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**PRESS RELEASE**

**REVENUE INCREASE FROM STRATEGIC ACQUISITION  
AND FOCUS ON ENHANCING VALUE**

- *FY2010 saw revenue grow by 19.8% to S\$37.59 million.*
- *Positive contributions from four months consolidated financials of the recently acquired tyre retreading and rubber compound manufacturing business partially offset by losses incurred by Wuhan coal fired power plant conversion and lower used copper slag related activities.*
- *Going forward, the Group shall focus on enhancing value of its key business segments and continue to streamline its operations for improved performance amidst the economic recovery.*

**Singapore, 3 January 2011** – Mainboard-listed ecoWise Holdings Limited (“ecoWise” or together with its subsidiaries “the Group”), a company in the business of Resource Recovery, Renewable Energy and Environmental Solutions, had on 30 December 2010 announced the Group’s full year financial statement for Financial Year 2010 (FY2010) and would like to provide a review of the Group’s performance in FY2010 and key activities planned for FY2011.

## **Financial Highlights FY2010**

Revenue grew by 19.8% year on year to S\$37.59 million, mainly due to acquisition of Malaysia subsidiaries in the business of tyre retreading and rubber compound manufacturing in July 2010. The Group registered a loss attributable to equity holders of S\$1.3 million in FY2010 which are mainly due to the coal fired co-generation operations in Wuhan, asset disposal in Wuhan (related to removal of coal fired boiler as part of conversion of coal fired co-generation plant to biomass co-generation plant), lower used copper slag related activities and new business/project development cost.

The Group has started the process of building up capabilities and enhancing the value of individual business segments and units. The Group is also streamlining its operations (as a result of the recent strategic acquisition) to improve operational efficiency and strengthen the core competencies in each business segment and unit. The coal fired co-generation operations in Wuhan which is unprofitable had ceased for conversion. The Group will continue to explore new developmental projects diligently to materialize long term sustainable benefits to the Group.

### **FY2010 – Business Review:**

#### **a) Resource Recovery**

The Resource Recovery segment with its operations in Singapore and Malaysia remained the key contributor to the Group's revenue and profitability in FY2010. Having completed the acquisition of a 70% stake in the tyre retreading and rubber compounding businesses of Sunrich Integrated Sdn Bhd on 2 July 2010, the Group will continue to provide more resources to support the continuing increase of its already-strong market share in Malaysia.

Our products have a wider variety of applications from the automotive to electronics and industrial equipment manufacturing industries and the Group can offer more value added service to further cement our relationship with our large base of customers. The Group also plans to pursue its research and development into 'low carbon' and environmental friendly products and manufacturing processes.

The Group had incorporated ecoWise International Pte Ltd on 5 July 2010 as the international marketing arm of the Group's Resource Recovery businesses. Initially, this new marketing arm shall focus on developing international markets for the rubber compound and tyre retreading businesses of Sunrich Integrated Sdn Bhd. It will also explore business that is within the supply chain of the Group's existing repurposed products recovered from waste.

In China, the Group has also entered into the electronic and electrical waste management market through a 15% stake in Chongqing Zhongtian Electronic Waste Management Co., Ltd. The joint venture has just started the collection and implementation of the project. With this investment, the Group has taken a significant step that marks the Group's entry into the China's resource recovery segment.

## **b) Renewable Energy**

Under the Group's Renewable Energy segment, the Group's Design, Build and Operate of NParks Biomass Co-generation System located at Gardens by the Bay (Marina South), Singapore, development work is well on schedule and within budget. The project is targeted for commissioning by the end of 2011 which is also the planned official opening timing of the Gardens by the Bay.

The Group will also continue to improve the earnings from successful waste steam applications to the heating of ISO tankers and drying of spent grain businesses, provided by our biomass co-generation plant at Sungei Kadut, Singapore. These businesses demonstrate ecoWise's unique capabilities in integrating resource recovery with renewable energy segments.

The Group's biomass co-generation conversion project in Wuhan, China, is experiencing slowdown as our local JV partner Wuhan Jiabao Sugar Co., Ltd is in the midst of possible restructuring with equity participation by a State-Owned Enterprise. In the meantime, project preparation work is still underway and we have implemented loss reduction actions such as stopping coal fired co-generation of the plant. After the ownership of Wuhan Jiabao Sugar Co., Ltd is certain, the joint venture will proceed to secure project financing. The implementation of the biomass co-generation conversion project will be in Phases. The Group is of the view that such conversion project is still a feasible proposition considering the recent upward revision of the feed-in tariffs related to biomass energy projects in China.

### **FY2011 – Enhancing Value:**

The Group shall continue to explore opportunities within its three business segments:

1. Resource Recovery – business opportunities in the recovery of industrial materials that the Group has presence in and introduce them into the appropriate markets with potential;

2. Renewable Energy segment – organizing operating projects and projects under development into project portfolio to look into possibilities of raising funds;
3. Environmental Solutions – expanding our capabilities to provide a more holistic scope of environmental solutions to our valued customers. The Group also welcomes partnership opportunities in energy and waste management in this segment.

The Group takes the view that the Singapore, Malaysia and China markets remain the key markets. The Group aims to continue expanding the market share of its tyre retreading and rubber compound business and to develop renewable energy projects in Malaysia and resource recovery, total tyre management and renewable energy businesses in China.

- The End -

#### **About ecoWise Holdings Limited**

*ecoWise Holdings Limited (“ecoWise” or together with its subsidiaries “the Group”) is an integrated environmental solutions provider and is principally involved in two major business segments namely, the recovery of industrial waste and the generation of renewable energy. Under the industrial waste recovery segment, the Group is an appointed clearing contractor of used copper slag and general waste for certain major shipyards and fabrication yards in Singapore. The used copper slag is then processed and sold to contractors and companies largely dealing in abrasives and surface treatment. A large part of the off-take for recycled copper slag is sent to ready mix concrete suppliers to be mixed into eco-concrete. The Group also acquired 70% of the tyre retreading and rubber compound businesses of Sunrich Integrated Sdn Bhd.*

*In its renewable energy segment, the Group currently operates a biomass cogeneration plant which supplies heat energy for a number of industrial usages. It became the first Singapore registered company to successfully secure the sale of Certified Emission Reduction certificates (or CERs, commonly referred to as Carbon Credits) on 5 November 2007. The CERs, which will be sold to with Kansai Electric Co Inc, a leading electric power company in Japan, will be generated from ecoWise’s Clean Development Mechanism project which involves drying of waste, such as spent grains from breweries, and heating of ISO tanks by using waste steam generated from its biomass cogeneration plant.*

*In its recent move to accelerate the growth of its renewable energy segment, the Group entered into a joint-venture in Wuhan, PRC. The joint-venture has acquired a coal-fired power plant and is currently in the process of converting it into a bio-mass cogeneration plant. The Group has been awarded by National Parks*

*Board for the Design, Build and Operate of Biomass Co-generation Systems at Gardens by the Bay (Marina South), Singapore. The plant will have the capacity to generate 0.9MW of electricity and 5.4MW of heat.*