	<b>2</b>	<b>-</b>	<b>6,204</b>	<b>281</b>	<b>6,485</b>
	Share Capital (S\$'000)	Share Premium (S\$'000)	Retained Profits/ Accumula ted Losses (S\$'000)	Capital Reserves (S\$'000)	Translation Reserves (S\$'000)	Total (S\$'000)	Minority Interests (S\$'000)	Total Equity (S\$'000)
<b>Balance at 1 November 2005</b>	6,206	2,003	(2,007)	2	-	6,204	281	6,485
<b>Changes in equity for 2006</b>								
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)	-	-	-	-	-	-
Issue of share capital	520	-	-	-	-	520	-	520
Issue of share options	-	-	-	7	-	7	-	7
Dividends							(100)	(100)

Business combinations						500	500
<b>Balance at 31 October 2006</b>	8,729	-	1,540	9	-	10,278	11,325

	Share Capital (S\$'000)	Share Premium (S\$'000)	Retained Profits/ Accumulated Losses (S\$'000)	Capital Reserves (S\$'000)	Translation Reserves (S\$'000)	Total (S\$'000)
<b>Company</b>						
<b>Balance at 1 November 2004</b>	6,206	2,003	(2,181)	-	-	6,028
<b>Changes in equity for 2005</b>						
Loss for the year	-	-	(1,678)	-	-	(1,678)
Total recognized expense for the year	-	-	(1,678)	-	-	(1,678)
Issue of shares options	-	-	-	2	-	2
<b>Balance at 31 October 2005</b>	6,206	2,003	(3,859)	2	-	4,352
<b>Balance at 1 November 2005</b>	6,206	2,003	(3,859)	2	-	4,352
<b>Changes in equity for 2006</b>						
Profit for the year	-	-	2,000	-	-	2,000
Total recognized income for the year	-	-	2,000	-	-	2,000
Dividends			2,962			2,962
Transfer (Note C)	2,003	(2,003)	-	-	-	-
Issue of share capital	520	-	-	-	-	520
Issue of share options	-	-	-	7	-	7
<b>Balance at 31 October 2006</b>	8,729	-	1,103	9	-	9,841

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 the 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**

On 28 July 2006, the Company issued 4,000,000 new shares at S\$0.13 per share as consideration for the acquisition of a subsidiary.

**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**

There were no changes in the accounting policies and methods of computation used in the preparation of the financial information in this announcement except for the change in accounting policy on the method of valuation of inventories as disclosed in note 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 was a change in the method of valuation of inventories from first-in-first-out method to that of weighted average method. Due to the fluctuations in prices of spare parts inventories, the weighted average method evens out these fluctuations and better represent the value of the inventories on hand. There is no material impact to the financial statements .

**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
	31.10.2006	31.10.2005
(i) Based on weighted average number of ordinary share in issue	4.51 cents	(1.12) cents
(ii) On a fully diluted basis	4.41 cents	(1.11) cents

Basic earnings per share is calculated based on the consolidated profit after tax of S\$3,547,000 (2005 : net loss of S\$872,000) and on 78,627,000 (2005: 77,575,000) weighted average ordinary shares in issue during the year. Fully diluted earnings per share is calculated based on 80,377,000 (2005: 78,283,000) shares, assuming the full conversion of the employee stock option outstanding at 31 October 2006.

**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
	31.10.2006	31.10.2005	31.10.2006	31.10.2005
Net asset backing per ordinary share based on number of shares in issue at end of period/year	12.60 cents	8.00 cents	12.06 cents	5.61 cents

The Group's net asset backing per share above has been calculated based on shareholders' equity of S\$10,278,000 (31.10.2005: S\$6,204,000) and the share capital of 81,575,000 ordinary shares (31.10.2005: 77,575,000).

The Company's net asset backing per share above has been calculated based on shareholders' equity of S\$9,841,000 (31.10.2005: S\$4,352,000) and the share capital of 81,575,000 ordinary shares (31.10.2005: 77,575,000).

**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 a revenue of \$18.8 million for the FY2006 which was 140.8% higher than that of the corresponding period of S\$7.8 million in FY2005. This was mainly due to the increase in ship repair and maintenance activities requiring surface blasting at our customers' shipyards and new customers were added during the financial year.

Gross profit margin improved from 34.3% in FY2005 to 53.3% in FY2006 as a result of lower disposal costs contributing to the improved margins.

Administrative expenses was 71.6% higher than the corresponding period due to increase in staff related costs as the new operations activities increases, acquisition of new subsidiaries and performance incentive bonus to directors as the Group returns to profitability this year.

Other charges were slightly higher than the corresponding period mainly due to impairment loss of plant and equipment.

As a result of the above factors, the Group's profit before tax increased significantly from a loss of S\$659,000 to a profit of S\$4,598,000.

## Balance Sheet

The Group's total current assets increased by S\$6,946,000 mainly due to increases in trade receivables and cash and cash equivalents as a result of higher sales.

Group's total non-current assets increased by \$618,000 mainly due to goodwill on acquisition of subsidiary during the year.

Group's total current liabilities increased by \$2,944,000 due to higher trade and other payables as a result of higher activities.

Group's total non-current liabilities decreased by \$220,000 due to payment of loan for the biomass fired cogeneration plant.

## Cash Flows

The cash and cash equivalents at the end of the reporting period was at \$4,662,000. The increase of S\$3,614,000 was mainly due to higher sales.

### **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 2006 is in line with the half year announcement made on 14 June 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 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. The biomass fired cogeneration plant has also been operating smoothly. 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

i.	Name of dividend	Final
ii.	Dividend type	Cash
iii.	Dividend amount per share	S\$0.01
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? None

#### **(c) Date payable**

To be announced later.

#### **(d) Books closure date**

To be announced later.

### **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 2006	Business Segments					Consolidated \$'000
	Collection \$'000	Processing \$'000	Solutions \$'000	Corporate \$'000	Eliminations \$'000	
Revenue from external customers	14,964	2,382	1,434	-	-	18,780
Inter-segment revenue	464	15,954	60	2,496	(18,974)	-
Total Revenue	15,428	18,336	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/(loss) before income tax	2,072	2,690	207	4,932	(5,303)	4,598
Taxation						(685)
Minority interests						(366)
Profit/(loss) 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	8,146	12,619	1,553	11,243	(15,168)	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	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)	5	-	196	5
- Provision for impairment in plant and equipment	-	600	-	50	-	650
- Reversal of provision for doubtful debts	-	(3)	-	-	-	(3)

Group Revenue and expenses as at 31 October 2005	Business Segments					Consolidated \$'000
	Collection \$'000	Processing \$'000	Solutions \$'000	Corporate \$'000	Eliminations \$'000	
Revenue from external customers	5,514	2,284	-	-	-	7,798
Inter-segment revenue	543	4,548	-	985	(6,076)	-
Total Revenue	6,057	6,832	-	985	(6,076)	7,798
Segment results representing profit/(loss) from operations	706	(575)	(60)	(1,621)	1,019	(531)
Financial income	70	-*	-	23	(92)	1
Financial expense	(29)	(172)	(14)	(6)	92	(129)
Profit/(loss) before tax	747	(747)	(74)	(1,604)	1,019	(659)
Taxation						(111)
Minority interests						(102)
Loss for the financial year attributable to shareholders						(872)

<b>Business Segments</b>						
<b>Group assets and liabilities as at 31 October 2005</b>	<b>Collection \$'000</b>	<b>Processing \$'000</b>	<b>Solutions \$'000</b>	<b>Corporate \$'000</b>	<b>Eliminations \$'000</b>	<b>Consolidated \$'000</b>
Segment assets	5,694	8,489	438	6,823	(10,615)	<u>10,829</u>
Total assets						<u>10,829</u>
Segment liabilities	1,458	7,361	647	2,397	(7,519)	<u>4,344</u>
Total liabilities						<u>4,344</u>
<b>Group assets and liabilities as at 31 October 2005</b>	<b>Collection \$'000</b>	<b>Processing \$'000</b>	<b>Solutions \$'000</b>	<b>Corporate \$'000</b>	<b>Eliminations \$'000</b>	<b>Consolidated \$'000</b>
Capital expenditure	58	2,131	1	81	-	<u>2,271</u>
Depreciation	110	476	2	36	-	<u>624</u>
Other non-cash items:						
- (Gain)/Loss on disposal of plant and equipment	(14)	18	-	-	-	<u>4</u>
- Provision for impairment in plant and equipment	-	413	-	50	-	<u>463</u>
- Reversal of provision for doubtful debts	-	22	-	-	-	<u>22</u>

**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**

	<b>Group 31.10.2006 (S\$'000)</b>	<b>Group 31.10.2005 (S\$'000)</b>	<b>Increase / (Decrease) %</b>
Sales reported for the first half year	6,347	2,844	123.2
Operating loss after tax before deducting minority interests reported for the first half year	913	(933)	197.9
Sales reported for the second half year	12,433	4,954	151.0
Operating profit/(loss) after tax before deducting minority interests reported for the second half year	3,000	163	1,740.5

**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 (2006)	Previous Full Year (2005)
Ordinary	S\$815,750	0
Preference	0	0
Total:	S\$815,750	0

**BY ORDER OF THE BOARD**

Lee Thiam Seng

Director  
28/12/2006