



ECOWISE HOLDINGS LIMITED
Company Registration No. 200209835C

Unaudited Financial Statements for the First Quarter ended 31 January 2011

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUCEMENTS

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial period

The Board of Directors is pleased to announce the results of the Group for the first quarter ended 31 January 2011. These figures have not been audited.

1(a) (i) Consolidated Statement of Comprehensive Income

	Group		
	Q1 FY2011 (S\$'000)	Q1 FY2010 (S\$'000)	% Change
Revenue	18,329	6,400	186.4
Cost of Sales	(15,001)	(5,197)	188.6
Gross Profit	3,328	1,203	176.6
<u>Other Items of Income</u>			
Interest Income	-	2	(100.0)
Other Credits	49	986	(95.0)
<u>Other Items of Expense</u>			
Marketing and Distribution Expenses	(756)	(68)	1,011.8
Administrative Expenses	(1,858)	(1,428)	30.1
Finance Costs	(231)	(67)	244.8
Other Charges	-	(299)	(100.0)
Share of Results from Associate, Net of Tax	(92)	17	(641.2)
Profit Before Income Tax	440	346	27.2
Income Tax Expense	(464)	(123)	277.2
(Loss)/Profit for the Period	(24)	223	(110.8)
<u>Other Comprehensive (Loss)/Income</u>			
Exchange Differences on Translating Foreign Operations, Net of Tax	220	23	856.50
Total Comprehensive (Loss)/Income	196	246	(20.30)

	Group		
	Q1 FY2011 (S\$'000)	Q1 FY2010 (S\$'000)	% Change
(Loss)/Profit Attributable to:			
Owners of the Parent	(201)	115	(274.8)
Non-Controlling Interest	177	108	63.9
Total	(24)	223	(110.8)
Total Comprehensive (Loss)/Income Attributable to:			
Owners of the Parent	(46)	138	(133.30)
Non-Controlling Interest	242	108	124.10
Total	196	246	(20.30)

1(a) (ii) Notes to Consolidated Statement of Comprehensive Income

	Group	
	Q1 FY2011 (S\$'000)	Q1 FY2010 (S\$'000)
Interest Income	-	2
Finance Costs	(231)	(67)
Gain on Disposal of Coal-Fired Power Plant Operation Quota	-	847
Gain/(Loss) on Disposal of Property, Plant and Equipment	10	(115)
Depreciation of Property, Plant and Equipment	(613)	(428)
Amortisation of Land Use Rights	(6)	(6)
Foreign Exchange Gain/(Loss)	39	9
Reversal of Impairment Loss on Property, Plant and Equipment	-	130
Equity-Settled Share-Based Payment Transactions	-	(184)

1(b) (i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial period

	Group		Company	
	31 January 2011 (S\$'000)	31 October 2010 (S\$'000)	31 January 2011 (S\$'000)	31 October 2010 (S\$'000)
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	36,326	33,111	555	566
Intangible Assets	7,650	7,609	-	-
Investments in Subsidiaries	-	-	23,296	23,296
Investments in Associate	1,547	1,639	-	-
Other Financial Assets	637	634	-	-
Trade and Other Receivables	600	600	-	-
Total Non-Current Assets	46,760	43,593	23,851	23,862
Current Assets				
Inventories	10,188	9,807	-	-
Trade and Other Receivables	19,551	21,448	25,493	24,765
Derivative Financial Instruments	75	82	-	-
Other Assets	1,118	1,139	88	72
Cash and Cash Equivalents	13,220	14,956	1,206	2,114
Total Current Assets	44,152	47,432	26,787	26,951
Total Assets	90,912	91,025	50,638	50,813
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	41,738	41,640	41,738	41,640
Retained Earnings	3,254	3,455	2,671	2,600
Other Reserves	452	297	577	577
Equity, Attributable to Owners of the Parent	45,444	45,392	44,986	44,817
Non-Controlling Interest	13,069	12,827	-	-
Total Equity	58,513	58,219	44,986	44,817
LIABILITIES				
Non-Current Liabilities				
Loans and Borrowings	3,488	3,912	2,221	2,496
Deferred Income	82	84	-	-
Provision for Retirement Benefits	528	592	-	-
Deferred Tax Liabilities	2,279	2,267	20	20
Total Non-Current Liabilities	6,377	6,855	2,241	2,516

	Group		Company	
	31 January 2011 (S\$'000)	31 October 2010 (S\$'000)	31 January 2011 (S\$'000)	31 October 2010 (S\$'000)
Current Liabilities				
Trade and Other Payables	12,190	13,209	1,609	1,561
Derivative Financial Instruments	-	5	-	-
Loans and Borrowings	13,711	12,570	1,576	1,706
Income Tax Payable	121	167	226	213
Total Current Liabilities	26,022	25,951	3,411	3,480
Total Liabilities	32,399	32,806	5,652	5,996
Total Equity and Liabilities	90,912	91,025	50,638	50,813

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	Group			
	As at 31 January 2011 (S\$'000)		As at 31 October 2010 (S\$'000)	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	12,181	1,530	10,910	1,660
Amount repayable after one year	1,474	2,014	1,635	2,277

Details of any collateral

As at 31 January 2011, secured loans and borrowings comprised:

- Financial lease liabilities amounted to S\$1,763,000. The obligations under finance leases are secured by the lessor's charge over the leased assets.
- The remaining loan and borrowings of S\$11,892,000 are secured by leasehold land and buildings of certain subsidiaries in Malaysia and guaranteed by related parties.

1(c) A Statement of Cash Flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	Q1 FY2011 (S\$'000)	Q1 FY2010 (S\$'000)
Cash Flows From Operating Activities		
Profit Before Tax	440	346
Depreciation of Property, Plant and Equipment	613	428
Reversal of Impairment Loss on Property, Plant and Equipment	-	(130)
(Gain)/Loss on Disposal of Property, Plant and Equipment	(10)	115
Amortisation of Land Use Rights	6	6
Share of Results from Associate, Net of Tax	92	(17)
Fair Value Loss on Derivative Financial Instruments	2	-
Reversal of Provision for Retirement Benefit Obligations	(37)	-
Interest Income	-	(2)
Finance Costs	231	67
Equity-Settled Share-Based Payment Transactions	-	184
Amortisation of Deferred Income	(2)	-
Reinstatement Costs	-	(3)
Operating Cash Flows Before Changes in Working Capital	1,335	994
Inventories	(264)	(1)
Trade and Other Receivables	1,966	(1,066)
Other Assets	21	(295)
Trade and Other Payables	(1,064)	(390)
Retirement Benefits Paid	(31)	-
Net Cash Flows From in Operations Before Interest and Tax	1,963	(758)
Income Taxes (Paid)/Refunded	(510)	316
Net Cash Flows From/(Used In) Operating Activities	1,453	(442)
Cash Flows From Investing Activities		
Proceeds From Disposal of Property, Plant and Equipment	30	25
Purchase of Property, Plant and Equipment	(3,660)	(503)
Deposit Placed for Proposed Acquisition of Subsidiary	-	(1,644)
Interest Received	-	2
Net Cash Flows Used In Investing Activities	(3,630)	(2,120)

	Group	
	Q1 FY2011 (S\$'000)	Q1 FY2010 (S\$'000)
Cash Flows From Financing Activities		
Proceeds from Issue of Ordinary Shares	98	19
Proceeds from Loans and Borrowings	345	-
Repayments of Loans and Borrowings	(690)	(427)
Interest Paid	(231)	(67)
Net Cash Flows Used In Financing Activities	(478)	(475)
Net Decrease in Cash and Cash Equivalents	(2,655)	(3,037)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-	7
Cash and Cash Equivalents, Statement of Cash Flow, Beginning Balance	12,495	26,619
Cash and Cash Equivalents, Statement of Cash Flow, Ending Balance	9,840	23,589
Cash and Cash Equivalents in the Statement of Cash Flow		
Cash and Cash Equivalents	13,220	23,599
Cash Restricted in Use Over 3 months	(30)	(10)
Bank Overdraft	(3,350)	-
Cash and Cash Equivalents At End of Period	9,840	23,589

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 period

	Share Capital (S\$'000)	Retained Earnings (S\$'000)	Other Reserves (S\$'000)	Parent Sub - Total (S\$'000)	Non- Controlling Interest (S\$'000)	Total Equity (S\$'000)
Group						
At 1 November 2010	41,640	3,455	297	45,392	12,827	58,219
Movements in Equity						
Total Comprehensive (Loss)/Income for the Period	-	(201)	155	(46)	242	196
Issue of Ordinary Shares	98	-	-	98	-	98
	98	(201)	155	52	242	294
At 31 January 2011	41,738	3,254	452	45,444	13,069	58,513
At 1 November 2009	29,927	4,803	312	35,042	4,739	39,781
Movements in Equity						
Total Comprehensive Income for the Period	-	115	23	138	108	246
Issue of Ordinary Shares	19	-	-	19	-	19
Equity-Settled Share-Based Payment Transactions	-	-	184	184	-	184
	19	115	207	341	108	449
At 31 January 2010	29,946	4,918	519	35,383	4,847	40,230

<u>Company</u>	Share Capital (S\$'000)	Retained Earnings (S\$'000)	Other Reserves (S\$'000)	Total Equity (S\$'000)
At 1 November 2010	41,640	2,600	577	44,817
Movements in Equity				
Total Comprehensive Income for the Period	-	71	-	71
Issue of Ordinary Shares	98	-	-	98
	98	71	-	169
At 31 January 2011	41,738	2,671	577	44,986
At 1 November 2009	29,927	2,320	735	32,982
Movements in Equity				
Total Comprehensive Income for the Period	-	94	-	94
Issue of Ordinary Shares	19	-	-	19
Equity-Settled Share-Based Payment Transactions	-	-	184	184
	19	94	184	297
At 31 January 2010	29,946	2,414	919	33,279

- 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 period**

Details of Changes in the Company's Share Capital	Number of Ordinary Shares	Paid-up Capital S\$'000
As at 1 November 2010	832,072,015	41,640
Issue of ordinary shares pursuant to warrants exercised	2,801,712	98
As at 31 January 2011	834,873,727	41,738

As at 31 January 2011, there are no outstanding warrants.

- 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 period**

The total number of issued shares excluding treasury shares as at 31 January 2011 was 834,873,727 ordinary shares and as at 31 October 2010 was 832,072,015 ordinary shares.

- 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**

Not applicable.

- 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 2010, 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 new and 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 period, after deducting any provision for preference dividends

Earnings per ordinary share for the period based on net profit/(loss) attributable to shareholders:

	Group	
	Q1 FY2011	Q1 FY2010
(i) Based on weighted average number of ordinary shares in issue	(0.02) cents	0.01 cents
(ii) On a fully diluted basis	(0.02) cents	0.01 cents

Basic earnings per share for the quarter ended 31 January 2011 is calculated based on the consolidated loss after tax of S\$201,000 (Q1 FY2010: S\$115,000) and on 832,687,078 (Q1 FY2010: 786,584,101) weighted average ordinary shares in issue during the period.

Fully diluted earnings per share for the quarter ended 31 January 2011 is calculated based on 833,079,049 (Q1 FY2010: 789,975,706) weighted average ordinary shares, assuming the full conversion of warrants outstanding.

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 period

	Group		Company	
	31 January 2011	31 October 2010	31 January 2011	31 October 2010
Net asset backing per ordinary share based on number of shares in issue at end of period/year	4.66 cents	4.68 cents	5.39 cents	5.39 cents

The Group's net asset backing per ordinary share has been calculated based on net tangible assets of S\$38,884,000 (31 Oct 2010: S\$38,954,000) and the share capital of 834,873,727 ordinary shares (31 Oct 2010: 832,072,015).

The Company's net asset backing per ordinary share has been calculated based on net tangible assets of S\$44,986,000 (31 Oct 2010: S\$44,817,000) and the share capital of 834,873,727 ordinary shares (31 Oct 2010: 832,072,015).

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**

Statement of Comprehensive Income

Group revenue for the quarter ended 31 January 2011 ("Q1 FY2011") increased by 186.4% to S\$18.33 million from S\$6.40 million from the corresponding period of last year ("Q1 FY2010"). The increase is mainly due to the better performance from the Resource Recovery segment through the revenue contribution by the Malaysia subsidiaries. This is partially offset by lower revenue contribution from used copper slag related activities in the same segment and the closure of Wuhan coal fired power plant for conversion to biomass co-generation power plant from the Renewable Energy segment.

Gross profit margin percentage declined slightly from 18.8% in Q1 FY2010 to 18.2% in Q1 FY2011. Gross profit margins of used copper slag related activities was lower in current quarter due to lower collection volumes resulting in higher production cost.

Marketing and distribution expenses increased by S\$0.69 million from Q1 FY2010 to S\$0.76 million in Q1 FY2011 mainly due to the effects of acquisition of Malaysia subsidiaries.

Administrative expenses increased by S\$0.43 million from Q1 FY2010 to S\$1.86 million in Q1 FY2011 mainly due to the effects of acquisition of Malaysia subsidiaries.

Finance cost increased by S\$0.16 million from Q1 FY2010 to S\$0.23 million in Q1 FY2011 mainly due to finance costs incurred by the Malaysia subsidiaries.

Depreciation of property, plant and equipment increased by S\$0.19 million from Q1 FY2010 to S\$0.61 million in Q1 FY2011 mainly due to the effects of acquisition of Malaysia subsidiaries.

Share of loss from associate for Q1 FY2011 is mainly due to the lower quantity of used copper slag processed by the associate company.

As a result of the above factors, the Group recorded a loss after income tax and before non-controlling interest of S\$0.02 million in Q1 FY2011 as compared to a profit after income tax and before non-controlling interest of S\$0.22 million in Q1 FY2010.

Loss attributable to owners of the company in Q1 FY2011 amounted to S\$0.20 million.

Statement of Financial Position

The variances for the assets and liabilities items are largely due to the acquisition of the Malaysia subsidiaries.

The increase in the Group's non-current assets amounts to S\$3.17 million. During Q1 FY2011, the Group continued to invest in plant and equipment for the NParks Design, Build and Own/Operate ("DBO") Gardens by the Bay (Marina South) biomass co-generation plant amounting to S\$3.33 million.

The Group's current assets as at 31 January 2011 decreased by S\$3.28 million as compared to the financial year ended 31 October 2010. The decrease is mainly contributed by better credit management efforts by the Group to recover its outstanding receivables and offset by the Group expenditure on plant and equipment, reducing cash and cash equivalents.

The Group's current liabilities remained relatively unchanged. The Group's trade and other payables as at 31 January 2011 decreased by S\$1.02 million as compared to the financial year ended 31 October 2010 while loans and borrowings (comprising bank loans and overdraft facilities) have increased by S\$1.14 million.

The Group's non-current liabilities decreased by S\$0.48 million mainly due to reclassification of a portion of loan and borrowings to current liabilities.

Cash Flow

The Group's cash and cash equivalents decreased by S\$2.66 million during Q1 FY2011 mainly due to the Group's capital expenditure on plant and equipment for the NParks DBO Gardens by the Bay (Marina South) biomass co-generation plant.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

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

Resource Recovery

The copper slag recycling market has become more competitive with the entry of a new competitor last year. However, the Group will continue to strive to maintain its collection and recovery volume of used copper slag for use in eco-concrete.

The increase in commodity price of rubber has affected the margins of the Malaysia subsidiaries as the cost of raw materials increases while customers are price-sensitive. Both the rubber and tyre (new and retread) industries are undergoing market adjustment presently and the Group has taken the appropriate measures to mitigate the negative effect on margin caused by higher rubber prices.

Renewable Energy

In our Sungei Kadut biomass co-generation plant, the waste steam from the biomass co-generation plant in Singapore had successfully been applied to the heating of ISO tankers and drying of spent grain businesses. The Group will continue to further improve the earnings derived from the waste steam applications.

For the Design, Build and Own/Operate ("DBO") of the iconic NParks Gardens by the Bay (Marina South) biomass co-generation plant, the progress of this project is on schedule and is expected to be completed by end of 2011. The main equipment had been received in early 2011 and site construction work has commenced. One of the key milestone activities was the installation of the chimney stack and it was successfully erected in March 2011.

The operation of the coal-fired power plant in Wuhan has ceased in January 2010 for the conversion of the plant into a biomass co-generation plant. During this conversion period, the Group will focus on costs containment and manage the cost of implementation. The project implementation timing is now subject to both the current local partner finalizing its negotiation on equity participation by State Owned Enterprise and both parties agreeing on the plan for phase implementation.

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? No

(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 or recommended for the period ended 31 January 2011.

13. Confirmation by the Board pursuant to rule 705 (5) of the listing manual

On behalf of the Board of Directors of the Company, we, the undersigned , hereby confirm to the best of the knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the first quarter ended 31 January 2011 to be false or misleading.

BY ORDER OF THE BOARD

Lee Thiam Seng
Director

Low Kian Beng
Director