2020 ANNUAL REPORT

CREATING A BETTER FUTURE FOR US

ecoWise
ecoworld . better world

ecoWise
ecoworld . better world

VISION

To be the preferred environmental solutions and renewable energy provider with high integrity, corporate social responsibility and to create value for all stakeholders.

MISSION

To establish successful operations and management of renewable energy projects that contribute to social, economic and environmental benefits to stakeholders.

To establish awareness, propagate, promote and encourage use of environmentally friendly products derived from recycled waste.

To establish best practices in the manufacture and distribution of innovative value-added products that are in harmony with ecological principles.

To emphasise on research and development to provide environmentally friendly solutions to industrial processes.

CONTENTS

This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.

This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd., at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.

CORPORATE PROFILE

Founded in 1979, ecoWise Holdings Limited (the "Company" or "ecoWise", together with its subsidiaries, the "Group") is a Singapore-based company that focuses on three core business segments namely, **Resource Recovery**, **Renewable Energy** and **Integrated Environmental Solutions Provider.** The Group has been listed on the Singapore Exchange since 2003.

CORPORATE PROFILE

RESOURCE RECOVERY (RR)

The Group's Resource Recovery business segment spans across Singapore, Malaysia and China.

In Singapore, the Group prepares its own fuel feedstock for its biomass power plants and Tuas Power Utilities in Singapore through the collection and processing of horticultural and wood wastes at Sarimbun Recycling Park ("SRP"). SRP also houses the Group's unique in-vessel composting bays using the Group's proprietary thermophilic process in the manufacturing of organic compost. Using steam generated from our biomass power plant in Sungei Kadut, the Group is also able to recover and re-purpose various food wastes into higher value animal feed. Besides, ecoWise has successfully developed a range of organic aqua-culture feeds from recycled materials with the use of proprietary technologies, creating a unique brand of 'made-from-recycled-material' aqua-culture feeds for Singapore and Asian markets.

In Malaysia, the Group's wholly-owned subsidiary, Sunrich Resources Sdn. Bhd. ("SRR" and together with its subsidiaries, the "SRR Group") is one of the largest rubber compound manufacturer and tyre retreading group. SRR Group's vertically integrated business model spans the manufacturing of mainstream and specialised rubber compounds, manufacturing of new tyres, to manufacturing of tyre products under the brand names of Sunrich, Sun Rubber, Sun Tyre, STAP and Saiko Rubber. In addition, SRR focuses on the provision of package services including total tyre-management in Malaysia in a bid to increase awareness and confidence in retreaded tyres as greener alternatives to new tyres.

In China, through its joint venture company, Chongqing eco-CTIG Rubber Technology Co., Ltd, and a franchise agreement with SRR, the Group has utilised its technological know-how acquired in Malaysia to develop a tyre retreading facility in Chongqing, which adopts state-of-the-art technologies, and also implements total tyre management for its main customer, Chongqing Municipal Transport Development and Investment (Group) Co., Ltd. The Group has also expanded the applications of retreaded tyres and rubber compounds to the public transport, railways and aviation businesses in Chongqing.

RENEWABLE ENERGY (RE)

In the Renewable Energy segment, the Group's biomass co-generation power plant in Sungei Kadut is one of the first in Singapore. In addition to generating electricity for its own consumption, the waste steam produced is also used in a wide array of industrial applications (eg. processing food waste, providing ISO-tank heating services for major logistics companies). The waste steam application from the plant has the honour of being the first Clean Development Mechanism ("CDM") project registered by a Singapore company under the United Nations Framework Convention on Climate Change (UNFCCC). The Group's second biomass co-generation power plant in Singapore, situated at the iconic Gardens by the Bay, commenced operations in November 2011. The power plant supplies renewable energy in the form of electricity to the power grid and heat energy to cool the two conservatories.

INTEGRATED ENVIRONMENTAL MANAGEMENT SOLUTIONS (IEMS)

In the segment of Integrated Environmental Management Solutions (IEMS), the Group provides 'low carbon' environmental solutions targeted at addressing issues related to clean energy as well as waste and resources management. This includes a wide array of technical and consultative services ranging from process design and optimisation; engineering, procurement and construction; testing and commissioning to operation and maintenance of the engineering facilities.

RESEARCH AND DEVELOPMENT (R&D)

The R&D department in Singapore works in conjunction with different divisions of the Group. This team of researchers who are equipped with advanced technologies and know-hows with primary focus in the sustainable energy industry, will enable the Group to further its strategic interest and position it at the forefront of the circular economy. The R&D team also collaborates with renowned universities both locally and globally in pursuit of excellence and continuous improvement.

集 团 简 介

绿科集团于 1979 年在新加坡成立。主营业务包括资源再生、再生能源和提供综合性环境解决方案。集团 2003 年起开始在新加坡交易所挂牌上市。

资源再生

绿科集团的资源回收业务遍布新加坡，马来西亚和中国。

在新加坡，绿科通过在莎琳汶的再循环园收集和处理园艺木材废料，为集团在新加坡的生物质电厂和大士能源提供燃料。再循环园独有的仓式堆肥隔间配合仓内高温堆肥技术，可生产有机肥料。集团还利用新加坡双溪加株的生物质热电厂生产的蒸汽作为能源，把食品废料进行烘干处理，生产高品质的动物饲料。另外，绿科成功利用回收物料并透过相关专利技术制造出一系列有机水产饲料，为新加坡及亚洲市场创造出独有的「循环再造」品牌水产饲料。

集团的全资子公司日升集团是马来西亚最大的橡胶制品制造商和轮胎翻新公司之一。日升集团的垂直式综合管理商业模式，从事橡胶复合材料和特制橡胶复合材料的生产和新轮胎制造，并拥有五大品牌 Sunrich, Sun Rubber, Sun Tyre, STAP 和 Saiko Rubber 的轮胎产品及橡胶制品。除此之外，日升集团还致力于为马来西亚最终用户提供综合轮胎管理服务，以提升当地社会对把翻新轮胎作为新轮胎的更环保替代品的认识和信心。

在中国市场，绿科通过集团下属合资公司重庆绿科开投橡胶科技有限公司，与日升集团签订了特许经营协议，利用在马来西亚的专有技术在重庆市投产轮胎翻新设备，并为其主要客户重庆公共交通有限公司提供综合轮胎管理服务，以及将我们的翻新轮胎及橡胶制品扩展到轨道、铁路及航空枢纽领域。

再生能源

在可再生能源领域，集团在双溪加株的第一个生物质热电厂也是新加坡的第一个生物质热电厂。除了生产自用电力之外，所产生的蒸汽也被广泛利用作物废料处理，及向大型物流公司的 ISO 储罐提供加热服务，生物质热电厂的热能应用项目更让公司成为首家在 UN- FCCC 成功注册清洁发展机制项目的新加坡注册公司。集团的第二个生物质热电厂坐落在新加坡地标性建筑滨海湾花园，于 2011 年 11 月投产运行。该生物质热电厂以设计、建造及营运为模式，为滨海湾花园两个冷却温室馆提供电力及制冷所需的再生能源。

集 团 简 介

综合环境管理方案（IEMS）

集团提供“低碳型”环境解决方案，旨在解决与清洁能源以及废物和资源管理相关的问题。广泛的服务范围涵盖技术和咨询服务，工艺流程设计及优化，工程设计、采购和施工， 运行测试和调试及设备维护等多个领域。

研究与开发（R&D）

集团的研发部门拥有能源环保产业的高科技环保技术和知识，通过与各部门的紧密合作，进一步帮助集团巩固于循环经济领域中的发展策略，保持其领导地位。此外，研发团队也积极与本地及世界各地的大学合作研究，务求精益求精、追求卓越。

MESSAGE FROM CHAIRMAN

Dear Shareholders,

2020 has been an extremely unusual and unprecedented year with the outbreak of COVID-19 pandemic which has impacted countries and economies worldwide. The many uncertainties and disruptions induced by the pandemic became a litmus test for ecoWise Holdings Limited (the “Company” or “ecoWise”, and its subsidiaries, the “Group”)’s survivability and fundamentals.

Under the tough circumstances of COVID-19, we made it a top priority to ensure that our employees’ health and safety are safeguarded first as our employees are the key assets of the Group. The management of the Group has worked out strategic plans and implemented a series of precautionary measures in the Group’s businesses in Singapore, Malaysia and China. We are glad that there was not a single COVID-19 case within the Group despite the high number of infections in these countries.

In 2020, the Group’s operations were temporarily suspended for a few months in accordance with the requirements of the various local governments as part of preventive measures implemented to curb the spread of the virus. However, with the right business strategy and careful budget planning, the Group has managed to recover lost ground in terms of production and sales, and has achieved commendable results in the financial year ended 31 October 2020.

We are pleased to see that the Group has survived the challenges posed by the COVID-19 pandemic, with a strong and visionary management team as well as our hard-working employees. We appreciate your continued support as we work towards improving our business and maximising value for our shareholders with a strong management team and prudent strategic planning.

主 席 致 辞

尊敬的股东们：

2020 年确实是极为不寻常和前所未有的一年，新冠肺炎爆发肆虐全球，影响世界各国的社会和经济。这大流行病所引起的许多不确定性和破坏性已成为綠科集团（"ecoWise"或"集团"）生存能力和基本层面的"试金石"。

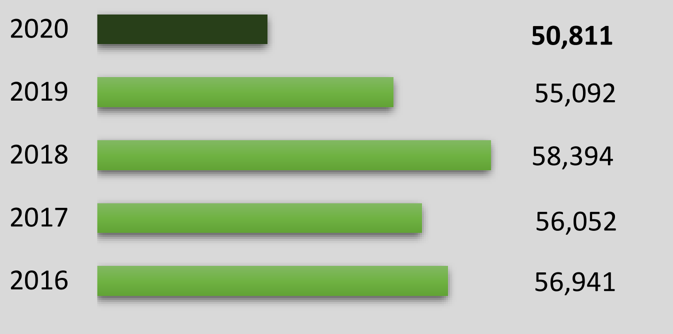
在如此严峻的形势下，我们首要要务是确保员工的健康和安全，因为本集团视员工为重要的资产。 我们的集团管理层已拟定了策略，并在新加坡，马来西亚和中国的业务中采取了一系列的预防措施。 我们感到欣慰的是，尽管这些地点的确诊病例数量激增，但集团中没有一个新冠肺炎的确诊病例。

在过去的一年中，为了阻断新冠肺炎疫情的蔓延，集团的生产也因遵行各国政府的指示而暂停营运了几个月。然而，因着本集团所采取正确的业务策略和精心的预算计划，成功地在生产和销售方面挽回"失地"，并与该地区相关行业的其他公司相比下，取得可观的成绩。

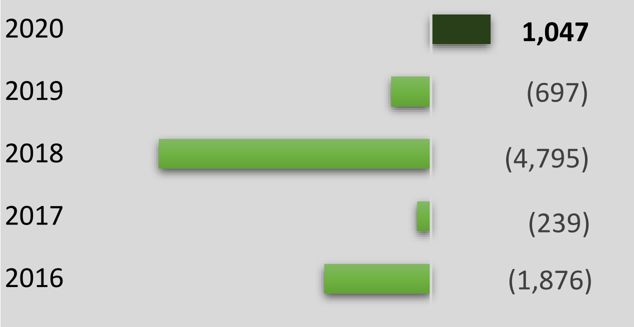
我们很高兴看到集团强大而富有远见的管理团队以及辛勤工作的员工通过新冠肺炎疫情的考验。感谢您一直以来的鼎力支持，我们强大的管理团队将会以审慎的策略规划来继续改善业务并为股东创造最高价值。

FINANCIAL HIGHLIGHTS

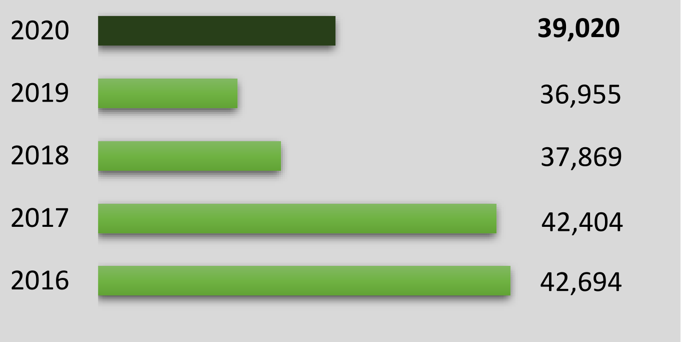
GROUP REVENUE ($'000)



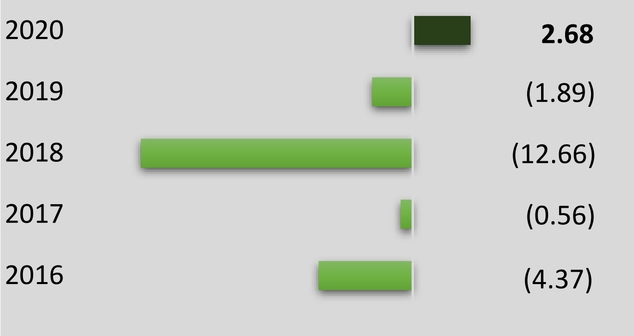
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY ($'000)



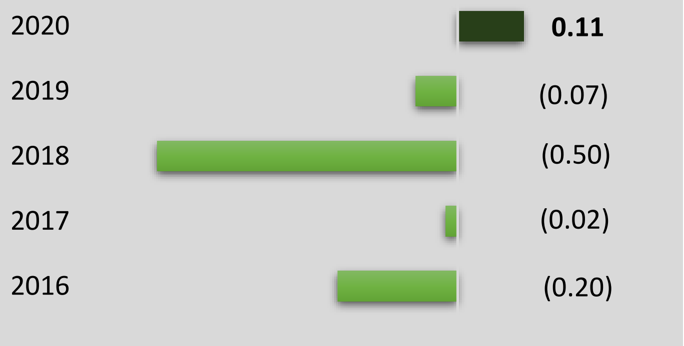
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY ($'000)



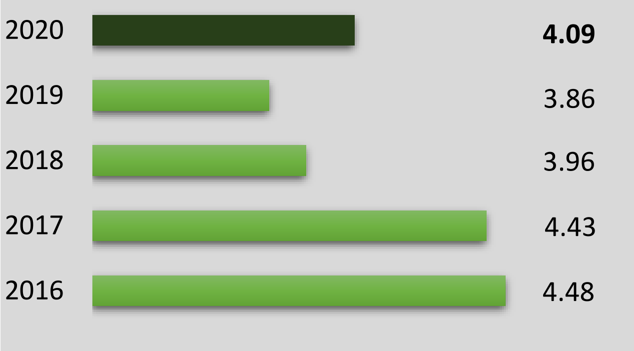
RETURN OF EQUITY, ATTRIBUTABLE TO OWNERS OF THE COMPANY (%)



BASIC EARNINGS/(LOSS) PER SHARE (CENTS)



NET ASSETS VALUE PER SHARE (CENTS)



FINANCIAL HIGHLIGHTS

FINANCIAL RESULTS ($'000)	**FY 2020**	FY 2019	FY 2018	FY 2017	FY 2016
Revenue	**50,811**	55,092	58,394	56,052	56,941
Gross profit	**10,594**	10,317	8,948	10,900	11,460
Profit/(Loss) before income tax	**2,688**	377	(3,639)	(422)	(1,791)
Profit/(Loss) after income tax	**1,592**	(487)	(4,610)	(29)	(1,811)
Non-controlling Interest	**545**	210	185	210	56
Profit/(Loss) attributable to owners of the Company	**1,047**	(697)	(4,795)	(239)	(1,867)

STATEMENT OF FINANCIAL POSITION ($'000)	**FY 2020**	FY 2019	FY 2018	FY 2017	FY 2016
Property, plant and equipment	**29,315**	27,336	30,705	29,279	24,963
Right-of-use assets	**1,441**	-	-	-	-
Investment properties	**2,017**	-	-	-	-
Cash and cash equivalents	**6,768**	5,501	3,938	5,278	8,174
Current assets	**30,996**	31,829	32,679	37,676	35,218
Total assets	**77,212**	74,185	80,094	87,185	83,804
Current liabilities	**22,376**	25,980	30,366	33,010	26,266
Total liabilities	**34,191**	32,941	39,556	42,536	38,424
Working capital	**8,620**	5,849	2,313	4,666	8,952
Equity attributable to owners of the Company	**39,020**	36,955	37,869	42,404	42,694

RATIOS	**FY 2020**	FY 2019	FY 2018	FY 2017	FY 2016
Current ratio (times)	**1.39**	1.23	1.08	1.14	1.34
Return on equity, attributable to owners of the Company * (%)	**2.68**	(1.89)	(12.66)	(0.56)	(4.37)
Return on assets * (%)	**1.36**	(0.94)	(5.99)	(0.27)	(2.23)
Basic earnings/(loss) per share (cents)	**0.11**	(0.07)	(0.50)	(0.02)	(0.20)
Net assets value per share (cents)	**4.09**	3.86	3.96	4.43	4.48

* In calculating return on equity, attributable to owners of the Company and return on assets, profit/(loss) attributable owners of the Company has been used.

FINANCIAL AND OPERATIONS REVIEW

Statement of Comprehensive Income

Revenue for FY2020 of S$50.81 million was S$4.28 million or 7.8% lower as compared to FY2019. The decrease in revenue was mainly due to (i) a 20.8% decline in revenue from the Renewable Energy segment, attributable to decrease in demand for ISO tank heating due to intense competition and expiry of supply contract for spent grain with one of the customers in FY2020, (ii) a 4.4% decline in revenue from the Resource Recovery segment, attributable to decrease in sales of rubber compounds and retreaded tyres under Sunrich Resources Sdn. Bhd. and its subsidiaries ("SRR Group") due to the effects of the implementation of Movement Control Order by the Malaysia government which commenced on 18 March 2020 (which affected sales in FY2020 as compared to FY2019), and (iii) a 23.9% decline in revenue from the Integrated Environmental Management Solutions segment as a result of the disposal of subsidiaries in the aquaculture business in FY2020.

Gross profit of S$10.59 million in FY2020 were higher as compared to S$10.32 million in FY2019. These were mainly due to (i) lower direct cost incurred by the Group's Resource Recovery segment under the SRR Group, and (ii) decrease in direct operating cost due to stringent cost control measures undertaken in FY2020.

Gross profit margin improved from 18.7% in FY2019 to 20.9% in FY2020. The aforesaid improved margins were largely attributable to stringent cost control measures implemented resulting in higher rate of decline in cost of sales as compared to the decline in revenue in the respective periods.

Other gains increased by S$1.18 million to S$1.96 million in FY2020 (as compared to FY2019), mainly due to (i) reversal of over-provision of expenses in prior years of S$0.50 million, (ii) increase in government grants extended by the Singapore government (i.e. Jobs Support Scheme and foreign worker levy rebate) of S$0.55 million, and (iii) increase in gain from disposal of subsidiary of S$0.45 million. The increase was partially offset by the absence of foreign exchange gains in FY2020 (as compared to a foreign exchange gain in FY2019). In FY2020, the Group recorded foreign exchange loss as a result of weakening of MYR and AUD against SGD in FY2020.

Marketing and distribution expenses decreased by 11.6% to S$1.77 million in FY2020 (as compared to FY2019), mainly due to tighter cost control measures undertaken by the Group as well as lesser marketing and distributing activities during the "Circuit Breaker" period in Singapore and the Movement Control Order in Malaysia.

Administrative expenses decreased by 11% to S$6.43 million in FY2020 (as compared to FY2019), mainly due to decrease in (i) manpower cost attributable to lower headcount; (ii) audit fees; (iii) travelling, transport and accommodation in overseas business trips attributable to restrictions imposed by the respective local governments in Singapore, Malaysia and other countries due to the COVID-19 pandemic; and (iv) employee benefits.

Finance costs decreased by 9.5% to S$0.82 million in FY2020 (as compared to FY2019), mainly due to repayment of certain loan facilities during FY2020 while new loan facilities were only drawn down toward the end of FY2020.

Other losses increased by 50.0% to S$0.76 million in FY2020 (as compared to FY2019), mainly due to (i) foreign exchange loss in FY2020 (as compared to foreign exchange gains in FY2019) as a result of weakening of MYR and AUD against SGD; and (ii) impairment loss on intangible assets (i.e. purchase goodwill and trademark), partially offset by the recognition of a one-off write-off of the PPA of plant and equipment relating to the copper slag business in FY2019.

Share of results from an associate and a jointly-controlled entity relates to the Group's share of profit or loss in China-UK Low Carbon Enterprise Co. Ltd. ("CULCEC") and Chongqing eco-CTIG Rubber Technology Co. Ltd. ("CECRT"). In FY2020, the Group's share of results from an associate and a jointly-controlled entity comprised share of losses from CECRT of S$0.01 million and share of losses from CULCEC of S$0.08 million.

The Group recorded tax expense of S$1.10 million in FY2020, as compared to tax expense of S$0.86 million in FY2019. The higher tax expense in FY2020 is the result of the Group recording a higher taxable profit in FY2020.

As a result of the above, the Group recorded a net profit of S$1.59 million in FY2020 as compared to a net loss of S$0.49 million in FY2019.

FINANCIAL AND OPERATIONS REVIEW

Statement of Financial Position

Property, plant and equipment increased by S$1.98 million, from S$27.33 million as at 31 October 2019 to S$29.32 million as at 31 October 2020. The increase was mainly attributable to purchase of new property, plant and equipment of S$5.49 million partially offset by depreciation charges of S$3.21 million and reclassification of existing leasehold properties and improvement of S$ 0.58 million to investment properties.

Right-of-use assets arose due to the adoption of SFRS(I) 16 in FY2020, and relates to the Group's plants in Lim Chu Kang and Sungei Kadut. Please refer to "Liabilities – Lease liabilities (non-current and current)" section below for liabilities arose due to the adoption of SFRS (I) 16.

Investment properties relate to properties and land leased to third parties.

Intangibles relate to goodwill, trademarks and customer relationships. Intangibles decreased by S$0.19 million, from S$1.03 million as at 31 October 2019 to S$0.84 million as at 31 October 2020.

Investments in an associate relates to the Group's investment in an associate, China-UK Low Carbon Enterprise Co. Ltd. The balance decreased by S$0.14 million, from S$1.68 million as at 31 October 2019 to S$1.54 million as at 31 October 2020, due to negative effects of movements in foreign exchange rates between SGD and Chinese Yuan ("CNY") of S$0.06 million as well as the Group's share of losses from associate of S$0.08 million.

Investment in a jointly-controlled entity relates to the Group's investment in a jointly-controlled entity, Chongqing eco-CTIG Rubber Technology Co. Ltd. The balance increased by S$0.19 million, from S$1.64 million as at 31 October 2019 to S$1.83 million as at 31 October 2020, due to positive effects of movements in foreign exchange rates between SGD and CNY of S$0.20 million as well as the Group's share of losses from a jointly-controlled entity of S$0.01 million.

Finance lease receivables (non-current and current) relate to the Group's investment in biomass co-generation power plant at Gardens by the Bay which is accounted for as a finance lease. Total non-current and current finance lease receivables decreased from S$9.70 million as at 31 October 2019 to S$8.76 million as at 31 October 2020, mainly attributable to the billing to, and the collections from, the customer.

Deferred tax assets decreased from S$0.39 million as at 31 October 2019 to nil as at 31 October 2020, due to write-off of deferred tax assets of S$ 0.11 million and utilisation of unutilised tax loss in FY2020.

Inventories increased by S$0.95 million, from S$5.06 million as at 31 October 2019 to S$6.01 million as at 31 October 2020, mainly due to increase in inventories for the Resource Recovery segment as sales of rubber compounds increased. Raw materials and finished goods increased in line with the increase in sales orders.

Trade and other receivables decreased by S$0.89 million, from S$15.66 million as at 31 October 2019 to S$14.77 million as at 31 October 2020, mainly due to lower revenue recorded during the year and slower collections of receivables from customers.

Other non-financial assets relate to prepayments and deposit payment. Other non-financial assets (non-current and current) increased by S$0.10 million, from S$2.37 million as at 31 October 2019 to S$2.47 million as at 31 October 2020, due to deposit placed for the Group's new factory in Sabah. The acquisition was completed on 2 December 2020.

Cash and cash equivalents increased by S$1.27 million, from S$5.50 million as at 31 October 2019 to S$6.77 million as at 31 October 2020. Please refer to "Statement of Cash Flow" section below for explanations on the increase in cash and cash equivalents of the Group.

Assets of disposal group classified as held for sale of S$2.50 million as at 31 October 2019 relates to the Company's investment in Asia Cleantech Hub Pte. Ltd. and Swee Chioh Fishery Pte. Ltd. to be disposed of (the "**Previous Disposal**"). The Previous Disposal was completed on 25 February 2020.

Loans and borrowings (non-current and current) increased by S$3.20 million, from S$11.85 million as at 31 October 2019 to S$15.05 million as at 31 October 2020, mainly due to proceeds from loans and borrowings of S$6.45 million and effects of movements in foreign exchange of S$0.10 million, partially offset by repayment of loans and borrowings of S$3.35 million in FY2020.

Lease liabilities (non-current and current) increased by S$0.50 million from S$ 3.00 million as at 31 October 2019 to S$ 3.50 million as at 31 October 2020 mainly due to the acquisition of plants and equipment of S$ 0.40 million, recognized of Right-of-use assets of S$1.86 million, partially offset by the repayment of lease liabilities of S$ 1.76 million.

FINANCIAL AND OPERATIONS REVIEW

Deferred tax liabilities decreased by S$0.04 million, from S$1.86 million as at 31 October 2019 to S$1.82 million as at 31 October 2020, mainly due to a reduction in temporary difference between accounting and tax treatment of assets.

Deferred income (current and non-current) increased by S$0.08 million, mainly due to defer of government grant received in FY2020.

Liabilities directly associated with assets held for sale relate to the Previous Disposal as at 31 October 2019. Please refer to "Assets - Assets of disposal group classified as held for sale" section above for further information.

The Group's working capital increased by S$2.77 million, from S$5.85 million as at 31 October 2019 to S$8.62 million as at 31 October 2020.

.

Statement of Cash Flow

Net cash flows from operating activities for FY2020 was S$8.25 million, mainly attributable to (i) operating cash flows before changes in working capital of S$7.2 million, (ii) decrease in trade and other receivables of S$1.31 million, (iii) decrease in finance lease receivables of S$0.94 million, (iv) increase in trade and other payables by S$0.52 million, partially offset by (i) increase in inventories of S$0.91 million and income tax paid of S$0.74 million.

Cash flows used in investing activities of S$6.05 million for FY2020 comprised (i) the purchase of new property, plant and equipment of S$5.08 million, (ii) purchase of new investment properties of S$0.84 million and (iiI) loan to a jointly-controlled entity of S$0.24 million.

Cash flows used in financing activities of S$1.10 million for FY2020 comprised mainly (i) repayments of loans and borrowings of S$3.39 million, (ii) interest expenses paid of S$0.80 million, (iii) dividends paid to non-controlling interests of subsidiaries of S$0.63 million, (iv) share buy-back of S$0.05 million, (v) lease payment of S$1.77 million, partially offset by the proceeds from loan and borrowings of S$5.66 million.

As a result of the above, the Group's cash and cash equivalents increased by S$1.10 million in FY2020. The cash and cash equivalents as at 31 October 2020 amounted to S$6.77 million.

BUSINESS OVERVIEW

The onset of COVID-19 pandemic has brought great disruptions and the way we live our lives and how businesses operate, which has necessitated a review of the Group's core businesses, to ensure that the various business segments will remain stable and can continue to bring about continued cash flow to the Group in times of need and uncertainty. As such, there is a need to focus on investing/generating assets which will at least preserve value, if not to appreciate over time. A stable cashflow, it will enable the Group to seize any opportune investment/acquisition opportunities as and when it occurs.

While the Group's core businesses continue, there is a need to consider the possibility of disruptions to our supply chain activities. Hence, the Group is also considering consolidating a centralised procurement office to increase the efficiency of its business activities as well as cost savings brought about by economies of scale.

Lastly, the Group will continue to focus on research and development activities to remain relevant and to stay ahead of the competition.

BUSINESS OVERVIEW

Renewable Energy Segment

Singapore

With a robust and resilient business model, the two biomass power plants – ecoWise Marina Power at Gardens By The Bay ("EMP") and Co-Generation Biomass Power Plant at Sungei Kadut ("SK") continues to contribute significantly to the Group's revenue in Singapore. Concurrently, ecoWise is reviewing and optimising the operational efficiency and effectiveness on two fronts:

(i) In maximising the profitability of the operations at EMP and to maintain the level of support provided, critical components of the plant at EMP are being upgraded and major equipment are being renewed to enhance cost savings in the long run.

(ii) Major upgrading works are also underway at SK to increase the overall efficiency and production capacity through the retrofitting of automation parts which will result in less downtime for scheduled maintenance.

Despite facing strong headwinds in this segment, ecoWise continues to remain as one of the most established biomass power plant designer, constructor and operator in Singapore with extensive know-how in this specific subject matter as evidenced by our operational stability over the years and the large network of stakeholders, business partners who have expressed continued interest in working with us in one way or another.

Resource Recovery Segment

Singapore

In line with the nation's call towards a Zero Waste Nation, ecoWise has been working tirelessly to achieve a truly circular economy that embodies the vision of ecoWise – playing our part in corporate social responsibility and creating value for our shareholders at the same time.

In addition to being a primer in the provision of resource recovery methods, ecoWise is constantly sourcing for and evaluating opportunities in the resource recovery market within Singapore, placing emphasis on higher value-added businesses and phasing out less profitable operations. As the main contributor to the Group's revenue for the Singapore business segment, our research and development team are working hard to identify gaps and opportunities in the recycling process that will enable us to work towards our goal of becoming a truly circular economy. We are also in close contact and collaboration with renowned research institutions to explore ways to maximise the value within the various waste materials which are commercially viable and feasible in the long run; such is the ethos and guiding principle in which ecoWise adopt towards the resource recovery segment.

As the resource recovery industry gains more traction, including new entrants to the industry, ecoWise will continue to remain focus and committed in providing quality products and services that aims to not only create value for both our customers and shareholders, but also benefit the society.

BUSINESS OVERVIEW

Malaysia

The Group's wholly owned subsidiary, Sunrich Resources Sdn. Bhd. ("SRR") together with its group of companies ("SRR Group") remain as one of Malaysia's largest rubber compound and retread tyre manufacturer. It continues to produce and market high quality products such as general rubber and high value rubber compounds, high quality retreaded and new tires.

The launching of Sunrich Tyres in year 2019 (which is the Company's in-house brand of new tyres that is specially designed and developed to be suitable for the local climate) has been widely accepted and the SRR Group plans to increase the capacity in the near future to cater for the high demand.

Through its subsidiary, the Company supplies its green retread (environmental friendly) tyres known as "Ekoprena Tyre", via its Tyre Management services to the local Mass Rapid Transit feeder buses in Malaysia. The Ekoprena Tyres consist of a specially developed epoxidised natural rubber compound that is developed in collaboration with the Malaysia Rubber Board (a local government authority). This reinforces the SRR Group's role in conserving the environment as one of the major benefits of using Ekoprena Tyres is to reduce carbon print.

SRR Group also exports rubber compound overseas and has plans to further increase the output line of its high value specialty rubber compounds in order to facilitate the high demands of the various rubber moulding industries.

Another carbon footprint reduction initiative identified in waste tyre management was in the recovery of carbon black, a material used abundantly in the fabrication of rubber compounds for many downstream applications. The production of recovered carbon black from end-of-life tyres presents an opportunity to reduce our reliance on virgin carbon black produced from fossil-based petroleum product such as coal tar, the initiative will at the same time introduce a regenerative cradle-to-cradle production platform increasing our business viability and sustainability.

Integrated Environmental Management Solutions Segment

China

Aside from the total tyre management system which are already in place for the Chongqing Public Transport Company, we have also finalised the contractual arrangements and are currently developing the public transportation market with Chongqing South Public Transport Company （南部公交公司）and Chongqing West Public Transport Company（西部公交公司).

Concurrently, we are exploring and pushing into other geographical locations within the domestic market such as Chengdu public transport company and are looking at business alliances with logistical companies to target the Qingdao, Shandong transportation market such as Qingdao public transport company（青岛运输事业）, large state-owned enterprise and private enterprises which have sizeable number of heavy vehicles. Likewise, discussion with Wuhan public transport company （武汉运输事业） are also in progress. We are also currently exploring the development of new railway tyres with Chongqing railway company（重庆轨道集团).

Talks and collaboration with China central enterprise（中央企业）are also in progress to explore the development of biomass and waste to energy plant in Changyi.

Last but not least, with respect to our subsidiary – Chongqing eco-CTIG Rubber Technology Co. Ltd, we are contemplating increasing the scale of our investments to capture and increase our market share in the future. However, this would have to be discussed and negotiated with our partners and in accordance with the financial status at the relevant point of time.

CORPORATE SOCIAL RESPONSIBILITY

Sustainability and Corporate Social Responsibility Statement

We view sustainability and corporate social responsibility as integral parts of our business. At ecoWise, we believe in building sustainable businesses that deliver long-term shareholders' value and growth. We believe that a truly sustainable business not only creates economic value, but performs so in a way that benefits its stakeholders.

As a resource recovery, renewable energy and integrated environmental management solutions provider, we have embedded environmental, social and governance considerations in our business decisions and processes.

We believe that taking these considerations into our business decisions and processes, helps us understand our risks and responsibilities in a holistic manner to be sustainable and profitable organisation committed to improving the environment and well-being of the communities that we serve.

The Group has also been promoting, developing and pursuing businesses that are sustainable, together with our environmental friendly and conscious partners in the three key countries (Singapore, Malaysia and China) that we operate in.

CORPORATE SOCIAL RESPONSIBILITY

In the three key business segments, the Group contributes to the conservation of resources and reduction of carbon dioxide emission via the following areas:

Developing aquaculture feeds that is derived from multiple waste material sources

Reducing the consumption of new tyres by providing quality retreaded tyres and Total Tyre Management services to the logistics and transport industries

Recovering food wastes from food and beverages manufacturers such as wet spent grain and soya bean waste into useful ingredients for animal feeds

CORPORATE SOCIAL RESPONSIBILITY

Recycling wood waste generated by industries as biomass fuel for producing “green” renewable energy

Recovering horticultural wastes as organic fertilizer

Focusing on biomass power plant development:

- Co-generation Biomass Power Plant at Sungei Kadut, Singapore
- ecoWise Marina Power at Gardens by the Bay, Singapore

Hosting power plant visits by educational institutions, business partners and worldwide government bodies to showcase the environmentally sustainable concepts adopted in the tri-generation power plant at Gardens by the Bay, Singapore and tyre retreading facilities in Malaysia.

Looking Ahead

Our Group will continue to place the utmost importance on the development and improvement of corporate governance to ensure managerial transparency and efficiency, building trust with our shareholders and other stakeholders as well as contributing to society. In 2021, we will strive to identify gaps and opportunities that will enable us to work towards our goal of becoming a truly circular economy.

BOARD OF DIRECTORS

LEE THIAM SENG

Chief Executive Officer & Executive Chairman

Date of first appointment as a director of the Company ("Director"):
12 November 2002

Date of last re-election as a Director:
28 February 2019

Length of service as a Director (as at 31 October 2020):
18 years

Board committee(s) served on:
- NIL

Other principal commitments (other than directorship):
- NIL

Academic & professional qualifications:
- Master of Business Administration, National University of Singapore
- Chartered Financial Consultant, The American College
- Diploma (Merit) in Electrical Engineering, Singapore Polytechnic

Present directorships other than ecoWise and subsidiaries:

Listed company
- NIL

Non-listed company
- NIL

Past directorships held over the preceding three years:
- Asia Cleantech Hub Pte. Ltd.
- Swee Chioh Fishery Pte. Ltd.

CAO SHIXUAN

Deputy Chief Executive Officer & Executive Director

Date of first appointment as a Director:
17 November 2017

Date of last re-election as a Director:
29 May 2020

Length of service as a Director (as at 31 October 2020):
2 years 11 months

Board committee(s) served on:
- NIL

Other principal commitments (other than directorship):
- NIL

Academic & professional qualifications:
- Executive Master of Business Administration, National University of Singapore
- Executive Master of Business Administration, Huazhong University of Science and Technology, China

Present directorships other than ecoWise and subsidiaries:

Listed company
- NIL

Non-listed company
- Fubon Investment (China) Co., Ltd.
- ecoWise Energy Pte. Ltd.

Past directorships held over the preceding three years:
- Asia Cleantech Hub Pte. Ltd.
- Swee Chioh Fishery Pte. Ltd.

BOARD OF DIRECTORS

MR ER KWONG WAH

Lead Independent Director

Date of first appointment as a Director:
3 July 2017
Date of last re-election as a Director:
28 February 2018
Length of service as a Director (as at 31 October 2020):
3 years 3 months

Board committee(s) served on:
- Audit Committee (Member)
- Remuneration Committee (Member)
- Nominating Committee (Chairman)

Other principal commitments (other than directorship):
- NIL

Academic & professional qualifications:
- Bachelor of Applied Science (Hons) (Electrical Engineering), University of Toronto, Canada
- Master in Business Administration (Manchester Business School), University of Manchester, England

Present directorships other than ecoWise:
Listed company
- COSCO Shipping International (Singapore) Co., Ltd
- CFM Holdings Limited
- The Place Holdings Limited
- Luxking Group Holdings Ltd
- Chaswood Resources Holdings Ltd (Suspended)

Non-listed company
- China Essence Group Ltd (delisted on 14 Feb 2020)
- The Thai Prime Fund Limited
- RHT Training Institute Pte. Ltd.

Past directorships held over the preceding three years:
- China Environment Ltd
- GKE Corporation Ltd
- China Sky Chemical Fiber Co., Ltd
- Firstlink Investment Corp Ltd
- USP Group Limited
- China Dongyuan Environment Pte. Ltd.
- Firstlink Capital Pte. Ltd.
- Firstlink Investment Advisory Pte. Ltd.
- Firstlink Payment Solutions Pte. Ltd.
- Glopeak Land Pte Ltd
- Glopeak Properties And Hotels Pte Ltd
- Singatronics Investment Pte Ltd

MR HEW KOON CHAN

Independent Director

Date of first appointment as a Director:
12 September 2019
Date of last re-election as a Director:
29 May 2020
Length of service as a Director (as at 31 October 2020):
1 year 1 month

Board committee(s) served on:
- Audit Committee (Chairman)
- Remuneration Committee (Member)
- Nominating Committee (Member)

Other principal commitments (other than directorship):
- Integer Capital Pte Ltd, Founder and Managing Director

Academic & professional qualifications:
- Bachelor of Engineering (Mechanical), National University of Singapore
- Graduate Diploma in Financial Management, Singapore Institute of Management
- Certified Diploma in Accounting and Finance, Chartered Association of Certified Accountants (UK)

Present directorships other than ecoWise:
Listed company
- shopper360 Limited
- Resources Global Development Limited

Non-listed company
- ATXL Invest Pte. Ltd.
- SEA Family Trust Pte. Ltd.
- SP Manufacturing Pte. Ltd.
- Integer Capital Pte. Ltd.

Past directorships held over the preceding three years:
- Nordic Group Ltd
- Far East Group Limited
- DeClout Pte. Ltd. (Formerly known as DeClout Limited)
- Roxy-Pacific Holdings Ltd
- Livingstone Health Ltd (formerly known as Ardmore Medical Group Ltd)
- Tai Icon Sdn Bhd (Struck Off on 25 July 2018)

BOARD OF DIRECTORS

MR TAN WEI SHYAN

Independent Director

Date of first appointment as a Director:
27 August 2019
Date of last re-election as a Director:
29 May 2020
Length of service as Director (as at 31 October 2020):
1 year 2 months

Board committee(s) served on:
- Audit Committee (Member)
- Remuneration Committee (Chairman)
- Nominating Committee (Member)

Other principal commitments (other than directorship):
- Shook Lin & Bok LLP, Partner

Academic & professional qualifications:
- Bachelor of Laws with Honours (First Class), University of Exeter

Present directorships other than ecoWise:
Listed company
- NIL

Non-listed company
- NIL

Past directorships held over the preceding three years:
- NIL

MANAGEMENT

LEE THIAM SENG

Chief Executive Officer

Mr Lee joined the Board in November 2002 and was appointed as Executive Chairman in April 2004 and Chief Executive Officer in March 2007.

Mr Lee has more than 25 years of experience in the fields of waste management and environmental engineering solutions in the region. Mr Lee has been with the Group for more than 18 years and has extensive knowledge and experience in the industries in which the Group operates.

Mr Lee is responsible for setting strategic directions, formulating corporate strategies and overall management of the Group's businesses in the resource recovery, use of sustainable resources and renewable energy segments. He has been instrumental in the growth and diversification of the Group's business over the years, which has evolved from waste management in biomass energy generation and environmental engineering.

CAO SHIXUAN

Deputy Chief Executive Officer

Mr Cao joined the Group in January 2016 and was appointed as the Deputy Chief Executive Officer on 17 November 2017. Mr Cao oversees the overall management and synergistic operations of the Group. As an important member of the leadership team, he is responsible for the formulation of the Group's strategic development plan and its implementation.

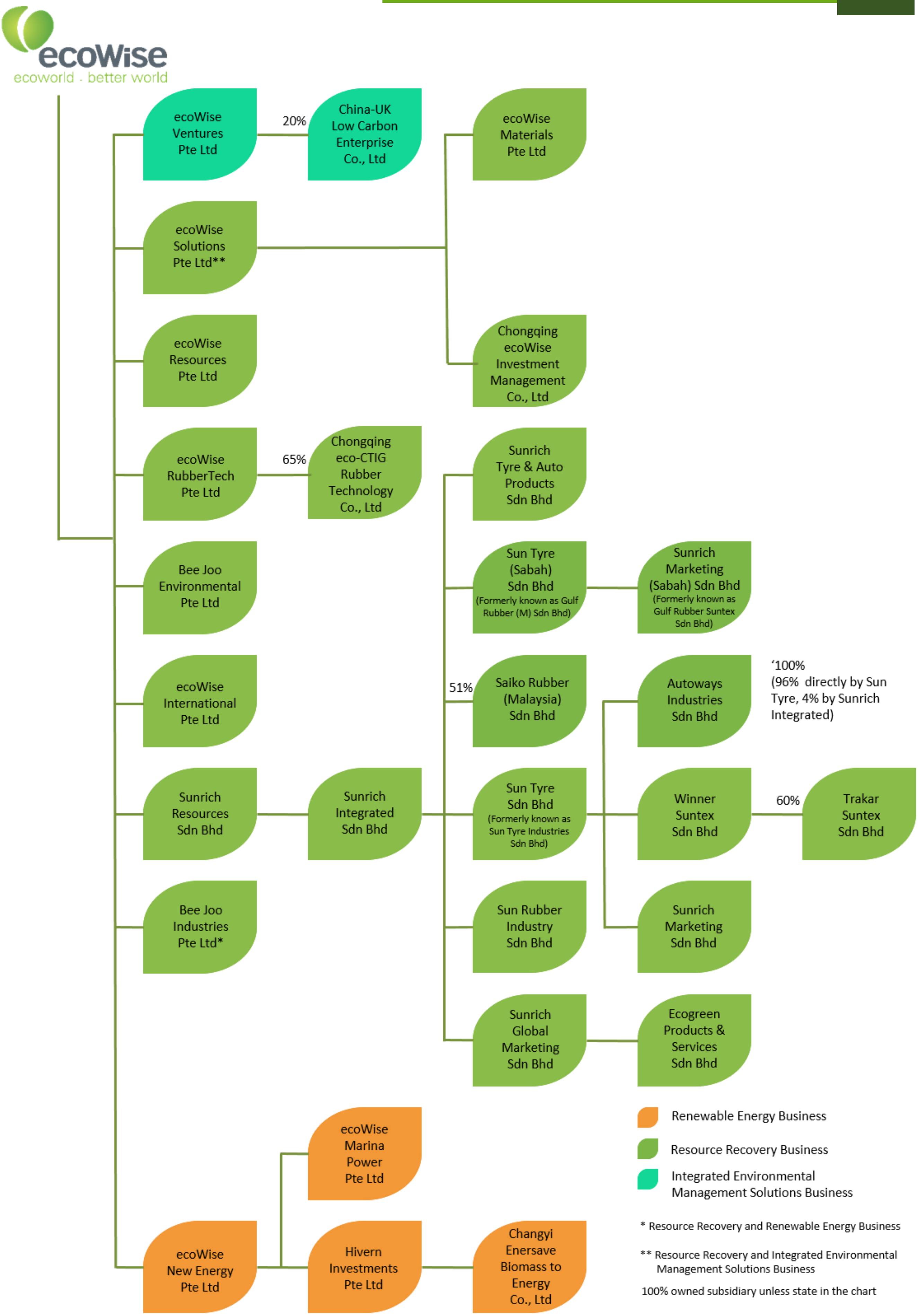
Mr Cao has more than 20 years of extensive experience in large-scale real estate projects, financial investment, crisis management, IT, mass media and the energy industry. He held notable senior positions in sizeable private and state-owned companies in Taiwan and China. His areas of expertise include strategic planning and implementation of sophisticated plans. He also has a broad experience working with government bodies.

Mr Cao holds an Executive Master of Business Administration from National University of Singapore and an Executive Master of Business Administration from Huazhong University of Science and Technology, China.

SUBSIDIARIES MANAGEMENT

SINGAPORE	MALAYSIA	CHINA
MR IVAN LYE KAR CHOON Group Assistant Financial Controller **MR TANG SONG CHYE** Head of Engineering & Operations **MS LYNN LIN JIA YI** Head of Purchasing **MR AARON TEO** Head of Investment **MS KHOO LAY FEN** Head of Accounts **MR KAMAL BASHA MOHAMED KALIBULLA** Head of EMP's Operations **MR EASWARAN VINODEASWAR** Head of SK5/7's Operations **MR CHONG SHEAU NAN** Head of Lim Chu Kang's Operations	**MR STEVEN GAN SENG POE** Sun Rubber Industry Sdn Bhd Executive Director **MR PANG WEI HAO** Sunrich Integrated Sdn Bhd Director cum Assistant General Manager **MR LAI JIH SHEN** Sun Tyre (Sabah) Sdn Bhd (Formerly known as Gulf Rubber (M) Sdn Bhd) General Manager **MR LOH YOON HON** Saiko Rubber (Malaysia) Sdn Bhd Director cum General Manager **MR LIM PENG KIAT** Sun Rubber Industry Sdn Bhd Head of R&D **MR CHEW TONY** Sunrich Integrated Sdn Bhd Assistant General Manager, QA&QC **MR JOHNNY KOH YONG HUAT** Sun Tyre Sdn Bhd (Formerly known as Sun Tyre Industries Sdn Bhd) Head of Production **MR ETSUJIRO TAKANASHI** Saiko Rubber (Malaysia) Sdn Bhd Technical Director **MR TAM SIEW WAN** Sun Rubber Industry Sdn Bhd Head of Production	**MS CAROL ZHANG GAO PIN** China Region, Financial Controller & Chief HR/Admin Officer **MR WU YONG ZHI** Central and North China Region, Assistant Financial Controller **MR WANG HUI WU** North China Region, Assistant General Manager, Administration **MR LU ZHEN BO** North China Region, Assistant General Manager, Production

CORPORATE STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS
Lee Thiam Seng (Chairman and CEO)
Cao Shixuan (Deputy CEO)

INDEPENDENT DIRECTORS
Er Kwong Wah (Lead Independent Director)
Hew Koon Chan
Tan Wei Shyan

AUDIT COMMITTEE
Hew Koon Chan (Chairman)
Er Kwong Wah
Tan Wei Shyan

NOMINATING COMMITTEE
Er Kwong Wah (Chairman)
Hew Koon Chan
Tan Wei Shyan

REMUNERATION COMMITTEE
Tan Wei Shyan (Chairman)
Er Kwong Wah
Hew Koon Chan

COMPANY SECRETARY
Lye Kar Choon

INDEPENDENT AUDITOR
RSM Chio Lim LLP
Public Accountants and Chartered Accountants
8 Wilkie Road, #03-08 Wilkie Edge
Singapore 228095

Partner-in-charge: Chan Weng Keen
Effective from reporting year ended 31 October 2020

CONTINUING SPONSOR
ZICO Capital Pte. Ltd.
8 Robinson Road
#09-00 ASO Building
Singapore 048544

SHARE REGISTRAR
Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

PRINCIPAL BANKERS
DBS Bank Ltd
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
United Overseas Bank Limited

REGISTER OFFICE/CONTACT DETAILS
Co. Registration No.: 200209835C

1 Commonwealth Lane,
1 Commonwealth #07-28,
Singapore 149544
Tel: 65 6250 0001
Fax: 65 6250 0003
Website: www.ecowise.com.sg
Email: enquiries@ecowise.com.sg

CORPORATE GOVERNANCE

The board of directors ("Board" or "Directors") of ecoWise Holdings Limited (the "Company", and together with its subsidiaries, the "Group") is committed to maintaining a high standard of corporate governance to ensure greater transparency, to protect shareholders' interests and enhance shareholders' value and achieve long-term sustainable business performance.

The Group adopts corporate governance practices which are in line with the recommendations of the Code of Corporate Governance 2018 (the "Code") issued on 6 August 2018. This report describes the Group's corporate governance practices that were in place throughout the financial year ended 31 October 2020 ("FY2020"), with specific reference made to the principles and provisions of the Code, which forms part of the continuing obligations of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist ("Catalist Rules").

The Board confirms that the Group has generally adhered to the principles and provisions set out in the Code for FY2020. Where there are deviations from the Code, the reasons and explanations in relation to the Group's practices have been provided, where appropriate. The Board will continue to assess the needs of the Company and implement appropriate practices accordingly.

BOARD MATTERS

The Board's Conduct of Its Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1

Principal Duties of the Board

The primary function of the Board is to provide effective leadership and direction and work with management of the Company ("Management") to enhance the long-term value of the Group to shareholders of the Company and other stakeholders.

The Board sets the tone for the Group in respect of ethics, values and desired organisational culture, and also ensures proper accountability within the Group.

The Board has the overall responsibility for reviewing the strategic plans and performance objectives, financial plans and performance reviews, key operational initiatives, major funding and investment proposals.

In general, the principal duties of the Board are:

- setting the strategic directions and long-term goals of the Group and ensuring that adequate resources are available to meet these objectives;
- reviewing and approving corporate plans, annual budgets, investment and divestment proposals, major funding proposals and financial plans of the Group;
- monitoring management performance towards achieving organisational goals;
- reviewing and evaluating the adequacy and integrity of the Group's internal controls, risk management and financial reporting systems;
- ensuring the Group's compliance with laws, regulations, policies and guidelines;
- reviewing and approving interested person transactions and material transactions requiring announcement under the Catalist Rules;
- ensuring accurate and timely reporting in communication with shareholders of the Company ("Shareholders");

CORPORATE GOVERNANCE

- determining the Group's values and standards including ethical standards;
- considering sustainability issues including environmental and social factors in the formulation of the Group's strategies; and
- identifying key stakeholders groups and recognise that their perceptions affects the Company's reputation.

Where a Director has a conflict or potential conflict of interest in relation to any matter, he/she will immediately declare and provide details of his/her interest and conflict at the Board meeting, and recuse himself/herself from any discussions on the matter and abstain from participating in any Board decision.

Objective Discharge of Directors' Duties and Responsibilities

The Board exercises due diligence and independent judgment in dealing with the business affairs of the Group and works with Management to make objective decisions in the interests of the Company and its stakeholders. All Directors are expected to objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company. In line with the Board's enduring commitment to high level of corporate governance, all Directors update the Board on a timely basis, through the Company Secretary, of interest in new companies that were not previously disclosed to the Board. Additionally, at the start of each financial year, all Directors submit a letter to the Company Secretary of all their interest in other companies to be read and acknowledged by the Board.

Provision 1.2

Appointment Letter

Upon appointment of a new Director, the Company will provide a formal letter of appointment to the Director explaining, among other matters, his/her roles, obligations, duties and responsibilities, as a member of the Board.

Board Orientation and Training

The Company recognises the importance of appropriate training for the Directors. All newly appointed Directors are given an orientation on the Group's business strategies and operations, as well as extensive information about the Company's history, missions and values. The Company will also arrange for first-time Directors to attend relevant training in relation to the roles and responsibilities of a director of a listed company, organized by the Singapore Institute of Directors as required under Rule 406(3)(a) of the Catalist Rules. The training of Directors will be arranged and funded by the Company.

Directors are encouraged to constantly keep abreast of developments in regulatory, legal and accounting frameworks that are of relevance to the Group through the extensive opportunities for participation in training courses, seminars and workshops as relevant and/or applicable. Directors are at liberty to request for any further explanations, briefings or information on other aspects of the Group's operations or business issues when required. Directors can also request for further explanations, briefings or information on any aspect of the Company's operation and business issues from Management.

In FY2020, briefings and updates provided to the Directors include but not limited to the following:-

- updates on the developments in financial reporting and governance standards, where relevant, by the external auditors of the Company to the audit committee and the Board; and
- updates on business and strategic developments pertaining to the Group's business by the Management to the Non-Executive Directors.

As part of the Company's continuing education for the Directors, the Company Secretary circulates to the Board, articles, reports and press releases relevant to the Group's business to keep Directors updated on current industry trends and issues. New releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority which are relevant to the Directors are also circulated to the Board.

CORPORATE GOVERNANCE

The Company has an on-going budget for all Directors to attend appropriate courses, conferences and seminars in order to stay abreast of relevant business developments and market outlook. All Directors are provided with complete, adequate and timely information prior to Board meetings and on an on-going basis to enable them to make informed decisions and to discharge their duties and responsibilities.

Provision 1.3

Matters Requiring Board's Approval

The Group has adopted and documented internal guidelines setting forth matters that require Board's approval. Matters which are specifically reserved for the decision of the Board include:

- the Group's strategy, business plan and annual budget;
- material acquisition and disposal of assets;
- capital-related matters including financial re-structuring and market fund-raising;
- share issuances, interim dividends and other returns to Shareholders; and
- any investment or expenditures exceeding the material limit set.

While matters relating to the Group's objectives, strategies and policies require the Board's decision and approval, Management is responsible for the day-to-day operation and administration of the Group.

Provision 1.4

Delegation of Authority to Board Committees

The Board has, without abdicating its responsibilities, delegated specific responsibilities to three (3) committees namely, the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC") (collectively, the "Board Committees"), to assist the Board in its execution of its responsibilities. The Board Committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis to ensure their continued relevance and efficacy. Each Board Committee examines issues pursuant to their written terms of references and makes recommendations to the Board, who shall then decide after taking into consideration such recommendations. Minutes of all Board Committees meetings are circulated to the Board so that Directors are aware of and kept updated as to the proceedings and matters discussed during such Board Committee meetings. While the Board Committees have the authority to examine particular issues and report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters still lies with the entire Board. The names of the respective members, terms of reference and a summary of activities of each Board Committee are set out in this report.

Provision 1.5

Meetings of Board and Board Committees

The Board holds at least two (2) meetings each year to approve the half-yearly and full year results announcement and to oversee the business affairs of the Group. The schedule of all the Board and Board Committees meetings and Annual General Meeting ("AGM") for the next calendar year is planned ahead at the beginning of each financial year, in consultation with the Directors. The Board also holds ad-hoc meetings as and when circumstances require. Telephonic attendance at Board meetings is allowed under the Company's Constitution (the "Constitution"). The Board and Board Committees may also make decisions by way of circulating written resolutions.

CORPORATE GOVERNANCE

The attendance of the Directors at Board and Board Committees meetings held during FY2020 is tabulated as follows:-

	AGM	Board	Board Committees		
			Audit	Nominating	Remuneration
No. of meetings held	1	3	3	1	2
Board Members	**No. of Meetings Attended**				
Lee Thiam Seng	1	3	3*	1*	2*
Cao Shixuan	1	3	3*	1*	2*
Er Kwong Wah	1	3	3	1	2
Tan Wei Shyan	1	3	3	1	2
Hew Koon Chan	1	3	3	1	2

** By invitation*

Provision 1.6

Board's Access to Information

Management acknowledges the importance of the complete, adequate and timely supply of information. Agenda, board papers and related materials, background or explanatory information relating to matters to be discussed at the half-yearly, full year, and/or ad-hoc Board meeting and Board Committee meetings are distributed to all Directors in advance to allow sufficient time for Directors to prepare for meetings and facilitate the effective discussion during meetings. Any additional materials or information requested by the Directors are promptly furnished, especially for events for which an announcement via SGXNET is required (e.g. contracts and full judgments are provided to Directors to better understand the whole transaction and awards respectively). The Board also has separate and independent access to the Management.

Provision of Information to the Board and/or individual Directors

Management's proposals submitted to the Board for approval are accompanied with detailed background and explanatory information such as facts, resources requirement, projected outcomes, financial impact, risk analysis, disclosure requirements under the Catalist Rules, conclusions and recommendations. Any material variance between the actual results and the budgets will be explained to the Board at the Board meetings.

Provision 1.7

Board's Access to Company Secretary

Directors have separate and independent access to the Company Secretary. The Company Secretary's responsibilities include among other things, assisting in ensuring that Board procedures are observed and that the Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act (Chapter 289) of Singapore, the Companies Act (Chapter 50) of Singapore, and the Catalist Rules, are complied with.

The Company Secretary or their representative attends all Board meetings and is responsible to the Board for advising on the implementation of the Group's compliance requirements pursuant to the relevant statutes and regulations.

Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flows within the Board and its Board Committees, and between the Management and the Independent Non-Executive Directors, advising the Board on all governance matters.

All Directors have separate and independent access to the advice and services of the Company Secretary through electronic mail, telephone, smart electronic device and face-to-face meetings.

The appointment and the removal of the Company Secretary are subject to the Board's approval.

Board's Access to Management and Independent Professional Advice

Management recognises the importance of ensuring the flow of information to the Directors on an ongoing basis to enable them to make informed decisions to discharge their duties and responsibilities. All Board and Board Committees papers are distributed to Directors in advance to allow sufficient time for Directors to prepare for the meetings. Management's proposals to the Board for approval provide background and explanatory information such as facts, resources needed, risk analysis and mitigation strategies, financial impact, regulatory implications, expected outcomes, conclusions and recommendations.

The Board has at all times separate and independent access to the Management through electronic mail, telephone and face-to-face meetings and may request for any additional information needed at any times to enable them to make informed decisions.

Key management, the Company's auditors and external consultants are invited to attend Board and Board Committees meetings to update and provide independent professional advice on specific issues, if required.

The Directors, either individually or as a group, may seek independent professional advice in furtherance of their duties and cost of such service shall be borne by the Group.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1

Board Independence

The criterion for independence is based on the definition set out in the Code and Practice Guidance, and taking into consideration whether the Director falls under any circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. The Board considers an "independent" Director as one who has no relationship with the Company, its related corporations, its substantial

Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Group.

The NC assesses and determines the independence of a Director at the time of his appointment. There is presently a strong and independent element on the Board. Majority of the Board is made up of Independent Directors whose independence is reviewed on an annual basis by the NC. For FY2020, the Independent Directors have confirmed that they do not have any relationships including immediate family relationships between the Directors, the Company, its related corporations, its substantial Shareholders or its officers that could interfere, or be perceived to interfere, with the exercise of their independent business judgement in the best interest of the Company, and do not fall under any of the circumstances pursuant to Rule 406(3)(d) of the Catalist Rules. The Independent Directors did not own shares of the Company and were not in foreseeable situation that could compromise their independence of thought and decision. The Board, based on the review conducted by the NC, has determined the said Directors are independent.

Duration of Independent Directors' Tenure

The independence of each Independent Non-Executive Director is assessed at least annually by the NC. Particular scrutiny is applied in assessing the continued independence of Directors having served beyond nine (9) years from the date of his first appointment, with attention to ensuring their allegiance remains clearly aligned with shareholders' interest. As at the date of this report, none of the Independent Non-Executive Directors has served more than nine (9) years from the date of his first appointment.

CORPORATE GOVERNANCE

Provisions 2.2 and 2.3

Proportion of Independent Non-Executive Directors

The Board comprises (5) five Directors, including three (3) of whom are Independent Non-Executive Directors. Accordingly, the Board has satisfied the requirements for (i) independent directors to make up a majority of the Board where the Chairman of the Board is not independent; and (ii) non-executive directors to make up a majority of the Board.

Provision 2.4

Board Composition and Size

In FY2020 and as at the date of this report, the compositions of the Board and Board Committees are as follows:

Name of Director	Designation	Board Committee Membership		
		Audit Committee	Nominating Committee	Remuneration Committee
Lee Thiam Seng	CEO and Executive Chairman	-	-	-
Cao Shixuan	Deputy CEO and Executive Director	-	-	-
Er Kwong Wah	Lead Independent Director	Member	Chairman	Member
Tan Wei Shyan	Independent Non-Executive Director	Member	Member	Chairman
Hew Koon Chan	Independent Non-Executive Director	Chairman	Member	Member

The composition of the Board is reviewed annually by the NC to ensure an appropriate mix of background, expertise and experience, which the Group may tap on in structuring and furthering its business objectives including shaping its business strategies. The Board members collectively possess the necessary core competencies such as business, finance, accounting, investment, legal, audit and taxation matters.

The Board's composition, size, and balance are reviewed annually by the NC to ensure that the Board has the core competencies for effective functioning and informed decision-making. Board renewal and tenure are considered together and weighed for relevant benefit in the foreseeable circumstances which are appropriate for the size and nature of activities of the Group's businesses.

The Directors consider the Board's present size and composition to be appropriate to facilitate effective decision making, taking into account the nature and scope of the Group's operations and the wide spectrum of skills and knowledge of the Directors.

Diversity and Competency of the Board

The Board comprises high calibre individuals who are suitably qualified with the necessary mix of expertise, experience and knowledge to lead and manage the Company. The Board is able to provide the Management with a diverse and objective perspective on the issues at hand and there is no individual or small group of individuals who dominates the Board's decision making. The biographies of the Directors are set out in "Board of Directors" section this Annual Report.

The Board is aware that gender diversity on the Board is one of the recommendations under the Code to provide an appropriate balance of diversity. Although there is currently no female Director appointed to the Board, the Board does not rule out the possibility of appointing a female Director if a suitable candidate is nominated for the Board's consideration.

Provision 2.5

Role of Non-Executive Directors

The Independent Non-Executive Directors participate actively in Board meetings. With their professional expertise and competency in their respective fields in the legal, finance, accounting and commercial sectors, collectively, the Independent Non-Executive Directors provide constructive advice and guidance for effective discharge by the Board of its principal functions over the Group's strategies, businesses and other affairs.

All the Directors have equal responsibility for the performance of the Group, the role of the Independent Non-Executive Directors is particularly important in ensuring that the strategies proposed by the Management are fully discussed and rigorously examined and taking into account the long-term interests of not only Shareholders, but also of employees, customers, suppliers and the communities in which the Group conducts its business.

Meeting of Independent Directors without Management

The Independent Non-Executive Directors are encouraged to meet, without the presence of Management, so as to facilitate a more effective check on Management. During FY2020, the Independent Non-Executive, led by the Lead Independent Director, communicate among themselves without the presence of Management as and when the need arose. Where appropriate, the Lead Independent Director provides feedback to the Board and/or the Chairman of the Board as appropriate.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1

Separate Role of Chairman and CEO

Mr Lee Thiam Seng ("Mr Lee") currently assumes the roles of both the Chairman of the Board and the CEO of the Company. Given the scope and nature of business activities of the Group, the Board is of the view that with Mr Lee's extensive knowledge and experience in the waste management, resource recovery and biomass energy business in the region, it is more effective for him to guide the Board on the discussions on issues and challenges faced by the Group. In view of the strong element of independence of the Board (as independent directors make up a majority of the Board), it is not pertinent to separate the functions of the Chairman and the CEO.

Provision 3.2

Responsibilities of Chairman and CEO

As Chairman of the Board, Mr Lee is responsible for:

- leading the Board to ensure its effectiveness on all aspects of its role;
- setting the Board agenda and ensuring the information flow and timing are adequate for discussion of all set agenda items, in particular strategic issues;
- setting the tone of Board discussion to promote open and frank debate and effective decision-making;
- ensuring effective communication with Shareholders;
- encouraging constructive relations within the Board, and between the Board and Management;
- facilitating the effective contribution of Non-Executive Directors; and
- continuous pursuit of high standards of corporate governance.

CORPORATE GOVERNANCE

As CEO of the Company, Mr Lee is responsible for the Group's business strategy and direction setting, the implementation of Group's corporate plans, policies and executive decision-makings.

Provision 3.3

Appointment of Lead Independent Director

The Board has appointed Independent Non-Executive Director, Mr Er Kwong Wah, as the Lead Independent Director as recommended by the Code. The Lead Independent Director is available to Shareholders where they have concerns on the Group, for which contact through the normal channels of the Chairman of the Board, CEO, Deputy CEO or Group Assistant Financial Controller have failed to resolve or is inappropriate.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1

Roles and Duties of the NC

The Board established the NC with written terms of reference which clearly set out its duties and responsibilities which include, amongst others:

- reviewing regularly the Board structure, size and composition having regard to the scope and nature of the operations, the requirements of the business, the diversity of skills, experience, gender and knowledge of the Company and the core competencies of the directors as a group;

- recommending to the Board relevant matters relating to (i) the review of board succession plans for the Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel; (ii) the review of training and professional development programs for the Directors; and (iii) the appointment and re-appointment of the Directors;

- assessing the process and criteria for evaluation of the performance of the Board as a whole, and the Board Committees, as well as the contribution by each Director to the effectiveness of the Board;

- determining on an annual basis the independence of directors; and

- identifying and making recommendations to the Board as to which Directors are to retire by rotation and to be put forward for re-election at each AGM of the Company, having regard to the Directors' contribution and performance, including the Independent Directors.

Provision 4.2

Composition of the NC

In FY2020 and as at the date of this report, the NC comprises three (3) members, all of whom, including the NC Chairman are independent. The Lead Independent Director is the Chairman of the NC. The NC comprises the following members:

- Mr Er Kwong Wah (NC Chairman and Lead Independent Director)
- Mr Tan Wei Shyan (Independent Director)
- Mr Hew Koon Chan (Independent Director)

Provision 4.3

Selection, Appointment and Re-appointment of Directors

The NC reviews the composition of the Board and identifies the skill sets which will enhance the Board's overall effectiveness in the selection process for the appointment of new directors. Potential candidates are identified from various sources. Thereafter, the NC will conduct an initial assessment to review a candidate's qualifications, attributes and past experience followed by interviewing short-listed candidates. The proposed candidates' independence, expertise, background and the right skills, will be considered before the NC makes its recommendations to the Board. The Board will also consider gender diversity requirements in seeking any new appointment to the Board. Furthermore, the Board will engage independent third party to conduct thorough check on candidates' background and experience, especially on any record of public reprimand and criminal record and require minimum two (2) testimonial on the candidates' experience and expertise from the senior executives of his/her former employer or directors of other companies of which he/she serves as board member.

Re-election of Directors

The Constitution of the Company requires all Directors to submit themselves for re-nomination and re-election at regular intervals and at least every three (3) years. Regulation 107 of the Constitution provides that one-third of the Board or the number nearest to one-third is to retire by rotation at every AGM. Regulation 117 of the Constitution provides that newly appointed Directors are required to submit themselves for re-nomination and re-election at the next AGM of the Company. Rule 720(4) of the Catalist Rules requires that the Company must have all Directors submit themselves for re-nomination and re-appointment at least once every three years.

Accordingly, the NC has recommended and the Board has agreed that at the forthcoming AGM, Mr Lee Thiam Seng and Mr Er Kwong Wah will be retiring pursuant to Regulation 107 of the Constitution. Both Directors have offered themselves for re-election.

Each member of the NC is required to abstain from voting, approving or making a recommendation on any resolutions of the NC in which he/she has a conflict of interest in the subject matter under consideration.

In its deliberations on the re-election and re-appointment of existing Directors, the NC takes into consideration the relevant Director's competency, commitment, contribution and performance (including, if applicable, his contribution and performance as a Director). The assessment parameters include attendance record, preparedness, intensity of participation and candour at meetings of the Board and Board Committees as well as the quality of input and contributions. Please refer to the section entitled "Additional Information on Director Nominated for Re-election - Appendix 7F to the Catalist Rules" of this annual report for the information as set out in Appendix 7F to the Catalist Rules relating to Mr Lee Thiam Seng and Mr Er Kwong Wah.

Provision 4.4

The NC to Determine Directors' Independence

The NC reviews annually the independence declarations made by the Independent Non-Executive Directors based on the criterion of independence under the guidelines provided in the Code and Practice Guidance, as well as Rule 406(3)(d) of the Catalist Rules, and any other salient factors. None of the Independent Non-Executive Directors or their immediate family members has any relationship with the Company, its related corporations, its substantial Shareholders or its officers, that may affect their independence. The NC has reviewed and determined that the Independent Directors (namely Mr Er Kwong Wah, Mr Hew Koon Chan, and Mr Tan Wei Shyan) are independent.

Provision 4.5

Directors' Time Commitment

As a Director's ability to commit time to the Group's affairs is essential for his contribution and performance, the NC has determined that the maximum number of listed company board representations which any Director of the Company may hold at any point in time is seven (7). All Directors are required to declare their board representations at the first Board meeting of each financial year and to inform the Board as and when there are new board representations.

CORPORATE GOVERNANCE

Having reviewed each of the Director's directorships in other companies as well as each of the Director's attendance and contribution to the Board in FY2020, the NC is satisfied that the Directors have spent adequate time on the Company's affairs and have duly discharged their responsibilities.

Appointment of Alternate Directors

The Board provides for the appointment of alternate directors only in exceptional cases such as when a Director has a medical emergency. The Board will take into consideration the same criteria for selection of Directors such as his qualifications, competencies and independence. The Company currently does not have any alternate director.

Key Information on Directors

Key information on the Directors, including their academic and professional qualifications, listed company directorships and principal commitments, are set out in "Board of Directors" section of this Annual Report. Information pertaining to the Directors' interests in shares, options and other convertible securities are set out in the "Directors' Statement" section of this Annual Report.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

<u>Provisions 5.1 and 5.2</u>

Assessment of the Board and Board Committees

The NC is responsible for recommending and implementing a process to assess the effectiveness of the Board and the Board Committees as well as to assess the contribution by the Chairman and each Director to the overall effectiveness of the Board.

Assessment checklists are disseminated to each member of the NC and the Chairman. The assessment results are discussed and the key areas for improvement and follow-up actions requested are highlighted at the NC meeting. No external facilitator has been used for the assessment process in FY2020.

Objective Performance Criteria for Board Evaluation

The Board assessment checklist includes evaluation factors such as Board structure concerning Board size and strong presence of independence, the conduct of meetings as to whether decisions are made after due consideration, corporate strategy and planning, risk management and internal control, recruitment, financial reporting and communication with Shareholders. The assessment also includes measuring and monitoring performance as to whether objectives and targets set for the year are met. The results of evaluation were presented to the Board.

For FY2020, the NC assessed the performance of the Board Committees based on the following criteria:
- right responsibilities defined in the terms of reference;
- composition and rotation;
- size of the committee;
- independent element in the committee;
- dynamics of interaction among committee members;
- committee work plan and calendar;
- adequacy of preparation of meetings;
- frequency and length of meeting;
- relationship with Management;
- candour of discussion;
- sufficiency of time devoted to agenda items;
- information transparency;
- records of minutes;
- reporting to the Board; and
- sufficiency of expertise and recommendation to the Board.

The performance criteria do not change unless circumstances deem it necessary and the decision to change them would be justified by the Board.

Evaluation of Individual Directors

In assessing the performance of the Chairman and the Directors, the NC evaluates each of them based on the following review parameters, which amongst others, include:

- attendance at board/committee meetings;
- adequacy of preparation for meetings;
- participation at meetings;
- ability to make informed business decisions;
- availability for consultation and advice, when required;
- independence of the directors; and
- appropriateness of skill, experience and expertise.

The above selected criteria will be changed when it is deemed necessary and be approved by the Board.

As an integral element of the process of appointing new Directors, the Chairman may act on the results of the performance evaluation, and, in consultation with the NC, propose, where appropriate, new members to be appointed to the Board or seek resignation of Directors.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Composition of the RC and Key Terms of Reference

Provision 6.1

Roles and Duties of the RC

The key terms of reference of the RC are as follows:

- recommending to the Board all matters relating to remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, share-based incentives and awards and benefits-in-kind, of the Directors and top five (5) key management personnel;
- reviewing and recommending to the Board the terms of the service agreements of the Directors;
- determining the appropriateness of the remuneration of the Directors;
- consider the disclosure requirements for Directors' and top five (5) key management personnel remuneration as required by the Code; and
- administering the ecoWise Performance Share Plan ("PSP").

Provision 6.2

Composition of the RC

In FY2020 and as at the date of this report, the RC comprises the following three (3) member, all of whom, including the RC Chairman, are Independent Non-Executive Directors:

- Mr Tan Wei Shyan (RC Chairman and Independent Director)
- Mr Er Kwong Wah (Lead Independent Director)

CORPORATE GOVERNANCE

- Mr Hew Koon Chan (Independent Director)

Provision 6.3

Procedure for Setting Remuneration

The Group's remuneration policy is to provide compensation packages at market rates with the view to reward, attract, retain and motivate Management and Directors.

The RC reviews and recommends to the Board the specific remuneration packages for each Executive Director as well as for key management personnel. The RC's recommendation is thereafter submitted to the Board for its approval.

The Executive Directors' remuneration packages are based on service contracts. Independent Non-Executive Directors are paid half-yearly directors' fees of an agreed amount and these fees are subject to Shareholders' approval at AGM. Independent Non-executive Directors are also eligible for share-based incentive awards.

No directors individually decides or is involved in the determination of his own remuneration. The RC's recommendations are submitted for endorsement by the Board.

Service Contracts

The Company's obligations arising in the event of termination of Executive Directors and key management personnel are contained in the respective service contracts. The RC is satisfied that the termination clauses therein are fair and reasonable. It should also be noted that the notice period for Executive Directors and key management personnel is longer than other staff of the Company. The RC, having reviewed all Executive Directors' and key management personnel's service contracts, is of the view that in light of their deep-rooted involvement in the operations of the Company, a longer notice period is warranted to ensure sufficient time to identify a capable successor and to effect a smooth hand-over.

Provision 6.4

RC's Access to Advice on Remuneration Matters

The Directors, either individually or as a group, may seek independent professional advice in furtherance of their duties and cost of such service shall be borne by the Company. For FY2020, the RC did not seek any external professional advice on remuneration of the Directors.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provisions 7.1, 7.2 and 7.3

Remuneration of Executive Directors and Key Management Personnel

In setting remuneration packages, the RC ensures the Executive Directors and key management personnel are adequately but not excessively remunerated as compared to the industry and in comparable companies. There is an annual review of the compensation of Executive Directors and key management personnel by the RC to ensure that the remuneration of the Executive Directors and key management personnel commensurate with their performance and that of the Company, with due regard to the financial and commercial health and business needs of the Group.

The Executive Directors do not receive directors' fees but are remunerated as members of the Management. The remuneration for the Executive Directors comprises a fixed component and variable component. The fixed component takes the form of a fixed monthly salary, while the variable component is linked to the performance of the Group (e.g. net profit after tax of the Group against their key performance indication) and the relevant individual. This is designed to align remuneration with the interests of Shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Group.

Service contracts for Executive Directors are for a fixed appointment period and do not contain onerous removal clauses.

Long-term Incentive Scheme

The RC is responsible for administering the Company's PSP. The Company aspires to foster a greater ownership culture within the Group by aligning the interests of PSP participants with the interests of Shareholders. Through the PSP, the Group aims to strengthen its competitiveness in attracting key talents and retaining employees, particularly those with requisite knowledge, skills and experience whom the Group believes could contribute to the development and growth of the Group.

The PSP was approved by Shareholders at the extraordinary general meeting held on 23 March 2007 and duly extended at the AGM held on 28 February 2017. The PSP shall continue in force at the discretion of the RC, subject to a maximum period of 10 years, i.e. 22 March 2027.

A participant's award is determined at the discretion of the RC. Awards granted will be principally performance-based, incorporating performance targets for senior executives and key executives aiming at delivering long-term shareholders' value.

Awards represent the right to receive fully paid shares, their equivalent cash value or a combination thereof, free of charge. Awards will be released to participants when the prescribed performance targets or service conditions have been achieved and within the vesting period.

The maximum number of ordinary shares can be released, when aggregated with the number of new shares issued pursuant to the released of awards shall not exceed fifteen (15%) of the issued share capital of the Company.

Remuneration of Non-Executive Directors

The Independent Non-Executive Directors receive directors' fees, in accordance with their contributions, taking into account factors such as responsibilities, effort and time spent for serving the Board and Board Committees. For FY2021, directors' fees of S$165,000 (FY2020: $165,000) are recommended by the Board and are subject to the approval of Shareholders at the forthcoming AGM of the Company.

Contractual Provisions to Reclaim Incentive Components of Remuneration from Executive Directors

The current service agreements entered with the Executive Directors are on three-year basis, approved by the RC and they do not contain contractual provision to allow the Company to reclaim incentive components of remuneration in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself of remedies against the Executive Directors in the event of such breach of fiduciary duties.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1

The table below show the breakdown of the remuneration and fees of each individual Directors (including the CEO who is a Director) for FY2020:

Directors	Directors Fees %	Base/Fixed Salary %	Variable or Performance Related Income/Bonus %	Benefits in kind %	ecoWise PSP[(1)] %	Total %	Total S$'000
Lee Thiam Seng	-	100	-	-	-	100	451
Cao Shixuan	-	100	-	-	-	100	340
Er Kwong Wah	100	-	-	-	-	100	55
Hew Koon Chan	100	-	-	-	-	100	58
Tan Wei Shyan	100	-	-	-	-	100	52

CORPORATE GOVERNANCE

Notes:
(1) Mr Lee Thiam Seng is the Executive Chairman and CEO of the Company.
(2) Mr Cao Shixuan is the Executive Director and Deputy CEO of the Company.

The details of the remuneration of top six (6) key management personnel of the Group for FY2020 are set out below.

Key Management Personnel	**Base/Fixed Salary** **%**	**Variable or Performance Related Income/Bonus** **%**	**Benefits in kind** **%**	**ecoWise PSP [1]** **%**	**Total** **%**
Below $250,000					
Ivan Lye Kar Choon	100	-	-	-	100
Steven Gan Seng Poe	93	7	-	-	100
Lai Jih Shen	100	-	-	-	100
Loh Yoon Hon	78	22	-	-	100
Pang Wei Hao	98	2	-	-	100
Etsujiro Takanashi	96	4	-	-	100

In aggregate, the total remuneration paid to the top six (6) key management personnel in FY2020 amounted to approximately S$438,000.

Information on the Link between Remuneration Paid to Executive Directors and Key Management Personnel

The fixed component of remuneration for the Executive Directors is based on the service agreements entered between the Company and the Executive Directors. Similarly, the fixed component of remuneration for the top six (6) key management personnel is based on the employment contracts with them. The variable component of remuneration for the Executive Directors is linked to the performance of the Group and individual.

Provision 8.2

Remuneration of Employees Related to Directors or the CEO

Save for Mr. Lee Thiam Seng, the Executive Chairman and CEO who is a substantial shareholder of the Company, there are no employees in the Group who are substantial Shareholders, or are immediate family members of a Director, the CEO or a substantial Shareholder, and whose remuneration exceeds S$100,000 during FY2020.

Provision 8.3

Employee Share Schemes

The PSP is administered by the RC in accordance with the rules thereof. Please refer to the section "Long-term Incentive Scheme" under Principle 7 of this report for details of the PSP. No share awards were granted under the PSP in FY2020, and no share awards remained outstanding as at 31 October 2020.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1

Structure of Risk Management and Internal Control

Currently, the AC assumes the responsibility of the risk management function with the assistance of internal and external auditors and Management. Management reviews regularly the Group's business and operational activities to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. Management reviews all significant policies and procedures and highlights all significant matters to the Board and the AC. The Board is of the view that in view of the Group's manageable size, a separate risk committee is not required for the time being.

Review of Risk Management and Internal Control

The Board engaged an accounting firm to update the Enterprise Risk Management framework that enables Management to address the financial, operational and compliance risks of the key operating units. The process involved the identification of major risks through workshops conducted for the Group's rubber compound manufacturing and tyre retreading business units, and the renewable energy and environmental management business units, whereby the business units' key risks of financial, operational and compliance nature, as well as the countermeasures in place or required to mitigate these risks were summarised for review by the AC and the Board.

During the financial year under review, internal auditors were engaged to review the production and occupational, safety and health management, procurement, inventory and warehousing management, and sales and collection management of the Group's principal subsidiary, Sun Rubber Industry Sdn. Bhd., in Malaysia.

The Group's internal auditors review the internal accounting controls that are relevant to their audit. Any non-compliance and recommendation for improvement are then reported to the AC. For the financial year under review, the AC has reviewed the reports submitted by the internal auditors relating to the audits conducted to assess the adequacy and the effectiveness of the Group's risk management and the internal control systems put in place, including financial, operational, compliance and information technology controls. A copy of the report was also issued to the relevant department for its follow-up action. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored.

Risk Committee

Having considered the scale of the Group's operation and current existing risk management and internal control system, the Board is of the view that no separate risk committee is required for the time being.

Provision 9.2

Assurance from the CEO, the Deputy CEO and the Group Assistant Financial Controller

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors and the documentation on the Group's key risks referred to above, reviews performed by Management, the AC and the Board are of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective as at 31 October 2020. This is in turn supported by assurance from the CEO, the Deputy CEO and the Group Assistant Financial Controller that:

(a) the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances and are in accordance with the relevant accounting standards; and

(b) they have evaluated the adequacy and effectiveness of the Group's risk management and internal controls and have discussed with the Company's external and internal auditors of their reporting points and noted that there have been no significant deficiencies in the design or operation of internal controls which could adversely affect the Group's ability to record, process and report financial data. Accordingly, the Group's risk management systems and internal control systems (including financial, operational, compliance and information technology controls) are adequate and effective.

CORPORATE GOVERNANCE

AUDIT COMMITTEE

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

Provision 10.1

Roles and Duties of the AC

The AC assists the Board in maintaining a high standard of corporate governance, particularly by providing an independent review of the effectiveness of the financial reporting system, management of financial, operational and compliance risks, and monitoring of the internal control systems.

The duties of the AC include:

- reviewing the external auditor's audit plans and auditors' findings and ensuring the effectiveness and adequacy of the Group's system of accounting controls;
- reviewing the internal auditor's internal audit plans and report of the Group and follow up actions, to ensure the effectiveness and adequacy of the internal control functions and risk management systems of the Group;
- reviewing the periodic financial statements and results announcement of the Group before submission to the Board for approval and announcement on SGXNet, so as to ensure the integrity of the financial statements and any announcements relating to the Group's financial performance;
- reviewing legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;
- reviewing the adequacy, effectiveness, independence, scope, results and objectivity of the external auditors and internal auditors;
- reviewing the nature and extent of non-audit services provided by the external auditors;
- reviewing the assistance given by the Group's officers to the internal auditors and external auditors;
- making recommendations to the Board on the appointment, re-appointment and removal of external auditors, and approving the remuneration and terms of engagement of the external auditors;
- reviewing the Group's compliance with such functions and duties as may be required under the relevant statutes or the Catalist Rules, and by such amendments made thereto from time to time;
- reviewing interested person transactions in accordance with the requirements of the Catalist Rules;
- reviewing the assurance from the CEO, the Deputy CEO, and the Group Financial Controller on the financial records and financial statements; and
- reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The Company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.

Authority of AC

The AC has the explicit power to conduct or authorise investigations into any matters within the AC's scope of responsibility, full access to and co-operation by Management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

AC Activities

The following are the activities carried out by AC the FY2020:-

- reviewing half-yearly and full year financial statements (audited and unaudited), and recommending to the Board for approval;
- reviewing and approving the interested/related parties' transactions;
- reviewing and approving the annual audit plan of the external auditors;
- reviewing the report to the AC by the external auditors;
- interviewing and selection of a new internal auditor;
- reviewing the internal audit report by the internal auditors;
- reviewing the annual re-appointment of the external auditors and determining their remuneration, and making recommendations to the Board approval; and
- meeting with the external auditors and internal auditors without the presence of Management.

To keep abreast of the changes in accounting standards and issues which have a direct impact on financial statements, advice is sought from the external auditors when they attend the AC meetings.

The AC has considered the report from the external auditors on their findings including the key audit matters ("KAMs") as set out in the independent auditor's report for the financial year ended 31 October 2020. The AC has reviewed management's assessment and assumptions made on the impairment of trade receivables, the aging analysis and the recoverability of the trade receivables, taking into consideration the impact of the COVID-19 pandemic on the business of the Group's customers and concurred that the impairment amount is adequate. With regards to the investment under Hivern Investments Pte. Ltd. which is Changyi Enersave Biomass to Energy Co., Ltd ("CEBEC"), CEBEC has made progress in its arbitration against its contractor, China Huadian Engineering Co., Ltd. which is a state-owned enterprise in China. CEBEC is now awaiting the decision by the Weifang Arbitration Commission on the quantum of compensation to be awarded to CEBEC. At the same time, the AC also reviewed the land parcel price released by the Changyi City Bureau of National Resources and Planning and noted that the market value of the land (for industrial use) is comparable to the carrying value of the property, plant and equipment ("PPE") and land use rights of CEBEC. Therefore, the AC concurred with management that no impairment is required for the PPE and land use rights in CEBEC.

Whistle-blowing Policy

The Group has in place a whistle-blowing policy. The Group is committed to the high standard of ethical, moral and legal business conduct. In line with this commitment and the Group's commitment to open communication, this policy aims to provide avenue for anyone to raise concerns about misconducts in the Group and at the same time assure them that they will be protected from victimization for whistle blowing in good faith. Cases that are significant are reviewed by the AC for adequacy and independence of investigation actions and resolutions. The whistle-blowing policy, its procedures and contact details of the AC have been made available in the Company's website. There was no such incident reported to the AC during FY2020.

<u>Provisions 10.2 and 10.3</u>

Composition of the AC

In FY2020 and as at the date of this report, the AC comprises three (3) Directors, all of whom (including the Chairman) are Independent Non-Executive Directors. The AC comprises the following members:

- Mr Hew Koon Chan (AC Chairman and Independent Director))
- Mr Er Kwong Wah (Lead Independent Director)
- Mr Tan Wei Shyan (Independent Director)

CORPORATE GOVERNANCE

Mr Hew Koon Chan holds a Certified Diploma in Accounting and Finance from the Chartered Association of Certified Accountants (UK) and also acts as the chairman of audit committee for two other listed companies on the SGX-ST. In light of the above credentials, the Board is of the opinion that Mr Hew Koon Chan is well qualified to chair the AC. The Board is of the view that the members of the AC, collectively, are adequately qualified to discharge their responsibilities and they have the relevant financial management expertise or experience. Please refer to the 'Board of Directors' section in the Annual Report for detailed information on the AC members, including their academic and professional qualifications.

The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation, none of the AC members have financial interest in the Company's exiting auditing or auditing corporation.

Provision 10.4

External Auditor Function

Annually, the AC reviews the independence and objectivity of the external auditors through discussions with the external auditors, as well as reviewing the non-audit services provided and the fees paid to them. The AC will review all non-audit services provided by the external auditors, to ensure that the non-audit services provided by the external auditors would not affect the independence and objectivity of the external auditors.

RSM Chio Lim LLP ("RSM") was re-appointed as the external auditors of the Company at the AGM held on 29 May 2020 until the conclusion of the forthcoming AGM. There was no non-audit services provided by RSM to the Company in FY2020. Following is a breakdown of fees paid to RSM for FY2020:-

Audit fees: $202,000 (FY2019: S$253,000)
Non-audit fees: NIL (FY2019: S$23,000)
Total: S$202,000 (FY2019: S$276,000)

In reviewing the nomination of RSM for re-appointment for the financial year ending 31 October 2021, the AC has considered the performance, adequacy of resources and experience of RSM. Consideration was also given to the experience of the audit engagement partners and audit team assigned to the Group's audit, as well as the size and complexity of the Group. Accordingly, the AC and the Board are satisfied with the standard and quality of work performed by RSM and have recommended the nomination of RSM for reappointment as external auditors of the Company for the ensuring year be tabled for Shareholders' approval at the forthcoming AGM.

For FY2020, the Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of audit firms for the Group. The AC and the Board are satisfied with the standards and the effectiveness of the audits performed by the independent external auditors of the subsidiaries and significant associated companies of the Group, other than those of the Company.

Appointment of Internal Auditors

The internal auditors' primary line of reporting is to the AC Chairman. The AC approves the engagement, removal, evaluation and compensation of the internal auditors. The internal auditors have unrestricted access to all the Company's documents, records, properties and personnel, including access to the AC.

The AC reviews the adequacy and effectiveness of the internal audit function at least annually to, amongst others, ensure that (i) the internal audit function is adequately resourced and has appropriate standing within the Group; (ii) the majority of the identified risks are audited by cycle; (iii) the recommendations of the internal auditors are properly implemented; and (iv) the effectiveness and independence of the internal auditors.

Adequately Resourced Internal Audit Function

The Company has outsourced its internal audit function and has appointed a professional firm, Wensen Consulting Asia (S) Pte Ltd ("Wensen Consulting Asia"), as the Company's new internal auditors.

The AC approved the recommendation of engagement of Wensen Consulting Asia (S) Pte Ltd as internal auditors to conduct the internal audit on the pre-selected operation areas in the Company's major subsidiary group in Malaysia, Sun Rubber Industry Sdn Bhd in FY2020. The AC is satisfied that the internal audit function is adequately resourced to perform its function effectively.

Qualified Internal Auditors

The AC is satisfied that the internal audit function is independent, effective and adequately resourced as Wensen Consulting Asia is staffed by suitably qualified and experienced professionals with the relevant experience

Standards for Internal Audit

The internal auditors have conducted their work in accordance with the International Professional Practices Framework for Internal Auditing set by The Institute of Internal Auditors.

Internal Audit Function Reviewed by AC

On an annual basis, the AC reviews the internal audit program of the Group so as to align it to the evolving needs and risk profile of the Group's activities.

The Group engages external independent audit firms to perform the internal audit function and they report directly to the AC which assists the Board in monitoring and managing risks and internal controls of the Group. The internal audit function primarily focus on whether the current system of internal control provides reasonable assurance on:
- compliance with applicable laws, regulations, policy and procedures;
- reliability and integrity of information; and
- safeguarding of assets.

In FY2020, the findings of the internal auditors were discussed in detail at the AC meeting including any internal control weaknesses, non-compliance of policy and procedures as well as follow-up actions required to strengthen the internal control system of the Group. A copy of the internal auditors' findings is disseminated to the relevant business units or departments for implementing follow-up actions.

<u>Provision 10.5</u>

Meeting with External and Internal Auditors without Management

During FY2020, the external auditors and internal auditors were invited to attend the AC meetings to present their audit plan and audit findings report to the AC. The AC also arranged for a follow up meeting with the external auditors and internal auditors subsequent to their findings report. The AC has met with the external auditors and the internal auditors separately without the presence of Management, at least once during FY2020.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

<u>Provision 11.1</u>

Shareholders Participation at General Meetings

CORPORATE GOVERNANCE

Shareholders are informed of shareholders' meetings through notice contained in the Company's annual report or circulars sent to all Shareholders. These notices are also published in Business Times and posted onto the SGXNet within the mandatory period. For FY2020, due the COVID-19 outbreak, the Company's AGM on 29 May 2020 was held by way of electronic means, through "live webcast" and "audio-only means". The notice of AGM was not published on the newspaper, but was instead disseminated to Shareholders through publication on SGXNet and the Company's website. The Company had also published a letter to Shareholders, together with the notice of AGM, detailing the alternative arrangements for the AGM held on 29 May 2020, during the COVID-19 pandemic. Shareholders participated in the AGM via electronic means, and their questions in relation to any resolution set out in the notice of AGM were sent to the Company in advance of the AGM. The Company provided their responses to the substantial queries and relevant comments from Shareholders at the AGM via electronic means, and the responses were subsequently published on the SGXNet and the Company's website together with the minutes of the AGM.

Proxy form is sent with notice of general meeting to all Shareholders. A shareholder may appoint up to two (2) proxies to attend and vote on his behalf at the meeting through proxy forms deposited seventy-two (72) hours before the meeting. The Company strongly encourages and supports Shareholders to participate at the general meetings of the Company. While the Company's Constitution currently provides for a limit of up to two (2) proxies for each Shareholder (including nominee companies), the Company has, in compliance with the spirit of the Code, allowed nominee companies to specify, in writing, the names of the beneficial shareholders of the Company who are attending the Company's general meetings as observers.

Voting by Poll at General Meetings of the Company

To enhance Shareholder participation, the Group puts all resolutions at general meetings of the Company to vote by poll and announces the results by showing the number of votes cast for and against each resolution and the respective percentage to the audience at the general meetings of the Company. All votes will be counted and announced immediately at the meeting, and the detailed results of the total number and percentage of votes cast for and against each resolution will be announced via SGXNET after the conclusion of the general meeting on the same day.

For FY2020, as the AGM on 29 May 2020 was held by electronic means, voting at the AGM was by proxy only. Shareholders who wish to vote on any or all of the resolutions at the AGM, appointed the Chairman of the AGM as their proxy by completing the proxy form for the AGM, and submitted the proxy form by post or by email to the Company seventy-two (72) hours before the AGM.

<u>Provision 11.2</u>

Conduct of Resolution

The resolutions tabled at the general meetings are on each substantially separate issue, unless the issues are interdependent and linked so as to form one significant proposal. If a scenario arises where the resolutions are inter-conditional, the Company will explain the reasons and material implications in the notice of the meeting.

The Company typically ensures there are separate resolutions at general meetings on each distinct issue. Detailed information on each item in the general meeting's agenda is provided in the explanatory notes to the notice of the general meeting.

<u>Provision 11.3</u>

Attendees at General Meeting

All Directors, key management staff, the Company's external auditors and legal advisors (if necessary) attend the general meetings of the Company. The procedures of general meetings provide Shareholders the opportunity to ask questions relating to each resolution tabled for approval and open communication are encouraged by the Shareholders with the Directors on their views on matters relating to the Company. The Company's external auditors will also be present to address Shareholders' queries on the conduct of the audit and the preparation and content of the auditor's report.

For FY2020, all Directors were present at the last AGM held on 29 May 2020. Save for the aforementioned AGM, there was no other general meeting held during FY2020.

CORPORATE GOVERNANCE

Provision 11.4

Absentia Voting

As the authentication of Shareholder identity information and other related security issues still remains a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, email or fax.

Provision 11.5

Minutes of General Meeting

The proceeding of each of the general meetings will be properly recorded, including substantial or relevant comments or queries from Shareholders relating to the agenda of the general meetings and responses from the Board and Management. All minutes of the general meetings will be available for inspection of Shareholders upon their request (upon approval by the Board). For the recent AGM of the Company held on 29 May 2020, the Company had published the minutes of the AGM on its corporate website and the SGXNet within one month from the conclusion of the AGM.

Provision 11.6

Dividend Policy

The Company recognises Shareholders' desire to receive return on their investment and always endeavours to maximise their return. The Company does not have a formal dividend policy in place. In determining whether dividends should be paid, the Board takes into consideration the Company's working capital requirements and the need to retain profits for future investment. The Board is not recommending dividend distribution to Shareholders for FY2020 in light of the Group's new investments (e.g. land acquisition in Seremban, Malaysia, and factory acquisition in Sabah, Malaysia) and the COVID-19 pandemic that has severely affected businesses all over the world. The Board is of the opinion that having sufficient cash reserves will be beneficial for the Group amid the COVID-19 pandemic.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communications regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provisions 12.1, 12.2 and 12.3

Communication with Shareholders

The Company believes that prompt disclosure of pertinent information and high standard of disclosure are the keys to raise the level of corporate governance. The Board believes in regular and timely communication with Shareholders. In line with the continuous disclosure obligations of the Group pursuant to the Corporate Disclosure Policy of the SGX-ST, the Group's policy is that all Shareholders should be equally and timely informed of all major developments that impact the Group. Shareholders with any queries are encouraged to reach out to the Company via enquiries@ecowise.com.sg, or by calling our office at +65 6250 0001, during office hours.

Timely Information to Shareholders via SGXNET

Information is communicated to Shareholders on a timely basis and made through:

- Annual Reports of the Company. The Board makes every effort to ensure that the annual report includes all relevant information about the Group, including future developments, disclosures required by the Singapore Companies Act, Chapter 50, the Catalist Rules and the Singapore Financial Reporting Standards;
- SGXNET and news releases; and
- the Group's website at www.ecowise.com.sg on which Shareholders can access information relating to the Group.

CORPORATE GOVERNANCE

Regular Dialogue with Shareholders

The Group is committed to providing regular communication with its shareholders. For FY2020, the Company, through its internal public relations department, regularly sent out greeting cards during festive periods. This is consistent with the Company's constant outreach to its Shareholders in hopes of encouraging greater participation and ownership of the Company. Particularly, the Company strongly encourages participation at general meetings, which provide a major platform for shareholders to engage in dialogue with the Company directly. All Directors, key management staff, the Company's external auditors and legal advisors (if necessary) attend the general meetings of the Company. Shareholders are encouraged to have open communication with the Directors on their views on matters relating to the Company. General meetings of the Company also provide excellent opportunities for the Company to understand the views of the Shareholders. To further enhance the process of soliciting input from Shareholders and stakeholders, a template enquiry form is embedded in the Company's website and both Shareholders and stakeholders can utilise the form to facilitate communication with the Company.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement With Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

<u>Provisions 13.1 and 13.2</u>

The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to work towards sustainable growth. The Company's efforts on sustainability are focused on creating sustainable value for our key stakeholders, which include employees, lenders, investors, clients and regulators / Government.

Detailed approach to the stakeholder engagement and materiality assessment are disclosed in the Company's Sustainability Report.

<u>Provision 13.3</u>

To promote regular, effective and fair communication with Shareholders, the Company maintains a corporate website at http://ecowise.com.sg, through which Shareholders are able to access up-to-date information on the Group. The website provides, amongst others, the Company's annual reports, announcements, and the profiles of the Company, Directors and Management. Members of public who has enquiry, may also email the Company at enquires@ecowise.com.sg.

OTHER CORPORATE GOVERNANCE MATTERS

Code of Business Conduct

As a part of the process to further strengthen the Group's internal control, the Code of Business Conduct has been established. By the Code of Business Conduct, the Group aims to conduct its business fairly, honestly and in compliance with all applicable laws, rules and regulations of the countries in which the Group operates. All Directors, officers and other employees of the Group are to adhere to this Code of Business Conduct.

Interested Party Transactions ("IPT")

The Group has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC for review and the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Group and the Company's minority shareholders.

The Group does not have a general mandate from Shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules.

There were no IPTs, as defined in Chapter 9 of the Catalist Rules, above S$100,000 entered into by the Group during FY2020.

CORPORATE GOVERNANCE

Dealings in Company's Securities

The Group has put in place an internal code on dealings with securities ("Internal Code") which, amongst others, prohibits the dealing in securities of the Company by Directors and key management personnel (as defined in the Code) while in possession of price-sensitive information. This Internal Code has been issued to Directors and officers setting up the implications on insider trading.

The Internal Code prohibits the dealing in securities of the Company by Directors and officers while in possession of price-sensitive information, and during the period one (1) month before the announcement of the Group's half-year and full-year results, ending on the date of the announcement. Further, Directors and officers are advised not to deal in the Company's securities on short-term considerations. Directors are required to notify the Company their securities dealings within two (2) business days of such dealings and the Company shall disseminate the notifications received to the market via SGXNET within one (1) business day of receiving such notifications.

In addition, Directors and key management personnel (as defined in the Code) are cautioned to observe insider trading laws at all times.

Material Contracts

No material contracts (including loans) were entered into between the Company or any of its subsidiaries involving the interests of any Director or controlling Shareholder, which are either subsisting at the end of the financial year reported on

or, if not then subsisting, entered into since the end of the previous financial year except for Director's remuneration as disclosed in the Notes to Financial Statements in this Annual Report.

Non-Sponsorship Fees

With reference to Rule 1204(21) of the Catalist Rules, there were no non-sponsorship fees paid to ZICO Capital Pte. Ltd. in FY2020.

STATEMENT BY DIRECTORS

The directors of the Company are pleased to present the accompanying financial statements of the Company and of the Group for the reporting year ended 31 October 2020.

1. Opinion of the directors

In the opinion of the directors,

(a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Company and, of the financial position and performance of the Group for the reporting year covered by the financial statements or consolidated financial statements; and

(b) at the date of the statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. Directors

The directors of the Company in office at the date of this statement are:

Executive directors
Lee Thiam Seng
Cao Shixuan

Independent directors
Er Kwong Wah
Hew Koon Chan
Tan Wei Shyan

3. Directors' interests in shares

The directors of the Company holding office at the end of the reporting year had no interests in the shares of the Company or other related body corporate as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act") except as follows:

	Direct interests	
Name of directors and companies in which interests are held	At beginning of the reporting year	At end of the reporting year
The Company – ecoWise Holdings Limited	Number of ordinary shares with no par value	
Lee Thiam Seng	35,509,388	35,509,388
Cao Shixuan	42,535,114	42,535,114

STATEMENT BY DIRECTORS

3. Directors' interests in shares (cont'd)

Name of directors and companies in which interests are held	Deemed interests At beginning of the reporting year	At end of the reporting year
The Company – ecoWise Holdings Limited	Number of ordinary shares with no par value	
Lee Thiam Seng	218,229,375	218,229,375

The directors' interests in the ordinary shares of the Company at 21 November 2020 were the same at 31 October 2020.

By virtue of section 7 of the Act, Mr Lee Thiam Seng is deemed to have an interest in all related body corporates of the Company.

4. Arrangements to enable directors to acquire benefits by means of the acquisition of shares

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares of the Company or any other body corporate, except as mentioned below.

5. Share options

During the reporting year, no option to take up unissued shares of the Company or other body corporate in the Group was granted and there were no shares issued by virtue of the exercise or an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

6. ecoWise Performance Share Plan

The ecoWise Performance Share Plan (the "Share Plan") was approved by the members of the Company at an extraordinary general meeting held on 23 March 2007 and further extended for a period of 10 years at the annual general meeting held on 28 February 2018. The Share Plan provides for the grant of ordinary shares of the Company, their equivalent cash value or combinations thereof, to selected employees of the Company and its subsidiaries, including the directors of the Company, and other selected participants. Under the Share Plan, the maximum number of ordinary shares to be awarded to eligible participants shall not exceed 15% of the issued ordinary shares of the Company on the date preceding the grant of the award.

The Share Plan shall continue in force at the discretion of the remuneration committee, subject to a maximum period of 10 years commencing from 23 March 2018. The Share Plan may continue beyond the above stipulated period with the approval of members of the Company by ordinary resolution in a general meeting and of any relevant authorities which may then be required.

STATEMENT BY DIRECTORS

6. ecoWise Performance Share Plan (cont'd)

The Share Plan is administered by the remuneration committee comprising three independent directors, Mr. Tan Wei Shyan (Chairman), Mr. Er Kwong Wah and Mr. Hew Koon Chan. Ordinary shares are vested when the remuneration committee is satisfied that the prescribed performance target(s) have been achieved and the vesting period (if any) has expired. The vesting periods may be extended beyond the performance achievement periods as set out by the remuneration committee.

The lapsing of the award is provided for upon the occurrence of certain events, which include:

(a) the misconduct of an eligible participant;
(b) the termination of the employment of an eligible participant;
(c) the bankruptcy of an eligible participant;
(d) the retirement, ill health, injury, disability or death of an eligible participant; and/or
(e) a take-over, amalgamation, winding-up or restructuring of the Company.

The Company may deliver ordinary shares pursuant to awards granted under the Share Plan by way of:

(a) issuance of new ordinary shares;
(b) delivery of existing ordinary shares purchased from the market or ordinary shares held in treasury; and/or
(c) cash in lieu of ordinary shares, based on the aggregate market value of such ordinary shares.

There were no outstanding performance shares as at 1 November 2020.

Performance shares vested at the vesting date are dependent on the level of achievement against the pre-set performance conditions and targets.

Details of performance shares granted under the Share Plan to directors and other participants are as follows:

	Number of ecoWise performance shares				
	Performance shares granted during reporting year ended 31 October 2020	Aggregate performance shares granted since commencement of Share Plan to 31 October 2020 [1]	Aggregate performance shares vested since commencement of Share Plan to 31 October 2020 [1]	Aggregate performance shares cancelled/lapsed since commencement of Share Plan to 31 October 2020 [1]	Aggregate performance shares outstanding at 31 October 2020
Executive directors					
Lee Thiam Seng	–	13,767,825	13,219,388	548,437	–
Cao Shixuan	–	4,500,000	4,500,000	–	–
Other participants	–	31,464,400	29,474,400	1,990,000	–
	–	49,732,225	47,193,788	2,538,437	–

[1] After adjustments for rights cum warrants issue on 1 November 2007 and rights issue on 26 September 2008 and net of cancellations.

STATEMENT BY DIRECTORS

7. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

8. Report of audit committee

The members of the audit committee at the date of this report are as follows:

Hew Koon Chan	(Chairman of audit committee and independent director)
Er Kwong Wah	(Lead independent director)
Tan Wei Shyan	(Independent director)

The audit committee performs the functions specified by section 201B (5) of the Act. Among other functions, it performed the following:

(a) Reviewed with the independent external auditor their audit plan.

(b) Reviewed with the independent external auditor their evaluation of the Company's internal accounting controls that are relevant to their statutory audit, and their report on the financial statements and the assistance given by management to them.

(c) Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditor.

(d) Reviewed the financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption.

(e) Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the Company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provides non-audit services.

The audit committee has recommended to the board of directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as the independent auditor at the next annual general meeting of the Company.

9. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors, and reviews performed by management, other committees of the board and the board, the audit committee and the board are of the opinion that the Company's internal controls, addressing financial, operational, compliance and information technology controls, and risk management systems were adequate and effective as at 31 October 2020.

STATEMENT BY DIRECTORS

10. Subsequent developments

There are no significant developments subsequent to the release of the group's and the Company's preliminary financial statements, as announced on 30 December 2020, which would materially affect the group's and the Company's operating and financial performance as of the date of this report.

On behalf of the directors

....	....
Lee Thiam Seng	Cao Shixuan
Director	Director

10 February 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ECOWISE HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of ecoWise Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 October 2020, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including a summary of accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 October 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- *Expected credit loss allowance on trade receivables*

  Refer to Note 2C for the Critical judgements, assumptions and estimation uncertainties on credit loss allowance on trade receivables and Note 21 for the breakdown in trade receivables and credit risk of the Group.

  As at 31 October 2020, the Group's trade receivables amounted to $12,719,000, representing approximately 17% of its total assets. Any impairment of significant receivables could have a material impact to the Group's profit or loss.

  For trade receivables, management exercised judgement in estimating the amounts that can be recovered. The estimate of the expected credit loss allowance ("ECL") is also based on the historical trend of these receivables, which includes analysis of the age of these receivables, credit worthiness of the customers and future collectability. Besides that, an expected credit loss model is also applied to determine the expected credit loss allowance for trade receivables based on historical observed default rates adjusted for forward-looking estimates.

Key audit matters (cont'd)

We reviewed management's processes and controls relating to the monitoring of trade receivables and considered aging of debts to identify collection risks. We evaluated management's assumptions used to estimate the expected credit loss allowance amount. For the ECL, our audit procedures included reviewing management's assessment on ECL and assessing the measurement of the expected credit loss allowance. We also performed other audit procedures that included requesting trade receivables confirmations, reviewing payment history and assessing collectability by obtaining evidence of financial position of debtors and/or receipts subsequent to the end of the reporting year.

We assessed the adequacy of the disclosures made in the financial statements.

- *Impairment assessment of property, plant and equipment and land use rights in relation to Changyi Enersave Biomass to Energy Co., Ltd. ("CEBEC")*

Refer to Note 2A for the relevant accounting policy, Note 2C for the Critical Judgements, Assumptions and Estimation Uncertainties on impairment of property, plant and equipment and land use rights under in CEBEC, Note 13 for the breakdown in property, plant and equipment, Note 17 for the breakdown in land use rights and Note 39B for arbitration proceedings initialled by CEBEC.

The Group owns a 24 MW biomass co-generation power plant (the "CEBEC Plant") located in Changyi, Shandong Province, People's Republic of China ("PRC"). The CEBEC Plant is held by Changyi Enersave Biomass to Energy Co., Ltd. ("CEBEC"), a company registered in the PRC. The immediate parent company of CEBEC is Hivern Investments Pte. Ltd. ("Hivern"). Both CEBEC and Hivern are wholly-owned subsidiaries in the Group.

As at 31 October 2020, the carrying values of CEBEC Plant and land use rights where the plant is located were RMB11,300,000 ($2,300,000) and RMB6,500,000 ($1,300,000) respectively.

Impairment of the CEBEC Plant is considered a key audit matter as the plant has not commenced operations since it was acquired by the Group in the reporting year ended 31 October 2013. The CEBEC Plant requires major retrofitting and re-commissioning before it can be placed into commercial operations as the contractor engaged by CEBEC did not deliver the plant to the company in accordance with the technical specifications set out in the Engineering, Procurement and Construction Contract (the "EPC Contract").

In September 2016, CEBEC commenced arbitration proceedings in Weifang Arbitration Commission in Shandong, PRC against its contractor, China Huadian Engineering Co., Ltd, ("Hua Dian"), for failure to perform the engineering, procurement and construction contract between the two parties in relation to the CEBEC Plant.

The arbitration result was finalised on 23 December 2017 as follows:

(i) Hua Dian is to abide by the EPC Contract and deliver a biomass co-generation power plant to CEBEC in accordance with the technical specifications set out in the contract within 6 months from 23 December 2017;

(ii) Hua Dian's counter-claim in the amount of RMB31,657,659 (approximately $6,300,000) (the "Remainder Amount"), representing the unpaid amounts under the EPC Contract, is held in abeyance until delivery of a plant compliant with the technical specifications as laid out in the EPC Contract; and

(iii) The award of an interim compensation to CEBEC of RMB18,800,000 (approximately $3,760,000) for Hua Dian's failure to perform the EPC contract, which shall be set-off against the Remainder Amount of RMB31,657,659 (approximately $6,300,000).

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ECOWISE HOLDINGS LIMITED

Key audit matters (cont'd)

- *Impairment assessment of property, plant and equipment and land use rights in relation to Changyi Enersave Biomass to Energy Co., Ltd. ("CEBEC") (cont'd)*

  Hua Dian did not abide by the decision of the arbitral tribunal to deliver to CEBEC a plant in accordance with the technical specifications within 6 months from 23 December 2017.

  During the reporting year, CEBEC commenced a second arbitration proceeding against Hua Dian in Weifang Arbitration Commission and sought the commission to rule on the following matters:

  (i) The EPC contract signed between Hua Dian and CEBEC will be nullified or voided;

  (ii) Hua Dian is responsible to reinstate the land where the CEBEC Plant is located to its original condition by removing all equipment and machinery relating to the CEBEC Plant within 90 days from the date of the arbitration award;

  (iii) Hua Dian is obliged to refund the contract sum paid by CEBEC under the EPC contract and expenses paid on behalf of Hua Dian by CEBEC amounting to RMB148,326,885 (approximately $29,600,000) and RMB2,577,957 (approximately $515,000) respectively;

  (iv) Hua Dian is required to compensate CEBEC for operating losses amounting to RMB41,259,848 million (approximately $8,200,000); and

  (v) Hua Dian is required to bear the cost of arbitration.

  As of the date of these financial statements were authorised for issue by the board of directors, the Weifang Arbitration Commission has yet to issue its decision.

  For the purpose of assessment of impairment of the carrying values of CEBEC Plant and land use rights where the plant is located as at 31 October 2020, management has compared the carrying value of the land use rights with indicative market values of comparable land parcels published by Changyi City Bureau of Natural Resources and Planning on 25 July 2020. The indicative value of the land use rights owned by CEBEC is approximately RMB18,500,000 (approximately S$3,700,000).

  Management is of the view that no impairment loss allowance is necessary as the carrying amounts of CEBEC plant and land use rights approximate to the indicative market values of comparable land parcels as at 31 October 2020.

  We have re-computed and compared the indicative market values of comparable land parcels released by Changyi City Bureau of Natural Resources and Planning to the carrying values of CEBEC Plant and land use rights.

  We reviewed the adequacy of the disclosures made in the financial statements.

Other information

Management is responsible for the other information. The other information comprises the statement by directors but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ECOWISE HOLDINGS LIMITED

Auditor's responsibilities for the audit of the financial statements (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chan Weng Keen.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

10 February 2021

Effective from reporting year ended 31 October 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 OCTOBER 2020

	Notes	2020 $'000	2019 $'000
Revenue	5	50,811	55,092
Cost of sales		(40,217)	(44,775)
Gross profit		10,594	10,317
Other income and gains	6	1,964	788
Marketing and distribution expenses		(1,769)	(2,002)
Administrative expenses		(6,433)	(7,232)
Finance costs	7	(822)	(908)
Other losses	6	(756)	(504)
Share of losses from equity-accounted associate and jointly-controlled entity		(90)	(82)
Profit before income tax		2,688	377
Income tax expense	11	(1,096)	(864)
Profit/(loss), net of tax		1,592	(487)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations, net of tax		692	(444)
Cash flow hedges, net of tax	30A	290	(150)
Defined Benefit Plan - Actuarial gain		84	–
Other comprehensive income/(loss), net of tax		1,066	(594)
Total comprehensive income/(loss)		2,658	(1,081)
Profit/(loss) attributable to:			
Owners of the company, net of tax		1,047	(697)
Non-controlling interests, net of tax		545	210
		1,592	(487)
Total comprehensive profit/(loss) attributable to:			
Owners of the company		2,116	(1,217)
Non-controlling interests		542	136
		2,658	(1,081)
		Cents	Cents
Earnings/(loss) per share			
Basic and diluted earnings/(loss) per share	12	0.11	(0.07)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 OCTOBER 2020

	Notes	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	29,315	27,336	311	357
Right-of-use assets	14	1,441	–	–	–
Investment properties	15	2,017	–	–	–
Intangible assets	16	844	1,033	–	–
Land use rights	17	1,306	1,307	–	–
Investments in subsidiaries	18	–	–	31,833	32,897
Investment in a jointly-controlled entity	19	1,832	1,641	–	–
Investment in an associate	20	1,540	1,681	–	–
Lease receivables	22	7,636	8,682	–	–
Other non-financial assets	23	285	281	–	–
Deferred tax assets	11	–	395	–	–
Total non-current assets		46,216	42,356	32,144	33,254
Current assets					
Inventories	24	6,011	5,062	–	–
Trade and other receivables	21	14,765	15,657	999	3,391
Lease receivables	22	1,127	1,017	–	–
Other non-financial assets	23	2,186	2,089	129	31
Derivative financial assets	25	139	4	–	–
Cash and cash equivalents	26	6,768	5,501	33	11
		30,996	29,330	1,161	3,433
Assets classified as held for sale	27	–	2,499	–	–
Total current assets		30,996	31,829	1,161	3,433
Total assets		77,212	74,185	33,305	36,687

STATEMENTS OF FINANCIAL POSITION

AS AT 31 OCTOBER 2020

	Notes	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
EQUITY AND LIABILITIES					
Equity					
Share capital	28	48,090	48,141	48,090	48,141
Accumulated losses		(6,461)	(7,596)	(21,022)	(20,421)
Foreign currency translation reserve	29	(5,018)	(5,671)	–	–
Other reserves	30	2,409	2,081	–	–
Equity attributable to owners of the Company		39,020	36,955	27,068	27,720
Non-controlling interests		4,001	4,289	–	–
Total equity		43,021	41,244	27,068	27,720
Non-current liabilities					
Provisions	31	1,140	1,194	–	–
Loans and borrowings	32	6,936	2,165	–	–
Lease liabilities	33	1,870	1,738	82	126
Deferred tax liabilities	11	1,819	1,863	–	–
Deferred income	34	50	1	–	–
Total non-current liabilities		11,815	6,961	82	126
Current liabilities					
Income tax payables		702	755	41	41
Trade and other payables	35	11,902	11,917	6,070	8,756
Derivative financial liabilities	25	1	131	–	–
Loans and borrowings	32	8,109	9,680	–	–
Lease liabilities	33	1,631	1,264	44	44
Deferred income	34	31	7	–	–
		22,376	23,754	6,155	8,841
Liabilities directly associated with assets held for sale	27	–	2,226	–	–
Total current liabilities		22,376	25,980	6,155	8,841
Total liabilities		34,191	32,941	6,237	8,967
Total equity and liabilities		77,212	74,185	33,305	36,687

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 OCTOBER 2020

Group	Total equity $'000	Non-controlling interests $'000	Attributable To parent subtotal $'000	Share capital $'000	Accumulated losses $'000	Other reserves $'000	Reserve of disposal group classified as held for sale $'000	Foreign currency translation reserve $'000
Current year								
At 1 November 2019	41,244	4,289	36,955	48,141	(7,596)	2,081	–	(5,671)
Changes in equity:								
Total comprehensive income for the year	2,658	542	2,116	–	1,135	328	–	653
Disposal of subsidiaries with a change in control (Note 9)	(203)	(203)	–	–	–	–	–	–
Purchase of treasury shares (Note 28)	(51)	–	(51)	(51)	–	–	–	–
Dividends paid to non-controlling interests of subsidiaries	(627)	(627)	–	–	–	–	–	–
	1,777	(288)	2,065	(51)	1,135	328	–	653
At 31 October 2020	43,021	4,001	39,020	48,090	(6,461)	2,409	–	(5,018)
Previous year								
At 1 November 2018	40,538	2,669	37,869	48,170	(6,899)	2,299	(481)	(5,220)
Changes in equity:								
Total comprehensive (loss)/income for the year	(1,081)	136	(1,217)	–	(697)	(193)	1	(328)
Disposal of subsidiaries with a change in control (Note 9)	2,017	1,660	357	–	–	–	480	(123)
Purchase of treasury shares (Note 28)	(29)	–	(29)	(29)	–	–	–	–
Acquisition of interest in subsidiaries from non-controlling interest without a change in control	–	25	(25)	–	–	(25)	–	–
Dividends paid to non-controlling interests of subsidiaries	(201)	(201)	–	–	–	–	–	–
	706	1,620	(914)	(29)	(697)	(218)	481	(451)
At 31 October 2019	41,244	4,289	36,955	48,141	(7,596)	2,081	–	(5,671)

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 OCTOBER 2020

Company	Total equity $'000	Share capital $'000	Accumulated losses $'000
Current year			
At 1 November 2019	27,720	48,141	(20,421)
Changes in equity:			
Total comprehensive loss for the year	(601)	–	(601)
Purchase of treasury shares (Note 28)	(51)	(51)	–
	(652)	(51)	(601)
At 31 October 2020	27,068	48,090	(21,022)
Prior year			
At 1 November 2018	31,824	48,170	(16,346)
Changes in equity:			
Total comprehensive loss for the year	(4,075)	–	(4,075)
Purchase of treasury shares (Note 28)	(29)	(29)	–
	(4,104)	(29)	(4,075)
At 31 October 2019	27,720	48,141	(20,421)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 OCTOBER 2020

	2020 $'000	2019 $'000
Cash flows from operating activities		
Profit before income tax	2,688	377
Depreciation of property, plant and equipment	3,206	3,391
Depreciation of right-of-use assets	416	–
Depreciation of investment properties	204	–
Gain on disposal of property, plant and equipment	(43)	(130)
Write off of property, plant and equipment	33	337
Impairment loss on goodwill	112	–
Impairment loss on trademark	4	–
Amortisation of intangible assets	84	84
Amortisation of land use rights	60	60
Share of loss from associates and jointly-controlled entity	90	82
Gain on disposal of subsidiaries	(696)	(249)
Net fair value loss on derivative financial instruments	24	–
Provision for retirement benefit obligations expenses, net	26	39
Amortisation of deferred income	(7)	(6)
Finance income	(24)	(41)
Finance costs	822	908
Net foreign exchange loss/(gain)	201	(292)
Operating cash flows before changes in working capital	7,200	4,560
Inventories	(913)	1,438
Trade and other receivables	1,315	2,719
Lease receivables	936	836
Other non-financial assets	(95)	(834)
Trade and other payables	522	(1,264)
Deferred income	79	–
Provisions	(54)	–
Net cash flows from operations	8,990	7,455
Income tax paid	(741)	(192)
Net cash flows from operating activities	8,249	7,263
Cash flows from investing activities		
Acquisition of property, plant and equipment (Notes 13 and 26B)	(5,088)	(2,010)
Acquisition of investment properties (Notes 15 and 26B)	(842)	–
Proceeds from disposal of property, plant and equipment	91	335
Repayment from a jointly-controlled entity	(235)	71
Interest income received	24	41
Proceeds from disposal of subsidiaries (Note 9)	–	1,192
Net cash flows used in investing activities	(6,050)	(371)

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 OCTOBER 2020

	2020 $'000	2019 $'000
Cash flows from financing activities		
Proceeds from new loans and borrowings	5,655	–
Repayments of loans and borrowings	(3,389)	(2,786)
Lease liabilities – principal portion paid	(1,771)	(356)
Retirement benefit obligations paid	(28)	(44)
Interest expense paid	(800)	(790)
Purchase of treasury shares	(51)	(29)
Dividends paid to non-controlling interests of subsidiaries	(627)	(201)
Increase in cash restricted in use over 3 months	(89)	(419)
Net cash flows used in financing activities	(1,100)	(4,625)
Net increase in cash and cash equivalents	1,099	2,267
Effect of exchange rate changes on cash and cash equivalents	45	35
Cash and cash equivalents (overdrawn), beginning balance	2,211	(91)
Cash and cash equivalents, ending balance (Note 26A)	3,355	2,211

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2020

1. General

ecoWise Holdings Limited ("the Company") is incorporated in Singapore with limited liability. It is listed on the Catalist which is a share market on Singapore Exchange Securities Trading Limited ("SGX-ST").

The financial statements are presented in Singapore Dollar and they cover the Company and the subsidiaries (collectively, the "Group"). All financial information has been rounded to the nearest thousand ("$'000") except when otherwise indicated.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The principal activities of the Company are those of an investment holding company and provision of management services to its subsidiaries.

The principal activities of the subsidiaries are disclosed in Note 18 to the financial statements.

The registered office and principal place of business of the Company is located at 1 Commonwealth Lane, #07-28 One Commonwealth, Singapore 149544.

Covid-19 pandemic and the aftermath

The Covid-19 pandemic and the aftermath of the pandemic globally forced to suspend or limit business operations during the reporting year and the aftermath is expected for the unforeseeable period ahead. Measures were taken by the governments to contain the spread of Covid-19, including travels, social distancing and closure of non-essential services. This resulted in an economic slowdown, which have adversely impacted on the business of the reporting entity. The economic uncertainties have created questions about the uncertainties relating to the impairment or recoverability of certain assets (including impairment allowances for inventories and receivables) and the completeness or valuation of certain assets and liabilities reflected in these financial statements. An assessment was made by management whether for the current reporting year there were any indications that these assets and liabilities may be impacted adversely. If any such indication of uncertainties existed, an estimate was made of the realisable amount and or fair value of the relevant assets and the completeness of the liabilities (which balances are more fully disclosed in the relevant notes to these financial statements). The recoverability of the assets and the ability of the Group to maintain or pay its debts as they mature are dependent to a large extent on the efficacy of the fiscal and other measures undertaken by Singapore and the affected countries overseas to successfully meet those economic challenges. As the pandemic continues to progress and evolve, it is extremely challenging to predict the full extent and duration of its impact on the Group's businesses and the countries where the Group operates.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and the related Interpretations to SFRS(I) ("SFRS(I) INT") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Singapore Companies Act, Chapter 50 and with the International Financial Reporting Standards issued by the International Accounting Standards Board.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2020

1. General (cont'd)

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2C, where applicable.

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Singapore Companies Act, Chapter 50, the company's separate statement of profit or loss and other comprehensive income and statement of cash flows is not presented.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset.

As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Sale of goods – Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Services – Revenue from service orders and term projects is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

Distinct goods or services in a series – For distinct goods or services in a series such as routine or recurring service contracts where the promise under the contract is for a specified quantity of goods or services that meets the over time criteria or is a stand-ready or single continuous service and if the nature of each good or service is distinct, substantially the same and has the same pattern of transfer or each time increment is distinct, then revenue is recognised at the amount that the entity has the right to bill a fixed amount for each unit of goods or service provided.

Finance lease income from finance lease arrangement represents the interest income on the finance lease receivables and is recognised using the effective interest method.

Other income

Interest income is recognised using the effective interest method.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

For employee leave entitlement, the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the Group is contractually obliged or where there is constructive obligation based on past practice.

Defined contribution benefits

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. The Group's legal or constructive obligation is limited to the amount that it is obligated to contribute to independently administered funds, such as the Central Provident Fund in Singapore and Employees Provident Fund in Malaysia.

Defined benefit plan

The Group operates an unfunded defined benefit plan for qualifying employees of its subsidiaries in Malaysia. In accordance with the terms of their employment contracts, the benefits are calculated based on the last drawn salaries, length of services and the rates set out in the employment contracts. The Group's obligations under the defined benefit plan, calculated using the projected unit credit method, are determined based on actuarial assumptions and computations. Actuarial assumptions are updated for any material transactions and changes in circumstances at the end of each reporting year.

Share-based compensation

Benefits to employees, including the directors, are provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The fair value of the employee services rendered is determined by reference to the fair value of the shares awarded or granted, excluding the impact of any non-market vesting conditions. The fair value is determined by reference to the fair value of the shares awarded or granted on grant date. This fair value amount is charged to the profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in the profit or loss over the remainder of the vesting period to reflect expected and actual levels of shares vesting, with the corresponding adjustment made in equity. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in the profit or loss.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Interest expense is calculated using the effective interest method.

Foreign currency transactions

The functional currency of the Company is the Singapore dollar as it reflects the primary economic environment in which the entity operates in. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

Translation of financial statements of other entities

Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency, the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns.

The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2020

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Income tax (cont'd)

Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (i) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (ii) directly in equity if the tax is related to an item recognised directly in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting period and is reduced, if necessary, by the amount of any tax benefits based on available evidence, are not expected to be realised.

A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries, associates and jointly-controlled entity, except where the reporting entity is able to control the timing of the reversal of the taxable temporary differences and it is probable that the taxable temporary differences will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and accumulated impairment losses.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss when they are incurred.

Cost also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Property, plant and equipment (cont'd)

Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets as follows:

Leasehold land	–	Over lease periods of 60 to 67 years
Leasehold properties and improvements	–	Over lease periods of 8 to 48 years
Plant and equipment	–	3 to 30 years

Construction-in-progress is not depreciated as these are not available for use.

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate and the depreciation charge for the current and future periods are adjusted.

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property plant and equipment. The useful lives are as follows:

Leasehold land	–	Over lease periods of 3 to 5 years

Investment property

Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee as a right-of-use asset under a finance lease) to earn rentals or for capital appreciation or both, rather than for: (a) use in the production or supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs the cost model is used to measure the investment property, that is, at cost less any accumulated depreciation and any accumulated impairment losses. An investment property that meets the criteria to be classified as held for sale is carried at the lower of carrying amount and fair value. The annual rates of depreciation are as follows:

Leasehold properties	–	Over the lease terms of 6 to 18 years

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2020

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Leases of lessee

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised lease is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term and an interest expense on the recognised lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.

Leases of lessor

As a lessor the reporting entity classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease receipts from operating leases are recognised as income on either a straight-line basis or another systematic basis over the term of the lease.

Land use rights

Land use rights under operating leases are initially stated at cost. Following initial recognition, land use rights are measured and carried at cost less accumulated amortisation. The land use rights are amortised on a straight-line basis over the lease term of 50 years.

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

Identifiable intangible assets acquired as part of a business combination are initially recognised separately from goodwill if the asset's fair value can be measured reliably, irrespective of whether the asset had been recognised by the acquiree before the business combination. An intangible asset is considered identifiable only if it is separable or if it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Intangible assets (cont'd)

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use.

Trademarks

Trademarks acquired in a business combination are recognised at fair value at the acquisition date. Trademarks have a finite useful life and are carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful lives of 10 to 25 years.

Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The customer relationships are carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation is calculated on a straight-line basis over the expected life of the customer relationships of 10 years.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with the financial reporting standard on business combinations (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with the financial reporting standard on business combinations.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Irrespective of whether there is any indication of impairment, goodwill and also any intangible asset with an indefinite useful life or any intangible asset not yet available for use are tested for impairment at least annually. Goodwill impairment is not reversed in any circumstances.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2020

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Intangible assets (cont'd)

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the Group has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Associates

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with the financial reporting standard on business combinations. However the entire carrying amount of the investment is tested under the financial reporting standard on impairment, by comparing its recoverable amount (higher of value in use and fair value) with its carrying amount, whenever application of the requirements in the financial reporting standard on financial instruments indicates that the investment may be impaired.

In the consolidated financial statements, the accounting for investments in an associate is on the equity method. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Associates (cont'd)

Losses of an associate in excess of the reporting entity's interest in the relevant associate are not recognised except to the extent that the reporting entity has an obligation. Profits and losses resulting from transactions between the reporting entity and an associate are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be an associate and accounts for the investment in accordance with the financial reporting standard on financial instruments from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former associate is measured at fair value at the date that it ceases to be an associate.

In the company's separate financial statements, an investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of an investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange.

Joint arrangements – jointly–controlled entity

A joint arrangement (that is, either a joint operation or a jointly–controlled entity, depending on the rights and obligations of the jointly controlling parties to the arrangement), is one in which the reporting entity is party to an arrangement of which two or more parties have joint control, which is the contractually agreed sharing of control of the arrangement; it exists only when decisions about the relevant activities (that is, activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. In a jointly– controlled entity, the parties with joint control have rights to the net assets of the arrangement. The reporting interest in jointly–controlled entity is recognised using the equity method in accordance with SFRS(I) 1-28 – Investments in Associates and Joint Ventures (as described above for associates).

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2020

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount.

The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in the profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is used, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

At each end of the reporting year, non-financial assets, other than goodwill, with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventories

Inventories are measured at the lower of cost and net realisable value. The costs of raw materials, work-in-progress and finished goods are measured using the first in first out method and the costs of consumables are measured using the weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined.

Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work–in–progress, cost includes an appropriate share of overheads based on normal operating capacity.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments

Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets

(i) Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, finance lease receivables, and cash and cash equivalents are classified in this category.

(ii) Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.

(iii) Financial asset that is an equity investment measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.

(iv) Financial asset classified as measured at fair value through profit or loss (FVTPL): There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (i) the liabilities are managed, evaluated and reported internally on a fair value basis; or (ii) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2020

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include bank and cash balances, on demand deposits and any highly liquid debt asset instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Derivative financial instruments

A derivative financial instrument is a financial instrument with all three of the following characteristics (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices, credit ratings or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract; (b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and (c) it is settled at a future date. The derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently classified as measured at FVTPL unless the derivative is designated and effective as a hedging instrument.

Derivatives held for risk management purposes and hedge accounting

Certain derivatives held for risk management as well as certain non-derivative financial instruments may be designated as hedging instruments in qualifying hedging relationships. Hedge accounting is used only when the following conditions at the inception of the hedge are satisfied: (a) The hedging instrument and the hedged item are clearly identified. (b) Formal designation and documentation of the hedging relationship is in place. Such hedge documentation includes the hedge strategy, the method used to assess the hedge's effectiveness. (c) The hedge relationship is expected to be highly effective throughout the life of the hedge based on the principle of an economic relationship. Hedge effectiveness is the extent to which changes in the fair value or the cash flows of the hedging instrument offset changes in the fair value or the cash flows of the hedged item (for example, when the hedged item is a risk component, the relevant change in fair value or cash flows of an item is the one that is attributable to the hedged risk). The above documentation is subsequently updated at each end of the reporting year in order to assess whether the hedge is still expected to be highly effective over the remaining life of the hedge. Hedge accounting is used for (1) Fair value hedge; (2) Cash flow hedge; and (3) Hedge of a net investment in a foreign operation. If the hedge is terminated, no longer meets the criteria for hedge accounting or is revoked, the adjusted carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to profit or loss. The applicable derivatives and other hedging instruments used are described below in the notes to the financial statements.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

2. Significant accounting policies and other explanatory information (cont'd)

2B. Other explanatory information (cont'd)

Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Treasury shares

Where the entity reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the entity's owners until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the entity's owners and no gain or loss is recognised in profit or loss.

Assets classified as held for sale

Identifiable assets and liabilities and any disposal groups are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, except as permitted by SFRS(I) 5 in certain circumstances. It can include a subsidiary acquired exclusively with a view to resale. Assets that meet the criteria to be classified as held for sale are measured at the lower of carrying amount and fair value less costs of disposal and are presented separately on the face of the statement of financial position. Once an asset is classified as held for sale or included in a group of assets held for sale no further depreciation or amortisation is recorded. Impairment losses on initial classification of the balances as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement.

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

(i) *Expected credit loss allowance on trade receivables*

The allowance for expected credit losses (ECL) assessment requires a degree of estimation and judgement. It is based on the lifetime ECL for trade receivables. In measuring the expected credit losses, management considers all reasonable and supportable information such as the reporting entity's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions (including the impact of the Covid-19 pandemic). The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note 21 on trade and other receivables.

(ii) Impairment assessment of property, plant and equipment and land use rights in relation to Changyi Enersave Biomass to Energy Co Ltd ("CEBEC")

The Group owns a 24 MW biomass co-generation power plant (the "CEBEC Plant") located in Changyi, Shandong Province, People's Republic of China ("PRC"). The CEBEC Plant is held by Changyi Enersave Biomass to Energy Co., Ltd. ("CEBEC"), a company registered in the PRC. The immediate parent company of CEBEC is Hivern Investments Pte. Ltd. ("Hivern"). Both CEBEC and Hivern are wholly-owned subsidiaries in the Group.

As at 31 October 2020, the carrying values of CEBEC Plant and land use rights where the plant is located were RMB11,300,000 ($2,300,000) and RMB6,500,000 ($1,300,000) respectively.

The CEBEC Plant has not commenced operations since it was acquired by the Group in the reporting year ended 2013. The plant requires major retrofitting and re-commissioning before it can be placed into commercial operations as the contractor engaged by CEBEC did not deliver the plant to the company in accordance with the technical specifications set out in the Engineering, Procurement and Construction Contract (the "EPC Contract").

For the purpose of assessment of impairment of the carrying values of CEBEC Plant and land use rights where the plant is located as at 31 October 2020, management has compared the carrying value of the land use rights with indicative market values of comparable land parcels published by Changyi City Bureau of Natural Resources and Planning on 25 July 2020. The indicative value of the land use rights owned by CEBEC is approximately RMB18,500,000 (approximately S$3,700,000).

Management is of the view that no impairment loss allowance is necessary as the carrying amounts of CEBEC plant and land use rights approximate to the indicative market values of comparable land parcels as at 31 October 2020.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2020

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

(iii) Assessment of carrying values of other property, plant and equipment, right-of-use assets and intangible assets

An assessment is made for the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units if applicable is measured based on the fair value less costs of disposal or value in use calculations. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying values of property, plant and equipment, right-of-use assets and intangible assets are disclosed in Notes 13, 14 and 16 respectively.

(iv) Measurement of impairment of subsidiaries

Where an investee is in net equity deficit and or has suffered losses a test is made whether the investment and loans in the investee have suffered any impairment loss. This measurement requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the asset or liability affected. The carrying amount of investments in subsidiaries at the end of the reporting year is disclosed in Note 18.

(v) Net realisable value of inventories

The allowance for impairment of inventories assessment requires a degree of estimation and judgement. The level of the loss allowance is assessed by taking into account the recent sales experience, the ageing of inventories, other factors that affect inventory obsolescence and subsequent events. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the reporting year is disclosed in Note 24.

(vi) Income tax

The entity recognises tax liabilities and assets tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgemental and not susceptible to precise determination. The income tax amounts are disclosed in the Note 11.

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

(vii) Estimation of useful lives of property, plant and equipment

The estimates for the useful lives and related depreciation charges for property, plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying values of property, plant and equipment is disclosed in Note 13.

(viii) Classification of jointly-controlled entity

The Group owns a 65% equity interest in a joint venture – Chongqing eco-CTIG Rubber Technology Co., Ltd ("CECRT"). Management has determined that CECRT is not a subsidiary even though the Group owns more than half of the voting power of the entity. This is because, under the terms in the shareholders' agreement, the Group does not have the ability to affect the return through its power over CECRT. Consequently, management applied equity accounting in the consolidated financial statements to account for the Group's interest in CECRT. Such determination requires significant judgement. The carrying value of the jointly-controlled entity at the end of the reporting year is disclosed in Note 19.

(ix) Classification of investment in an associate

The Group owns a 20% equity interest in China-UK Low Carbon Enterprise Co. Ltd., ("CULCEC"). Significant influence is presumed to exist when an entity holds 20% or more of the voting rights of another entity, unless it can be clearly demonstrated otherwise. The Group's application for the liquidation of CULCEC was approved by the court in China on 21 December 2020. Management has exercised significant judgement and determined that the Group retains it significant influence over CULCEC as the group's external legal counsel advised that the Group holds one vote and could participate in the liquidation process. Therefore, management continued to classify CULCEC as an associate in these financial statements. The carrying value of the associate at the end of the reporting year is disclosed in Note 20.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling party is Lee Thiam Seng, a director and controlling shareholder.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2020

3. Related party relationships and transactions

3A. Related party transactions

There are transactions and arrangements between the Group and its related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intra-group transactions and balances that have been eliminated in the consolidated financial statements are not disclosed as related company transactions and balances.

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

	Group	
	2020	2019
	$'000	$'000
Jointly-controlled entity:		
Service income	(409)	(399)
Related parties:		
Revenue – sale of goods	(3,679)	(3,489)
Purchase of goods and services	1,671	1,879

Significant transactions with related parties above are mainly with non-controlling interest of the Group's subsidiaries.

3B. Key management compensation

	Group	
	2020	2019
	$'000	$'000
Salaries and other short-term employee benefits	1,394	1,284

Included in the above amounts are the following items:

Remuneration of directors of the Company	788	703
Remuneration of directors of the subsidiaries	27	21
Fees to directors of the Company	167	151
Fees to directors of the subsidiaries	63	64

Key management compensation, excluding directors' fees are included under employee benefits expense.

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

4. Financial information by operating segments

4A. Information about operating segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported results or financial position of the reporting entity.

For management reporting purposes, the Group is organised into three strategic operating segments that offer different products and services. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

The segments and the types of products and services are as follows:

- Renewable Energy – Design, build and operate biomass co-generation systems, generate power for sale and provision of services related to the applications of heat.

- Resource Recovery – Process, recycle and repurpose waste and salvageable materials into environmentally friendly products for industrial applications, such as washed copper slag, compost and retreaded tyres.

- Integrated Environmental Management Solutions – Provision of resource management and integrated environmental engineering solutions for industrial waste and energy management, including designing, optimising, engineering, procurement, fabricating, commissioning, managing and maintenance of waste, energy management facilities and vertically integrated waste-to-feed process for fish and aquaculture business.

The aquaculture business was disposed during the year as disclosed in Note 9.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the significant accounting policies.

Performance is measured based on segment results before allocation of corporate management fees, share of results from associates and jointly-controlled entity, finance income, dividend income, finance costs and income tax, as included in the internal management reports. Segment results are used to measure performance as management believes that such information is the most relevant in evaluating the results of the operating segments relative to other entities that operate in similar industries.

Major revenue from external customers for products and services or similar group of products or services is as follows:

	Group	
	2020	2019
	$'000	$'000
Revenue from major products and services:		
Sale of rubberised products	40,239	42,858

4. Financial information by operating segments (cont'd)

4B. Profit or loss from continuing operations and reconciliations

	Renewable Energy		Resource Recovery		Integrated Environmental Management Solutions		Eliminations		Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue:										
Revenue from external customers	8,288	10,466	42,035	43,985	488	641	–	–	50,811	55,092
Inter-segment revenue	1,470	1,697	916	685	995	956	(3,381)	(3,338)	–	–
Segment revenue	9,758	12,163	42,951	44,670	1,483	1,597	(3,381)	(3,338)	50,811	55,092
Segment results before allocation of corporate management fees	3,859	3,705	3,810	2,251	(260)	(927)	(2,124)	(1,808)	5,285	3,221
Allocated corporate management fees	(1,345)	(1,645)	(779)	(163)	–	–	2,124	1,808	–	–
Segment results	2,514	2,060	3,031	2,088	(260)	(927)	–	–	5,285	3,221
Share of results from associates and jointly-controlled entity, allocated to operating segments	(77)	(61)	(13)	(21)	–	–	–	–	(90)	(82)
Unallocated corporate results									(1,712)	(1,895)
Profit before finance income, dividend income, finance costs and income tax expense									3,486	1,244
Finance income									24	41
Finance costs									(822)	(908)
Income tax expense									(1,096)	(864)
Profit/(loss), net of tax									1,592	(487)

4. Financial information by operating segments (cont'd)

4C. Assets and liabilities reconciliation

Group	Renewable Energy		Resource Recovery		Integrated Environmental Management Solutions		Eliminations		Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Segment assets	20,561	26,032	49,121	41,471	6,229	4,520	(2,545)	(1,959)	73,366	70,064
Investments in associates, allocated to operating segments	1,540	1,681	–	–	–	–	–	–	1,540	1,681
Investment in jointly-controlled entity, allocated to operating segments	–	–	1,832	1,641	–	–	–	–	1,832	1,641
Deferred tax assets									–	395
Unallocated corporate assets									474	404
Total assets									77,212	74,185
Segment liabilities	26,565	19,431	16,555	17,800	10,130	11,197	(37,631)	(30,612)	15,619	17,816
Loans and borrowings allocated to operating segments	1,481	1,505	11,236	8,700	2,328	1,640	–	–	15,045	11,845
Income tax payable allocated to operating segments	390	–	246	–	(42)	–	–	–	594	755
Unallocated income tax payable									108	–
Deferred tax liabilities									1,819	1,863
Unallocated corporate liabilities									1,006	662
Total liabilities									34,191	32,941

4. Financial information by operating segments (cont'd)

4C. Assets and liabilities reconciliation (cont'd)

Group	Renewable Energy		Resource Recovery		Integrated Environmental Management Solutions		Eliminations		Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Capital expenditure allocated to operating segments:										
Property, plant and equipment	328	1,227	5,159	1,538	–	84	–	–	5,487	2,849
Investment properties	–	–	–	–	1,642	–	–	–	1,642	–
Unallocated corporate capital expenditure on property, plant and equipment									1	33
Total capital expenditure									7,129	2,882

4. Financial information by operating segments (cont'd)

4D. Other material items

Group	Renewable Energy 2020 $'000	Renewable Energy 2019 $'000	Resource Recovery 2020 $'000	Resource Recovery 2019 $'000	Integrated Environmental Management Solutions 2020 $'000	Integrated Environmental Management Solutions 2019 $'000	Elimination 2020 $'000	Elimination 2019 $'000	Group 2020 $'000	Group 2019 $'000
Depreciation of property, plant and equipment and investment properties:										
Allocated to operating segments	858	874	2,137	2,091	369	371	–	–	3,364	3,336
Unallocated corporate depreciation									46	55
Total depreciation of property, plant and equipment									3,410	3,391
Depreciation of right-of-use assets	257	–	159	–	–	–	–	–	416	–
Gain on disposal of property, plant and equipment	(20)	(27)	(23)	(103)	–	–	–	–	(43)	(130)
Amortisation of intangible assets	–	–	84	84	–	–	–	–	84	84
Amortisation of land use rights	60	60	–	–	–	–	–	–	60	60
Provision for retirement benefit obligations expenses, net	–	–	26	39	–	–	–	–	26	39
Allowance for inventory obsolescence – reversed	–	15	–	2	–	–	–	–	–	17
Allowance for doubtful receivables	16	–	233	159	2	–	–	–	251	159

4. Financial information by operating segments (cont'd)

4E. Geographical information

Group	Revenue		Non-current assets	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Singapore	9,585	11,924	13,100	11,132
Malaysia	25,644	29,042	20,453	17,141
Australia	12,780	12,258	–	–
People's Republic of China	974	399	5,027	5,006
Others	1,828	1,469	–	–
	50,811	55,092	38,580	33,279

Revenue are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments and deferred tax assets.

4F. Information about major customers

	Group	
	2020	2019
	$'000	$'000
Top 1 customer in resource recovery segment	12,714	11,308
Top 2 customers in resource recovery segment and renewable energy segment	17,121	15,993
Top 3 customers in resource recovery segment and renewable energy segment	20,800	19,501

5. Revenue

	Group	
	2020	2019
	$'000	$'000
#A. Revenue classified by type of good or service:		
Sale of goods	42,856	47,057
Service income	6,409	6,406
Finance lease income	1,001	1,123
Others	545	506
Total revenue	50,811	55,092
#B. Revenue classified by duration of contract:		
Short term contracts	45,876	49,994
Long term contracts	4,935	5,098
Total revenue	50,811	55,092
#C. Revenue classified by timing of revenue recognition		
Point in time	45,876	49,994
Over time	4,935	5,098
Total revenue	50,811	55,092

6. Other income and gains and (other losses)

	Group 2020 $'000	Group 2019 $'000
Gain on disposal of property, plant and equipment	43	130
Net fair value loss on derivative financial instruments	(24)	–
Amortisation of deferred income	7	6
Government grant income	613	63
Foreign exchange transaction (loss)/gain, net	(325)	299
Allowance for impairment on trade and other receivables	(251)	(159)
Write-off of property, plant and equipment	(33)	(337)
Gain recognised on disposal of subsidiaries (Note 9)	696	249
Interest income from financial institutions	24	41
Impairment loss on purchased goodwill	(112)	–
Impairment loss on trademark	(4)	–
Derecognition of long outstanding liabilities	581	–
Bad debts written-off	(6)	–
Others	(1)	(8)
Net	1,208	284
Presented in profit or loss as:		
Other income and gains	1,964	788
Other losses	(756)	(504)
	1,208	284

7. Finance costs

	Group 2020 $'000	Group 2019 $'000
Interest expense on borrowings from financial institutions	599	725
Interest expense on lease liabilities	201	149
Interest expense on retirement benefit obligations	22	34
	822	908

8. Employee benefits expenses

	Group	
	2020	2019
	$'000	$'000
Short term employee benefits expense	9,503	9,698
Contributions to defined contribution plans	725	504
Provision for retirement benefit obligations expense, net	26	39
Other benefits	569	1,118
	10,823	11,359

The employee benefits expenses are charged as follows:

Cost of sales	6,621	6,401
Administrative expenses	3,288	3,802
Marketing and distribution expenses	914	1,156
	10,823	11,359

9. Disposal of subsidiaries

On 4 February 2020, the Group entered into a conditional Sale and Purchase Agreement with an acquirer to dispose the entire issued and paid-up share capital of Asia Cleantech Hub Pte. Ltd and its 80% equity interest in Swee Chioh Fishery Pte Ltd (collectively known as ACT Group) subject to terms and conditions of the conditional Sale and Purchase Agreement, for a cash consideration of $1. The disposal group was previously classified as assets held for sale as at 31 October 2019 as disclosed in Note 27.

On 24 November 2020, the Group entered into a supplementary agreement with the acquirer which amended the terms and conditions of the initial Sale and Purchase Agreement as follows:

(i) The Group agreed to release ACT Group from and waived the liabilities relating to $422,070 owed by ACT Group to the Group as at 25 February 2020; and

(ii) The buyer agreed to pay and discharge in full any and all liabilities of the ACT Group, including but not limited to, the aggregate amount of $123,410 owed by ACT Group to the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2020

9. Disposal of subsidiaries (cont'd)

The following table is a summary of the carrying value of the consolidated assets and liabilities of the disposal group that was sold on 25 February 2020:

	Group At date of disposal in 2020 $'000
Property, plant and equipment	1,760
Intangible assets - goodwill	454
Trade and other receivables	129
Other non-financial assets	27
Cash and cash equivalent	106
	2,476
Trade and other payables	(774)
Deferred tax liabilities	(304)
Contingent consideration payable	(1,768)
	(2,846)
Net carrying amount at end of the period/year	(370)
Non-controlling interests	(203)
Net carrying value of disposal group	(573)
Gain on disposal of subsidiaries	696
Net consideration	123
Net cash inflow on disposal:	
Cash consideration	123
Cash balance disposed of	(106)
Other receivables	(17)
Net cash inflow	–

The carrying values of the consolidated assets and liabilities of the disposal group as at 31 October 2019 are disclosed in Note 27.

The cash flow of the disposal group for the period from the beginning of the reporting year to 25 February 2020, which have been included in the consolidated financial statements, were as follows:

	Period ended 25/02/2020 $'000
Operating cash flows	(9)

9. Disposal of subsidiaries (cont'd)

On 8 November 2018, the Group entered into a Share Transfer Agreement with HongKong Chenbang Investment Limited to dispose the entire issued and paid-up share capital of ecoWise Energy Pte. Ltd. for a cash consideration of $1,200,000. The disposal was completed on 15 July 2019.

The following table is a summary of the carrying value of the consolidated assets and liabilities of the disposal group that was sold on 15 July 2019:

	Group At date of disposal in 2019 $'000
Property, plant and equipment	107
Land use rights	948
Trade and other receivables	59
Other non-financial assets	2
Cash and cash equivalent	8
Trade and other payables	(2,191)
Net carrying amount	(1,067)
Non-controlling interests	1,660
Equity reserves reclassified from equity to profit or loss on disposal	
- Reserve of disposal group classified as held for sale	481
- Foreign currency translation reserve	(123)
Net carrying value of disposal group	951
Gain on disposal of subsidiaries	249
Net consideration	1,200
Net cash inflow on disposal:	
Cash consideration	1,200
Cash balance disposed of	(8)
Net cash inflow	1,192

The cash flow of the disposal group for the period from the beginning of the reporting year to 15 July 2019, which have been included in the consolidated financial statements, were as follows:

	Group Period ended 15/07/2019 $'000
Operating cash flows	(146)

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2020

10. Items in the statement of profit or loss and other comprehensive income

In addition to items of profit or loss disclosed elsewhere in the notes to the financial statements, items in the statement of profit or loss and other comprehensive income include the following:

	Group	
	2020	2019
	$'000	$'000
Auditors' remuneration:		
– Auditors of the Company	151	189
– Member firms of the auditors of the Company	50	83
– Other auditors	2	102
– Non-audit fees paid and payable to:		
– Auditors of the Company	–	23

11. Income tax expense

11A. Components of income tax expense recognised in profit or loss

	Group	
	2020	2019
	$'000	$'000
Current tax expense		
Current tax expense	920	779
Withholding tax expense	(30)	37
(Under)/over adjustments in respect of prior periods	(93)	38
Subtotal	797	854
Deferred tax expense		
Deferred tax expense/(income)	82	(61)
Under adjustments in respect of prior periods	217	71
Subtotal	299	10
Total income tax expense	1,096	864

11. Income tax expense

11A. Components of income tax expense recognised in profit or loss (cont'd)

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2019: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2020	2019
	$'000	$'000
Profit before income tax	2,688	377
Add: Share of losses from associates and a jointly-controlled entity	90	82
	2,778	459
Income tax expense at the above rate	472	78
Effect of different tax rates in different countries	129	343
Withholding tax expense	(30)	37
Expenses non-deductible for tax purposes	905	117
Income not subject to tax	(408)	(236)
Tax incentives	(74)	(12)
(Under)/over adjustments to current tax in respect of prior periods	(93)	38
Under adjustments to deferred tax in respect of prior periods	217	71
Deferred tax assets not recognised	–	639
Adjustments to unrecognised deferred tax in respect of prior years	16	(135)
Others	(38)	(76)
Total income tax expense	1,096	864

11. Income tax expenses (cont'd)

11B. Movements in deferred tax (liabilities)/assets in the statements of financial position

Group	At 1 November 2018 $'000	Recognised in profit or loss $'000	Expired during the year $'000	Exchange differences $'000	At 31 October 2019 $'000	Recognised in profit or loss $'000	Expired during the year $'000	Exchange differences $'000	At 31 October 2020 $'000
Property, plant and equipment	(2,068)	(57)	–	522	(1,603)	86	–	(8)	(1,525)
Intangible assets	(256)	256	–	–	–	–	–	–	–
Unutilised tax losses	2,906	(261)	(238)	(193)	2,214	(300)	(124)	(4)	1,786
Unutilised capital allowances	440	3	–	(177)	266	–	–	–	266
Provision for retirement benefit obligations	(22)	175	–	(2)	151	20	–	(6)	165
Other items	824	(120)	–	(625)	79	(105)	–	–	(26)
Deferred tax assets not recognised	(3,620)	(6)	238	813	(2,575)	–	124	(34)	(2,485)
	(1,796)	(10)	–	338	(1,468)	(299)	–	(52)	(1,819)

	Group 2020 $'000	Group 2019 $'000
Presented in statement of financial position as:		
Deferred tax liabilities	(1,819)	(1,863)
Deferred tax assets	–	395
	(1,819)	(1,468)

11. Income tax expenses (cont'd)

11C. Unrecognised deferred tax assets

Group	2020 Gross amount $'000	2020 Tax effect $'000	2019 Gross amount $'000	2019 Tax effect $'000
Unutilised tax losses	9,023	2,161	9,478	2,214
Unutilised capital allowances	–	–	130	22
Excess of tax value over carrying value of plant and equipment	1,905	324	1,995	339
	10,928	2,485	11,603	2,575

No deferred tax asset has been recognised in respect of the above balance as the future profit streams are not probable.

For the Singapore and Malaysia entities, the realisation of the future income tax benefits from these unutilised tax losses is available for an unlimited future period subject to the conditions imposed by laws of the countries in which the entities in the Group operates, including the retention of majority shareholders as defined.

For the subsidiaries operating in People's Republic of China, the unutilised tax losses are expiring in the following years:

	Unutilised tax losses 2020 $'000	Unutilised tax losses 2019 $'000	Unrecognised deferred tax assets 2020 $'000	Unrecognised deferred tax assets 2019 $'000
Expiring in 31 December 2020	–	1,013	–	253
Expiring in 31 December 2021	3,004	2,887	751	722
Expiring in 31 December 2022	902	867	225	217
Expiring in 31 December 2023	1,275	1,226	319	306
Expiring in 31 December 2024	1,603	1,541	401	385
Expiring in 31 December 2025	673	–	168	–
	7,457	7,534	1,864	1,883

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2020

12. Earnings/(losses) per share

The following table illustrates the numerators and denominators used to calculate basic and diluted amount per share of no par value:

	Group	
	2020	2019
	$'000	$'000
Profit/(loss), net of tax attributable to owners of the Company	1,047	(697)

	Number of shares	
	2020	2019
	'000	'000
Weighted average number of equity shares	954,816	956,486

The weighted average number of equity shares refers to shares in circulation during the reporting year.

Basic earnings/(losses) per share are calculated by dividing profit/(loss), net of tax attributable to owners of the parent by the weighted average number of ordinary shares outstanding during each reporting year.

Diluted earnings/(losses) per share are calculated by dividing profit/(loss), net of tax attributable to owners of the parent by the weighted average number of ordinary shares outstanding during each reporting year and the weighted average number of ordinary shares that would be issued on the conversion of all share options (potential dilutive ordinary shares) into ordinary shares.

Dilutive earnings/(losses) per share for the reporting years are computed using the same basis as basic-earnings/ (losses) per share as the dilutive effect of performance shares is not significant.

13. Property, plant and equipment

Group	Construction-in-progress	Leasehold land	Leasehold properties and improvements	Plant and equipment	Total
	$'000	$'000	$'000	$'000	$'000
Cost					
At 1 November 2018	19,374	3,017	15,430	47,767	85,588
Foreign exchange adjustments	(530)	(24)	(152)	(494)	(1,200)
Additions	450	–	184	2,248	2,882
Transfers to assets held for sale (Note 27)	–	(1,649)	(3,156)	(76)	(4,881)
Written off	–	–	–	(458)	(458)
Disposals	(318)	–	(28)	(2,031)	(2,377)
Reclassification	(803)	–	827	(24)	–
At 31 October 2019	18,173	1,344	13,105	46,932	79,554
Foreign exchange adjustments	697	14	138	271	1,120
Additions	–	–	4,497	990	5,487
Written off	–	–	–	(47)	(47)
Transfer	(450)	–	2,613	(2,163)	–
Transfer to investment properties (Note 15)	–	–	(1,948)	–	(1,948)
Disposals	–	–	–	(1,089)	(1,089)
At 31 October 2020	18,420	1,358	18,405	44,894	83,077
Accumulated depreciation and impairment loss					
At 1 November 2018	16,084	555	7,971	30,273	54,883
Foreign exchange adjustments	(460)	(3)	6	(195)	(652)
Depreciation for the year	–	24	565	2,802	3,391
Written off	–	–	–	(121)	(121)
Disposals	(318)	–	(7)	(1,847)	(2,172)
Transfer					
Transfer to assets held for sale (Note 27)	–	(401)	(2,636)	(74)	(3,111)
At 31 October 2019	15,306	175	5,899	30,838	52,218
Foreign exchange adjustments	607	2	12	141	762
Depreciation for the year	–	21	354	2,831	3,206
Written off	–	–	–	(14)	(14)
Disposals	–	–	–	(1,041)	(1,041)
Transfer	–	–	432	(432)	–
Transfer to investment properties (Note 15)	–	–	(1,369)	–	(1,369)
At 31 October 2020	15,913	198	5,328	32,323	53,762
Carrying value					
At 1 November 2018	3,290	2,462	7,459	17,494	30,705
At 31 October 2019	2,867	1,169	7,206	16,094	27,336
At 31 October 2020	2,507	1,160	13,077	12,571	29,315

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2020

13. Property, plant and equipment (cont'd)

Company	Plant and equipment $'000
Cost	
At 1 November 2018	582
Additions	33
Disposals	(29)
At 31 October 2019	586
Additions	1
At 31 October 2020	587
Accumulated depreciation	
At 1 November 2018	176
Depreciation for the year	55
Disposals	(2)
At 31 October 2019	229
Depreciation for the year	47
At 31 October 2020	276
Carrying amounts	
At 1 November 2018	406
At 31 October 2019	357
At 31 October 2020	311

The depreciation expense is charged as follows:

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Cost of sales	2,353	2,401	–	–
Administrative expenses	775	919	47	55
Marketing and distribution expenses	78	71	–	–
Total	3,206	3,391	47	55

Fully depreciated property, plant and equipment of the Group still in use have a cost of $20,839,000 (2019: $16,985,000).

13A. Plant and equipment acquired under lease arrangements

The Group and the Company acquired certain plant and equipment under lease agreements and the carrying value of these assets at the end of the reporting year are as follows:

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Plant and equipment	4,325	3,175	303	348

13. Property, plant and equipment (cont'd)

13B. Securities pledged

As at the end of the reporting year, the carrying values of the Group's property, plant and equipment that are pledged as securities to secure loans and borrowings (Notes 32D,32E and 32F) are as follows:

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Leasehold land	1,163	1,171	–	–
Leasehold properties and improvements	10,977	6,712	–	–
Plant and equipment	7,760	7,959	303	348
	19,900	15,842	303	348

13C. Impairment of property, plant and equipment

The Group owns a 24 MW biomass co-generation power plant (the "CEBEC Plant") located in Changyi, Shandong Province through Changyi Enersave Biomass to Energy Co., Ltd. ("CEBEC"), a company which is a wholly-owned subsidiary in the Group. As at 31 October 2020, the carrying values of CEBEC Plant and land use rights where the plant is located were RMB11,300,000 ($2,300,000) and RMB6,500,000 ($1,300,000) respectively.

The CEBEC Plant has not commenced operations since it was acquired by the Group in the reporting year ended 2013. The plant requires major retrofitting and re-commissioning before it can be placed into commercial operations as the contractor engaged by CEBEC did not deliver the plant to the company in accordance with the technical specifications set out in the Engineering, Procurement and Construction Contract (the "EPC Contract").

For the purpose of assessment of impairment of the carrying values of CEBEC Plant and land use rights where the plant is located as at 31 October 2020, management compared the carrying value of the land use rights with indicative market values of comparable land parcels published by Changyi City Bureau of Natural Resources and Planning on 25 July 2020. The indicative value of the land use rights owned by CEBEC is approximately RMB18,500,000 (approximately $3,700,000). Consequently, management is of the view that no impairment loss allowance is necessary.

Management is of the view that the indicative market values have taken into consideration the impact of Covid-19 pandemic. As the total carrying value of the CEBEC Plant and land use rights approximate to the indicative market values of comparable land parcels, there is no impairment loss.

See Note 39B on legal case relating to the CEBEC Plant.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2020

14. Right-of-use assets

Group	Leasehold lands $'000
Costs	
Adoption of SFRS(I) 16	
At 1 November 2019 (restated) and 31 October 2020	1,857
Accumulated depreciation:	
At 1 November 2019	–
Depreciation for the year	(416)
At 31 October 2020	(416)
Carrying value:	
At 1 November 2019 (restated)	1,857
At 31 October 2020	1,441

The depreciation expense is charged to cost of sales.

The leases are for leasehold lands. The lease contracts are usually for fixed periods of 3 to 5 years but may have extension options. Lease terms contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. Two of the leases have variable payments linked to an index.

At date of transition to the new standard on leases, management elected to measure the right-of-use assets at an amount equal to the lease liability disclosed in Note 33, adjusted for any prepaid or accrued lease expenses.

15. Investment properties

	Group	
	2020 $'000	2019 $'000
Cost		
At beginning of the year	–	–
Transferred from property, plant and equipment (Note 13)	1,948	–
Additions	1,642	–
At end of the year	3,590	–
Accumulated depreciation and impairment loss		
At beginning of the year	–	–
Transferred from property, plant and equipment (Note 13)	1,369	–
Depreciation for the year	204	–
At end of the year	1,573	–
Carrying value		
At beginning of the year	–	–
At end of the year	2,017	–

15. Investment properties (cont'd)

	Group	
	2020	2019
	$'000	$'000
Rental and service income from investment properties	713	–
Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the year	336	–
Allocation of the depreciation expense: Administrative expenses	204	–

As at the end of the reporting year, the carrying value of investment properties of $1,552,000 are pledged as securities to secure loans and borrowings disclosed in Note 32C.

For fair value disclosure categorised within the fair value hierarchy below, a description of the valuation techniques and the significant other observable inputs used in the fair value measurement are as follows:

Asset:	Leasehold property at 7 Sungei Kadut Street 6 Singapore 728853, Singapore
Gross floor area:	87,402 square feet
Fair value:	$1,311,000
Fair value hierarchy:	Level 3
Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent transaction prices for similar properties.
Significant observable inputs and range (weighted average):	Price per square foot. $15
Relationship of unobservable inputs to fair value:	N.A.
Sensitivity on management's estimates – 10% variation from estimate	Impact – lower by $131,000; higher by $131,000.

Asset:	2 office units at 1 Commonwealth Lane, One Commonwealth Singapore 149544, Singapore
Gross floor area:	2,864 square feet
Fair value:	$1,497,000
Fair value hierarchy:	Level 3
Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent transaction prices for similar properties.
Significant observable inputs and range (weighted average):	Price per square foot. $523
Relationship of unobservable inputs to fair value:	N.A.
Sensitivity on management's estimates – 10% variation from estimate	Impact – lower by $150,000; higher by $150,000.

16. Intangible assets

Group	Trademarks	Customer relationships	Goodwill	Total
	$'000	$'000	$'000	$'000
Cost				
At 1 November 2018	1,540	43	685	2,268
Foreign exchange adjustments	(27)	(1)	(4)	(32)
Transfers to assets held for sale (Note 27)	–	–	(454)	(454)
At 31 October 2019	1,513	42	227	1,782
Foreign exchange adjustments	16	2	2	20
At 31 October 2020	1,529	44	229	1,802
Accumulated amortisation				
At 1 November 2018	643	35	–	678
Foreign exchange adjustments	(12)	(1)	–	(13)
Amortisation for the year	80	4	–	84
At 31 October 2019	711	38	–	749
Foreign exchange adjustments	8	1	–	9
Amortisation for the year	79	5	–	84
Impairment	4	–	112	116
At 31 October 2020	802	44	112	958
Carrying value				
At 1 November 2018	897	8	685	1,590
At 31 October 2019	802	4	227	1,033
At 31 October 2020	727	–	117	844

The amortisation of trademarks and customer relationships were included in marketing and distribution expenses.

16A. Impairment testing for cash-generating units ("CGU") containing goodwill

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the Group's investment by each subsidiary as follows:

	2020	2019
	$'000	$'000
Name of subsidiary		
Sunrich Resources Sdn. Bhd. (Resource Recovery segment)	117	227

The recoverable amount of goodwill allocated to the CGU, Sunrich Resources Sdn. Bhd. was based on its value in use and was determined by discounting the future cash flows to be generated from the continuing use of the CGU. These calculations use cash flow projections estimated by management based on forecasted revenue, growth rates, profit margins, tax rates and discount rates.

The value in use was measured by management. The key assumptions for the value in use calculations are as follows. The value in use is a recurring fair value measurement (Level 3).

The quantitative information about the value in use measurement using significant unobservable inputs for the cash generating unit are consistent with those used for the measurement last performed and is analysed as follows:

16. Intangible assets (cont'd)

16A. Impairment testing for cash-generating units ("CGU") containing goodwill (cont'd)

CGU – Sunrich Resources Sdn. Bhd.

	Range (Weighted Average)	
	2020	2019
Growth rates based on industry growth forecasts and not exceeding the average long-term growth rate for the relevant markets	5% to 12%	4% to 26%
Estimated discount rate using pre-tax rate that reflect current market assessments at the risks specific to the CGU	15%	15%
Cash flow forecasts derived from the most recent financial budgets and plans approved by management	5 years	5 years

Cash flows projections beyond that five-year period have been extrapolated on the basis of a 0% (2019: 3%) growth rate. Such a growth rate does not exceed the long-term average growth rate of the sector. Management believes that any reasonably possible change in the key assumptions on which this division's recoverable amount is based, would not cause the carrying amount to exceed its recoverable amount.

No impairment allowance was recognised because the carrying amount of CGU was lower than its recoverable amount.

17. Land use rights

	Group	
	2020 $'000	2019 $'000
Cost		
At beginning of the year	2,330	2,400
Foreign exchange adjustments	94	(70)
At end of the year	2,424	2,330
Accumulated amortisation		
At beginning of the reporting year	1,023	1,000
Foreign exchange adjustments	35	(37)
Amortisation for the year included under administrative expenses	60	60
At end of the year	1,118	1,023
Carrying values		
At beginning of the year	1,307	1,400
At end of the year	1,306	1,307

The land use rights relate to a parcel of land located in the People's Republic of China and will be expiring on 11 December 2057. See Note 13C for impairment assessment.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2020

18. Investments in subsidiaries

	Company 2020 $'000	Company 2019 $'000
Unquoted equity shares at cost	28,724	28,724
Allowance for impairment	(3,810)	(3,810)
Subtotal	24,914	24,914
Loans due from subsidiaries	16,136	17,227
Allowance for impairment	(9,217)	(9,244)
Subtotal	6,919	7,983
Total carrying amount	31,833	32,897
Analysis of amounts denominated in non-functional currency		
Malaysia Ringgit	12,168	12,236
Movements in unquoted equity shares during the year:		
Balance at beginning of the year	28,724	23,024
Additions	–	3,232
Conversion from loan to a subsidiary to share capital	–	2,468
Balance at end of the year	28,724	28,724
Movements in loans due from subsidiaries during the year:		
Balance at beginning of the year	17,227	28,016
Foreign exchange adjustments	–	(1)
Additions	–	550
Repayment from subsidiaries	(1,064)	–
Conversion from loan to a subsidiary to share capital	–	(2,468)
Written off	(27)	(8,870)
Balance at the end of the year	16,136	17,227
Movements in above allowance for impairment:		
Balance at beginning of the year	3,810	1,450
Charge to profit or loss included in other losses	–	2,360
Balance at end of the year	3,810	3,810
Movements in above allowance for loans due from subsidiaries:		
Balance at beginning of the year	9,244	16,521
Charge to profit or loss included in other losses	–	1,593
Used	(27)	(8,870)
Balance at end of the year	9,217	9,244

Loans due from subsidiaries are unsecured and interest-free. The settlement of these amounts is neither planned nor likely to occur in the future. As these amounts are in substance, a part of the Company's net investments in subsidiaries, they are stated at cost less accumulated impairment losses.

18. Investments in subsidiaries (cont'd)

The subsidiaries held by the Group and the Company are as follows:

Name of subsidiary and principal activities	Country of incorporation/ place of operation	Cost of investment held by the company		Effective equity interests held by the Group	
		2020	2019	2020	2019
		$'000	$'000	%	%
Held by the Company					
Asia Cleantech Hub Pte. Ltd. [c][d] Investment holding	Singapore	*	*	–	100
Bee Joo Environmental Pte. Ltd. [a] General waste management services	Singapore	2,611	2,611	100	100
Bee Joo Industries Pte. Ltd. [a] Processing and recycling of horticultural and other waste and operating of biomass co-generation plant	Singapore	2,155	2,155	100	100
ecoWise International Pte. Ltd. [a] International procurement and trading of rubberised related goods and research and experimental development on environment and clean technologies	Singapore	1,000	1,000	100	100
ecoWise Resources Pte. Ltd. [c] Processing and recycling of horticultural and other waste	Singapore	1,450	1,450	100	100
ecoWise RubberTech Pte. Ltd. [c] Processing of rubberised related goods and investment holding	Singapore	1,000	1,000	100	100
ecoWise Solutions Pte. Ltd. [a] Developing and commercialising ecology solutions, research and development of technologies relating to environmental solutions	Singapore	8,340	8,340	100	100
ecoWise Ventures Pte. Ltd. [a] Investment holding	Singapore	*	*	100	100
Sunrich Resources Sdn. Bhd. [b] Investment holding	Malaysia	12,168	12,168	100	100

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2020

18. Investments in subsidiaries (cont'd)

Name of subsidiary	Country of incorporation/ place of operation	Principal activities	Effective equity interests held by the Group 2020 %	2019 %
Held by subsidiaries				
ecoWise Marina Power Pte. Ltd. [(a)]	Singapore	Operation and maintenance of biomass co-generation plant	100	100
Hivern Investments Pte. Ltd. [(c)]	Singapore	Investment holding	100	100
ecoWise Materials Pte. Ltd. (formally known as Geocycle Singapore Pte. Ltd.) [(a)]	Singapore	Processing and recycling of used copper slag	100	100
Swee Chioh Fishery Pte. Ltd. [(c)(d)]	Singapore	Operation of fish hatcheries, commercial breeding and rearing of fish	–	80
Chongqing ecoWise Investment Management Co., Ltd. [(c)]	People's Republic of China	Service provider for project and investment consultancy and management	100	100
Changyi Enersave Biomass to Energy Co., Ltd [(c)]	People's Republic of China	Generation and sale of electricity and heat	100	100
Sunrich Integrated Sdn. Bhd. [(b)]	Malaysia	Investment holding	100	100
Autoways Industries Sdn. Bhd. [(b)]	Malaysia	Trading of retread tyres and related rubberised products	100	96
Ecogreen Products and Services Sdn. Bhd. [(b)]	Malaysia	Production, trading and consultancy services related to biomass products	100	100

18. Investments in subsidiaries (cont'd)

Name of subsidiary	Country of incorporation/ place of operation	Principal activities	Effective equity interests held by the Group 2020 %	2019 %
Held by subsidiaries (cont'd)				
Sun Tyre (Sabah) Sdn. Bhd. (formerly known as Gulf Rubber (M) Sdn. Bhd.) (b)	Malaysia	Retreading of tyres, dealing in rubberised products and investment holding	100	97
Sunrich Marketing (Sabah) Sdn. Bhd. (formerly known as Gulf Rubber Suntex Sdn. Bhd.) (b)	Malaysia	Trading of retread tyres and related rubberised products	100	94
Saiko Rubber (Malaysia) Sdn. Bhd. (b)	Malaysia	Manufacturing and trading of rubberised products and investment holding	51	51
Sun Rubber Industry Sdn. Bhd. (b)	Malaysia	Manufacturing and trading of rubberised products and investment holding	100	100
Sunrich Global Marketing Sdn Bhd. (b)	Malaysia	Dormant	100	100
Sun Tyre & Auto Products Sdn. Bhd. (b)	Malaysia	Trading of new and retread tyres and related rubberised products	100	100
Sun Tyre Sdn. Bhd. (formerly known as Sun Tyre Industries Sdn. Bhd.) (b)	Malaysia	Retreading of tyres, dealing in rubberised products and investment holding	100	100
Sunrich Marketing Sdn. Bhd. (b)	Malaysia	Trading of retread tyres and related rubberised products	100	100
Trakar Suntex Sdn. Bhd. (b)	Malaysia	Trading of retread tyres and related rubberised products	60	57
Winner Suntex Sdn. Bhd. (b)	Malaysia	Trading of retread tyres and related rubberised products	100	100

(a) Audited by RSM Chio Lim LLP.

(b) Audited by RSM Malaysia, member firm of RSM International.

(c) For the purpose of consolidation, the unaudited management financial statements for the reporting year ended 31 October 2020 have been used. The impact arising from the use of the subsidiaries' unaudited management financial statements is not expected to be significant to the financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2020

18. Investments in subsidiaries (cont'd)

(a) Disposed on 25 February 2020 (Note 9).

18A. Subsidiaries with material non-controlling interests ("NCI")

The summarised financial information of the subsidiaries with non-controlling interests that were material to the Group, not adjusted for the percentage ownership held by the Group is, as follows:

	Group	
	2020	2019
	$'000	$'000
Saiko Rubber (Malaysia) Sdn. Bhd.		
Profit for the year allocated to NCI	611	429
Accumulated NCI at the end of the reporting year	4,059	4,059
Summarised financial information of the subsidiary not adjusted for the percentage ownership held by the Group and amounts before inter-company eliminations:		
Dividends paid to non-controlling interest	626	203
Current assets	8,043	7,779
Non-current assets	2,318	2,475
Current liabilities	2,376	(2,072)
Non-current liabilities	326	(561)
Revenue	10,555	11,118
Profit for the reporting year	1,247	875
Total comprehensive income	1,234	875
Operating cash flows, increase	3,257	2,309
Net cash flows, increase	1,570	1,492

18B. Subsidiaries by geographical location

Geographical information about the carrying amounts of Company's subsidiaries are as follows:

	Company	
	2020	2019
	$'000	$'000
Carrying amounts of investment in subsidiaries		
Singapore	12,746	12,746
Malaysia	12,168	12,168
	24,914	24,914
Carrying amounts of loans due from subsidiaries		
Singapore	6,919	7,915
Malaysia	–	68
	6,919	7,983

19. Investment in a jointly-controlled entity

	Group 2020 $'000	Group 2019 $'000
Unquoted equity shares, at cost	5,126	5,126
Share of profit or loss:		
At beginning of the year	(3,485)	(3,448)
Share of loss for the year	(13)	(21)
Share of foreign currency translation reserve	204	(16)
At end of the year	(3,294)	(3,485)
Carrying amount	1,832	1,641

The jointly-controlled entity held by the Group is as follows:

Name of subsidiary	Country of incorporation/ place of operation	Principal activities	Effective equity interests held by the Group 2020 %	Effective equity interests held by the Group 2019 %
Held by a subsidiary				
Chongqing eco-CTIG Rubber Technology Co., Ltd. ("CECRT") [a]	People's Republic of China	Retreading of tyres and dealing in rubberised products	65	65

For the purpose of equity accounting of the jointly-controlled entity, the unaudited management financial statements for the reporting year ended 31 October 2020 have been used. The impact arising from the use of the jointly-controlled entity's unaudited management financial statements is not expected to be significant to the financial statements of the Group.

CECRT is not consolidated although the Company owns, indirectly through a subsidiary, more than half of the voting power of the entity as, under the shareholders' agreement, the Company does not have the ability to control and is not exposed or has rights, to all variable returns from its involvement with the investee and does not have the ability to affect those returns through its power over the investee.

19. Investment in a jointly-controlled entity (cont'd)

The summarised financial information of the jointly-controlled entity based on the unaudited management financial statements of the jointly-controlled entity and adjusted to reflect adjustments made by the Group when using the equity method, is as follows:

	Group	
	2020	2019
	$'000	$'000
Revenue	3,311	4,180
Loss from continuing operations	–	(26)
Total comprehensive loss	(20)	(34)
Depreciation and amortisation	(282)	(267)
Finance costs	–	(7)
Current assets	2,076	1,873
Non-current assets	3,161	2,674
Current liabilities	(2,419)	(2,022)
Reconciliation:		
Net assets of the jointly-controlled entity	2,818	2,525
Proportion of the Group's interest in the jointly-controlled entity	65%	65%
Carrying amount of the interest in the jointly-controlled entity	1,832	1,641

There are no significant restrictions on the ability of the jointly-controlled entity to transfer funds to the Group in the form of cash dividends.

20. Investment in an associate

	Group	
	2020	2019
	$'000	$'000
Unquoted equity interest at cost	1,846	1,846
Share of post-acquisition loss, net of dividends received	(306)	(165)
	1,540	1,681
Movements in carrying value:		
Balance at beginning of the year	1,681	1,596
Share of loss for the year	(77)	(61)
Share of foreign currency translation reserve	(64)	146
Balance at end of the year	1,540	1,681

The associate held by the Group is as follows:

Name of associate	Country of incorporation/ place of operation	Principal activity	Effective equity interests held by the Group 2020 %	2019 %
Held by subsidiaries				
China-UK Low Carbon Enterprise Co., Ltd	People's Republic of China	Investment holding	20	20

20. Investment in an associate (cont'd)

For the purpose of equity accounting of the associate, the unaudited management financial statements at 31 October 2020 have been used. The impact arising from the use of the associate's unaudited management financial statements is not expected to be significant to the financial statements of the Group.

The summarised financial information of the associate and the amounts (and not the Group's share of those amounts) based on the unaudited management financial statements of the associate and adjusted to reflect adjustments made by the Group when using the equity method is as follows:

	Group	
	2020	2019
	$'000	$'000
Revenue	–	170
Loss from continuing operations	(383)	(303)
Total comprehensive loss	(383)	(303)
Finance (expense)/income	–	(64)
Current assets	3,945	6,715
Non-current assets	4,353	1,798
Current liabilities	(598)	(108)
Reconciliation:		
Net assets of the associate	7,700	8,405
Proportion of the Group's interest in the associate	20%	20%
Carrying amount of the interest in the associate	1,540	1,681

On 14 April 2020, the Group entered into a conditional sale and purchase agreement with HongKong Chenbang Investment Limited to dispose its entire interest in a wholly-owned subsidiary, ecoWise Ventures Pte. Ltd. ("EWV") along with China-UK Carbon Enterprise Limited ("CULCEC") which EWV has a 20% equity interest in for a consideration of RMB 6 million (approximately S$1.2 million) on the terms of and subject to the conditions of the sale and purchase agreement. The disposal was expected to be completed within 6 months from the date of the conditional sale and purchase agreement. On 30 December 2020, the parties to the sale and purchase agreement have entered into a termination agreement to terminate the conditional sale and purchase agreement.

The Group has applied to the court in China for the liquidation of CULCEC so that residual assets of CULCEC could be distributed to its shareholders. On 21 December 2020, the court in China approved the liquidation of CULCEC.

The carrying value of the Group's investment in the associate net of foreign currency translation reserve amounts to approximately $1.2 million as at 31 October 2020. Management is of the view that there is no impairment in the carrying value of the investment in associate as the estimated recoverable amount approximates the carrying value.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2020

21. Trade and other receivables

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Trade receivables				
Outside parties	12,881	13,819	25	–
Less: allowance for impairment	(1,187)	(969)	–	–
Net	11,694	12,850	25	–
Subsidiaries	–	–	738	1,765
Jointly-controlled entity	1,025	736	–	–
Subtotal	12,719	13,586	763	1,765
Other receivables				
Outside parties	2,065	2,076	2	53
Less: allowance for impairment	(19)	(18)	–	–
Net	2,046	2,058	2	53
Subsidiaries	–	–	234	1,573
Jointly-controlled entity	–	13	–	–
Subtotal	2,046	2,071	236	1,626
Total trade and other receivables	14,765	15,657	999	3,391

	Group	
	2020	2019
	$'000	$'000
Movements in above allowance for trade receivables:		
Balance at beginning of the year	969	825
Foreign exchange adjustments	(33)	(15)
Charge to profit or loss included in other losses	251	159
Balance at end of the year	1,187	969
Movements in above allowance for other receivables:		
Balance at beginning of the year	18	225
Foreign exchange adjustments	1	–
Used	–	(207)
Balance at end of the year	19	18

Trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring expected credit losses ("ECL") which uses a lifetime expected loss allowance for all trade receivables. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of 36 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Group has established a credit policy, whereby each new customer is analysed individually for credit worthiness. Each entity within the Group is responsible for managing and analysing the credit risk of each of its new customers before payment and delivery terms and conditions are offered. For existing customers, an on-going credit evaluation is performed on customers' financial conditions. The exposure to credit risk is controlled by setting credit limits to individual customers.

21. Trade and other receivables (cont'd)

The credit terms granted to customers are generally between 14 to 90 days (2019: 14 to 90 days).

(a) Ageing analysis of trade receivables that are past due at the end of the reporting year but not impaired is as follows:

Group	Gross amount		Loss allowance	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Current	9,455	8,916	–	–
Past due less than 60 days	1,656	2,290	–	–
Past due 61 to 90 days	128	405	–	–
Past due 91 to 180 days	72	223	–	(2)
Past due over 180 days	2,595	2,721	(1,187)	(967)
	13,906	14,555	(1,187)	(969)

(b) Ageing analysis of trade receivables at the end of the reporting year that are impaired is as follows:

	Group	
	2020	2019
	$'000	$'000
Past due over 180 days	1,187	967

The allowance for doubtful trade receivables is based on individual accounts totalling $1,187,000 (2019: $967,000) that are determined to be impaired at the end of the reporting year.

There are no collateral held as security and other credit enhancements for the trade receivables.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

At end of the reporting year, approximately 48% (2019: 34%) of trade receivables are due from three customers as follows:

	Group	
	2020	2019
	$'000	$'000
Top 1 customer	4,448	2,156
Top 2 customers	5,422	3,669
Top 3 customers	6,060	4,599

Other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk.

21. Trade and other receivables (cont'd)

At the end of the first reporting period a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

Other receivables due from subsidiaries and jointly-controlled entity are unsecured, non-interest bearing and have no fixed terms of repayment.

22. Lease receivables

In the reporting year ended 31 October 2012, the Group completed the construction of a biomass co-generation plant under a Design, Build and Operate Agreement ("DBO Agreement") entered with a customer. Under the DBO Agreement, the Group will operate and maintain the plant to supply electricity and heat to the customer for a term of 15 years since February 2012.

The Group assessed that the terms and conditions of the DBO Agreement contains a lease arrangement under SFRS(I) 16 on leases. The lease is classified as a finance lease as the present value of the minimum lease receivables amount to at least substantially all of the fair value of the biomass co-generation plant at the inception of the lease. Consequently, the Group accounts for its investment in the biomass co-generation plant from plant and equipment as finance lease receivables. The Group continues to be the legal owner of the plant.

A summary of the maturity analysis of lease payments receivables that shows undiscounted lease payments to be received on an annual basis is as follows:

	Group	
	2020	2019
	$'000	$'000
Minimum lease payments receivable:		
Not later than one year	1,932	1,939
Between 1 and 2 years	1,932	1,932
Between 2 and 3 years	1,932	1,932
Between 3 and 4 years	1,938	1,932
Between 4 and 5 years	1,932	1,938
Receivable after 5 years	2,420	4,352
Total	12,086	14,025
Unearned finance income	(3,323)	(4,326)
Net investment in the leases	8,763	9,699
Presented in statements of financial position as:		
Non-current	7,636	8,682
Current	1,127	1,017
	8,763	9,699

The imputed finance income on the lease receivables was determined based on the interest rate implicit in the lease. The effective interest rate is 10.6% (2019: 10.6%) per annum.

22. Lease receivables (cont'd)

The finance lease income is disclosed in Note 5.

The lease receivables are pledged as security to secure loans and borrowings (Note 32D).

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

23. Other non-financial assets

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Income tax receivables	24	18	–	–
Prepayments	1,107	1,170	15	31
Deposits to secure services	1,340	1,182	114	–
	2,471	2,370	129	31
Presented in statements of financial position as:				
Non-current	285	281	–	–
Current	2,186	2,089	129	31
	2,471	2,370	129	31

24. Inventories

	Group	
	2020	2019
	$'000	$'000
Raw materials	2,931	2,720
Work-in-progress	429	449
Finished goods	1,680	1,374
Consumables	971	519
	6,011	5,062

Inventories are stated after allowance for inventory obsolescence as follows:

	Group	
	2020	2019
	$'000	$'000
Balance at beginning of the year	204	187
Charge to profit or loss included in cost of sales	–	17
Balance at end of the year	204	204

Raw materials, consumables and changes in finished goods and work-in-progress recognised as cost of sales during the reporting year amounted to $24,755,000 (2019: $26,944,000).

A floating charge amounting to $$4,267,000 (2019: $3,091,000) has been created over certain inventories of the Group as security to secure loans and borrowings (Note 32E).

25. Derivative financial instruments

	Group	
	2020	2019
	$'000	$'000
Current assets – derivative financial instruments with positive fair values:		
Forward foreign exchange contracts – cash flow hedges	139	4
Current liabilities – derivative financial instruments with negative fair values:		
Forward foreign exchange contracts – cash flow hedges	(1)	(131)

The movements during the reporting year are as follows:

	2020	2019
Balance at beginning of the year	(127)	21
Foreign exchange adjustments	(1)	2
Loss recognised in profit or loss	(24)	–
Loss recognised in other comprehensive income	290	(150)
Balance at end of the year	138	(127)

These include the gross amount of all notional values for contracts that have not yet been settled or cancelled. The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts.

		Principal		Fair value	
	Reference	2020	2019	2020	2019
Group	currency	$'000	$'000	$'000	$'000
Forward currency contracts	AUD/MYR	6,509	7,423	6,370	7,550
Forward currency contracts	USD/MYR	8	113	9	113

Forward foreign currency contracts are utilised to hedge against significant future transactions and cash flows. They are used where possible to reduce the exposure in the fluctuations of foreign currency rates. The forward foreign currency contracts are primarily denominated in the currencies of the Group's principal markets. The Group does not enter into derivative contracts for speculative purposes.

The forward foreign currency contracts are not traded in an active market. As a result, their fair values are based on valuation techniques currently consistent with generally accepted valuation methodologies for pricing financial instruments, and incorporate all factors and assumptions that knowledgeable, willing market participants would consider in setting the price (Level 2).

The fair value (Level 2) of forward foreign currency contracts is based on the current value of the difference between the contractual exchange rate and the market rate at the end of the reporting year. The valuation technique uses market observable inputs.

26. Cash and cash equivalents

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Not restricted in use	4,685	3,507	33	11
Restricted in use	2,083	1,994	–	–
	6,768	5,501	33	11
Interest earning balances	1,841	2,099	–	–

Details of restricted cash balances are as follows:

	Group	
	2020	2019
	$'000	$'000
Under operating activities:		
Fixed deposits held by banks as security deposits for performance bonds	92	295
Under financing activities:		
Fixed deposits held by banks as security deposits for loans and borrowings	1,991	1,699
	2,083	1,994

Other than the amounts that are restricted in use, cash and cash equivalents represent amounts with less than 90 days maturity.

The rates of interest for the cash on interest earning accounts are between 0.05% to 2.75% (2019: 0.25% to 2.75%) per annum.

26A. Cash and cash equivalents in the consolidated statement of cash flows

	Group	
	2020	2019
	$'000	$'000
Cash and cash equivalents in the statement of financial position	6,768	5,501
Cash and cash equivalents restricted in use	(2,083)	(1,994)
Bank overdrafts (Note 32)	(1,330)	(1,296)
	3,355	2,211

26B. Non-cash transactions

During the reporting year, the Group had the following major non-cash transactions:

	Group	
	2020	2019
	$'000	$'000
Acquisition of plant and equipment under lease agreements	399	872
Acquisition of property under loans	800	–

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2020

26. Cash and cash equivalents (cont'd)

26C. Reconciliation of liabilities arising from financing activity

	At beginning of the year $'000	Cash flows $'000	Non-cash changes $'000	At end of the year $'000
2020				
Loans and borrowings	11,845	2,300	900	15,045
Gross lease liabilities	3,002	(1,771)	2,270	3,501
2019				
Loans and borrowings	15,856	(3,944)	(67)	11,845
Gross lease liabilities	2,539	(356)	819	3,002

27. Assets classified as held for sale

The assets held for sale as at 31 October 2019 relate to investments in Asia Cleantech Hub Pte. Ltd. and Swee Chioh Fishery Pte. Ltd which were disposed of during the reporting year as disclosed in Note 9.

The major classes of assets and liabilities of the assets classified as held for sale under SFRS(I) 5 – Non-current Assets Held for Sale and Discontinued Operations are as follows:

	Group 2019 $'000
Assets:	
Property, plant and equipment	1,770
Intangible assets – goodwill	454
Trade and other receivables	160
Cash and cash equivalent	114
Other non-financial assets	1
Assets classified as held for sale	2,499
Liabilities directly associated with assets classified as held for sale:	
Trade and other payables	(154)
Deferred tax liabilities	(304)
Provisions – Contingent consideration	(1,768)
Net liabilities directly classified as held for sale	(2,226)

28. Share capital

Group and Company	Number of ordinary shares with no par value		Share capital	
	2020	2019	2020	2019
	'000	'000	$'000	$'000
Balance at beginning of the year	957,483	957,483	48,170	48,170
Treasury shares purchased	(2,667)	(997)	(80)	(29)
Balance at end of the year	954,816	956,486	48,090	48,141

Ordinary shares

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The Company is not subject to any externally imposed capital requirements.

Treasury shares

	Number of treasury shares		Fair value	
	2020	2019	2020	2019
	'000	'000	$'000	$'000
Balance at beginning of the year	(997)	–	(29)	–
Treasury shares purchased	(1,670)	(997)	(51)	(29)
Balance at end of the year	(2,667)	(997)	(80)	(29)

Under the mandate approved at the last annual general meeting, 1,670,000 (2019: 997,000) treasury shares were acquired during the reporting year on the Singapore Exchange in order to be held as Treasury Shares for a consideration of $51,000 (2019: $29,000).

Externally imposed capital requirement

The Company is subject to externally imposed capital requirement which is to have share capital with a free float of at least 10% of the shares to maintain its listing on the Singapore Exchange Securities Trading Limited. The Company has met the externally imposed capital requirement. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

Capital management

The Company is committed to maintain an optimal capital structure to safeguard the Company's ability to continue as a going concern, to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing products and services commensurately with the level of risk. The management sets the amount of capital in proportion to risk. There were no changes in the approach to capital management during the reporting year.

The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debts.

28. Share capital (cont'd)

Capital management (cont'd)

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt/adjusted capital. Net debt is calculated as total borrowings less cash and cash equivalents. Adjusted capital comprises all components of equity, that is, its total equity.

The debt-to-adjusted capital ratio is set out below:

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Loans and borrowings (Note 32)	15,045	11,845	–	–
Lease liabilities (Note 33)	3,501	3,002	126	170
Less: Cash and cash equivalents (Note 26)	(6,768)	(5,501)	(33)	(11)
Net debt	11,778	9,346	93	159
Adjusted capital:				
Total equity	43,021	41,244	27,068	27,720
Less: Amount accumulated in equity in relation to cash flow hedge	139	(151)	–	–
Adjusted capital	43,160	41,093	27,068	27,720
Debt-to-adjusted capital ratio	27.3%	22.7%	0.3%	0.6%

The change as shown by the increase in the debt-to-adjusted capital ratio for the reporting year resulted primarily from the increase in new debt.

29. Foreign currency translation reserve

	Group	
	2020	2019
	$'000	$'000
At beginning of the year	(5,671)	(5,220)
Exchange differences on translating foreign operations	653	(328)
Disposal of subsidiaries with a change in control (Note 9)	–	(123)
At end of the year	(5,018)	(5,671)

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Group.

30. Other reserves

	Group	
	2020	2019
	$'000	$'000
Hedging reserve (Note 30A)	139	(151)
Other reserve (Note 30B)	2,270	2,232
	2,409	2,081

30. Other reserves (cont'd)

All reserves classified on the face of the statements of financial position as retained earnings represent past accumulated earnings and are distributable. The other reserves are not available for cash dividends unless realised.

30A. Hedging reserve

The hedging reserve relates to the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

30B. Other reserve

	Group	
	2020	2019
	$'000	$'000
At beginning of the year	2,232	2,300
Acquisition of interest in a subsidiary from non-controlling interest without a change in control	–	(25)
Foreign exchange adjustments	38	(43)
At end of the year	2,270	2,232

Other reserve relates to the difference between the change in non-controlling interests when acquiring additional equity interests in subsidiaries and the fair value of the consideration given for the acquisitions.

31. Provisions

	Group	
	2020	2019
	$'000	$'000
Provision for retirement benefit obligations (Note 31A)	790	844
Provision for reinstatement cost (Note 31B)	350	350
	1,140	1,194
Presented in statements of financial position as:		
Non-current	1,140	1,194
Current	–	–
	1,140	1,194

31A. Retirement benefit obligations

The Group operates a defined benefit plan for qualifying employees of its subsidiaries in Malaysia. Under the plan, the employees are entitled to two weeks of their last drawn salary for every year of employment served after fulfilling certain conditions. No other post-retirement benefits are provided. The plan is not held separately by an independent administrated fund as the plan is not a funded arrangement. Those employees who joined the subsidiaries in Malaysia on or after 15 July 2010 are not entitled to such retirement benefits.

31. Provisions (cont'd)

31A. Retirement benefit obligations (cont'd)

The movements in the provision for retirement benefit obligations and the amounts recognised in the profit or loss during the reporting year are as follows:

	Group	
	2020	2019
	$'000	$'000
At beginning of the year	844	830
Foreign exchange adjustments	10	(15)
Current service cost	26	39
Interest expense on retirement benefit obligations	22	34
Defined benefit plan actuarial gains	(84)	–
Retirement benefit obligations paid	(28)	(44)
At end of the year	790	844

The principal actuarial assumptions used in respect of the Group's defined benefit plan are as follows:

	Group	
	2020	2019
	%	%
Discount rate	5.0	5.0
Expected rate of salaries increase	4.0	4.0

The assumptions relating to longevity used to compute the retirement benefit obligations are based on the published mortality tables commonly used by the actuarial professionals in Malaysia.

31B. Provision for reinstatement cost

	Group	
	2020	2019
	$'000	$'000
Balance at beginning and end of the years 31 October 2019 and 2020	350	350

The provision is based on the present value of costs to be incurred to remove leasehold improvements and a biomass plant from a subsidiary's leasehold property. The estimate is based on a quotation from an external contractor.

32. Loans and borrowings

	Group 2020 $'000	Group 2019 $'000
Non-current liabilities		
Loans and borrowings with fixed interest rate:		
Bank loan A (Note 32A)	17	82
Bank loan B (Note 32B)	1,308	–
Bank loan C (Note 32C)	674	–
Subtotal	1,999	82
Loans and borrowings with floating interest rate:		
Bank loan D (Note 32D)	–	281
Bank loan E (Note 32E)	3,427	271
Bank loan F (Note 32F)	1,510	1,531
Subtotal	4,937	2,083
Total non-current portion	6,936	2,165
Current liabilities		
Loans and borrowings with fixed interest rate:		
Bank loan A (Note 32A)	66	62
Bank loan B (Note 32B)	322	–
Bank loan C (Note 32C)	73	–
Subtotal	461	62
Loans and borrowings with floating interest rate:		
Bank loan D (Note 32D)	280	1,226
Bank loan E (Note 32E)	375	406
Bank overdraft A (Note 32E)	508	325
Bankers' acceptances A (Note 32E)	5,238	6,057
Bank loan F (Note 32F)	71	109
Bank overdrafts B (Note 32G)	822	971
Bankers' acceptances B (Note 32H)	354	524
Subtotal	7,648	9,618
Total current portion	8,109	9,680
Total non-current and current loans and borrowings	15,045	11,845

The non-current portion is repayable as follows:

Due within 2 to 5 years	3,337	1,093
Due after 5 years	3,599	1,072
Total non-current portion	6,936	2,165

The carrying amounts of the current and non-current portions are reasonable approximation of fair values (Level 2).

32. Loans and borrowings (cont'd)

The range of interest rates paid were as follows:

	Group	
	2020	2019
	%	%
Fixed rate interest:		
Bank loans	2.45% to 5.25%	4.55%
Floating interest rates:		
Bank loans	1.61% to 6.31%	2.26% to 7.65%
Trust receipts	Nil	3.05%
Bankers' acceptances	3.80% to 6.60%	4.59% to 6.18%
Bank overdrafts	6.56% to 9.51%	6.25% to 7.85%

32A. Bank loan A

Bank loan A is unsecured and covered by a corporate guarantee from the Company. The loan bears a fixed interest rate of 5.25% (2019: 5.25%) per annum. The loan is repayable over 5 years commencing from January 2017.

32B. Bank loans B

Bank loans B are secured by corporate guarantees from the Company and/or the related companies. These loans bear fixed interest rate of 3% per annum and are payable over 5 years commencing from April 2020.

32C. Bank loan C

Bank loan C is secured by a charge over the leasehold properties of $1,552,000 and bear fixed rate of 2.45% per annum. The loan is payable over 10 years commencing from February 2020.

32D. Bank loan D

The loan is secured by a legal assignment of the DBO Agreement with a customer, a fixed and floating charge over present and future undertakings, property assets, revenue and rights in relation to the biomass co-generation plant of a subsidiary as disclosed in Note 22 and pledges of fixed deposits amounting to $242,000 (2019: $252,000) as disclosed in Note 26 at a fixed rate of 0.05% per annum. The loan is guaranteed by the Company and repayable by December 2020.

The loan was fully repaid subsequent to the reporting year end.

32E. Bank loan E, bankers' acceptances A and bank overdraft A

These borrowings are secured by a charge over the Group's leasehold land of $1,163,000 (2019: $1,171,000), leasehold properties and improvements of $8,994,000 (2019: $4,615,000), plant and equipment of $7,760,000 (2019: $8,049,000) and pledges of inventories of $4,267,000 (2019: $3,091,000) and fixed deposits amounting to $1,749,000 (2019: $1,447,000) as disclosed in Notes 13B, 24 and 26. Bank loan E is repayable over 8 years commencing from May 2014, and bankers' acceptances A and bank overdraft A are repayable within the next 12 months. Banker's acceptances are charged at floating interest rate.

32. Loans and borrowings (cont'd)

32F. Bank loan F

Bank loan F is secured by a charge over the leasehold property of $1,983,000 (2019: $2,097,000) and bears a floating interest rate. It is also covered by corporate guarantee from the Company and a related company. The loan is payable over 15 years, commencing from January 2018.

32G. Bank overdrafts B

Bank overdrafts B are unsecured and are covered by a corporate guarantee from the Company and bears a floating interest rate. Bank overdrafts B are repayable within the next 12 months.

32H. Bankers' acceptances B

Bankers' acceptance B is unsecured and is repayable within the next 12 months. The bankers' acceptances is covered by a corporate guarantee from the Company and bears a floating interest rate.

33. Lease liabilities

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Current	1,631	1,264	44	44
Non-current	1,870	1,738	82	126
	3,501	3,002	126	170

Movements of lease liabilities for the reporting year are as follows:

	Group	Company
	2020	2020
	$'000	$'000
Adoption of SFRS(I) 16		
At beginning of the year (restated) (Note 41)	1,857	170
Reclassification from loans and borrowings (Note 41)	3,002	–
Additions	399	–
Accretion of interest	201	8
Lease payments – principal portion paid	(1,771)	(44)
Lease payments – interest paid	(201)	(8)
Foreign exchange adjustments	14	–
At end of the year	3,501	126

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2020

33. Lease liabilities (cont'd)

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is as follows:

	Minimum payments $'000	Finance costs $'000	Present value $'000
Group			
2020			
Not later than one year	1,813	(184)	1,629
Between 2 to 5 years	2,056	(184)	1,872
Total	3,869	(368)	3,501
2019			
Not later than one year	1,403	(139)	1,264
Between 2 to 5 years	1,885	(147)	1,738
	3,288	(286)	3,002
Company			
2020			
Not later than one year	52	(8)	44
Between 2 to 5 years	97	(15)	82
	149	(23)	126
2019			
Not later than one year	52	(8)	44
Between 2 to 5 years	148	(22)	126
	200	(30)	170

The range of interest rates paid were as follows:

	Group	
	2020	2019
	%	%
Finance lease liabilities	2.36% to 4.15%	2.48% to 7.45%

Total cash outflows for leases for the year ended 31 October 2020 are shown in the statement of cash flows.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

33. Lease liabilities (cont'd)

Apart from the disclosures made in other notes to the financial statements, amounts relating to leases include the following:

	Group 2020 $'000
Expense relating to short-term leases and leases of low-value assets included in administrative expenses	220
Total commitments on short-term leases at year end date	75

34. Deferred income

	Group 2020 $'000	Group 2019 $'000
Deferred government grant income	81	8
Presented in statements of financial position as:		
Non-current	50	1
Current	31	7
	81	8

35. Trade and other payables

	Group		Company	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Trade payables				
Outside parties and accrued liabilities	9,393	6,522	952	736
Subsidiaries	–	–	600	–
Jointly-controlled entity	600	596	–	–
Subtotal	9,993	7,118	1,552	736
Other payables				
Subsidiaries	–	–	4,515	8,016
Jointly-controlled entity	–	6	–	–
Other outside parties	1,909	4,793	3	4
Subtotal	1,909	4,799	4,518	8,020
Total trade and other payables	11,902	11,917	6,070	8,756

Other payables to subsidiaries and jointly-controlled entity are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2020

36. Capital commitments

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	Group	
	2020	2019
	$'000	$'000
Commitments to purchase of property, plant and equipment	3,149	6,032

37. Operating lease income commitments – as lessor

A maturity analysis of the undiscounted lease amounts to be received on an annual basis for a minimum of each of the first five years and a total of the amounts for the remaining years is as follows:

	Group	
	2020	2019
	$'000	$'000
Not later than 1 year	155	27
Later than 1 year and not later than 5 years	147	110
	302	137

38. Financial instruments: information on financial risks

38A. Categories of financial assets and liabilities

The following table categorises the carrying amounts of financial assets and financial liabilities recorded at the end of the reporting year:

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Financial assets				
Financial assets at amortised cost	30,296	31,131	1,032	3,402
Derivative financial assets at FVTOCI	139	4	–	–
	30,435	31,135	1,032	3,402
Financial liabilities				
Financial liabilities at amortised cost	30,448	28,990	6,196	8,926
Derivative financial liabilities at FVTOCI	1	131	–	–
	30,449	29,121	6,196	8,926

Further quantitative disclosures are included throughout these financial statements.

38. Financial instruments: information on financial risks (cont'd)

38B. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

38C. Financial risk management

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Risk management is carried out under policies approved by the board of directors.

Risks management policies are established to identify and analyse the risks faced by the Group, to set appropriate risks' limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the Group's activities and market conditions.

The Group has exposure to the following financial risks:

- Credit risk;
- Liquidity risk;
- Interest rate risk; and
- Foreign currency risk.

The Group's overall financial risk management strategy seeks to minimise the potential material adverse effects from these exposures. The information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing risks are presented below.

38D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks and receivables. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. The Group's exposure to credit risk on trade receivables is influenced mainly by the individual characteristics of each customer. Management considers the demographics of the Group's customer bases, including the default risk of the industry and country which customers operate, as these factors may have an influence on credit risk.

38. Financial instruments: information on financial risks (cont'd)

38D. Credit risk on financial assets (cont'd)

Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 26 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

38E. Liquidity risk – financial liabilities maturity analysis

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows):

	Less than 1 year $'000	Due within 2 to 5 years $'000	Due after 5 years $'000	Total $'000
Group				
2020				
Loans and borrowings	8,414	3,825	3,905	16,144
Lease liabilities	1,813	2,056	–	3,869
Trade and other payables	11,902	–	–	11,902
	22,129	5,881	3,905	31,915
2019				
Loans and borrowings	11,134	3,089	1,160	15,383
Trade and other payables	11,917	–	–	11,917
Liabilities directly associated with assets classified as held for sale	1,922	–	–	1,922
	24,973	3,089	1,160	29,222

	Less than 1 year $'000	Due within 2 to 5 years $'000	Total $'000
Company			
2020			
Lease Liabilities	52	97	149
Trade and other payables	6,070	–	6,070
	6,122	97	6,219
2019			
Loans and borrowings	52	148	200
Trade and other payables	8,756	–	8,756
	8,808	148	8,956

For the Company, please also see Note 39A on financial support to subsidiaries.

38. Financial instruments: information on financial risks (cont'd)

38E. Liquidity risk – financial liabilities maturity analysis (cont'd)

The undiscounted amounts on the loans and borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the end of the reporting year.

The average credit period taken to settle trade payables is approximately 84 days (2019: 84 days). The other payables are with short-term durations. In order to meet such cash commitments, the operating activities are expected to generate sufficient cash inflows.

Derivative financial instruments in respect of the Group's forward foreign currency contract analyses the financial guarantee contracts based on the earliest dates in which the maximum guaranteed amount could be drawn down:

	Less than 1 year	Due within 2 to 5 years	More than 5 years	Total
	$'000	$'000	$'000	$'000
Group				
2020				
Financial guarantee contracts	973	17	–	990
2019				
Financial guarantee contracts	845	145	–	990

At the end of the reporting year, no claims on the financial guarantee contracts are expected. The unutilised borrowing facilities available to the Group for its operating and investing activities are as follows:

	Group	
	2020	2019
	$'000	$'000
Unutilised loans and borrowings	9,548	14,441

The unutilised borrowing facilities are available for the Group's operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the Group's operations.

38F. Interest rate risk

The Group's exposure to interest rate risk relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

38. Financial instruments: information on financial risks (cont'd)

38F. Interest rate risk (cont'd)

The interest rate risk exposure is mainly from changes in fixed and floating interest rates. The breakdown of the significant financial instruments by type of interest rate is as follows:

	Group		Company	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Financial assets				
Fixed rates	10,846	11,693	–	–
Financial liabilities				
Floating rates	12,585	11,701	–	–
Fixed rates	5,961	3,146	126	170
	18,546	14,847	126	170

Sensitivity analysis:

	Group	
	2020	2019
	$'000	$'000
Financial liabilities:		
A hypothetical variation in floating interest rates by 100 basis points with all other variables held constant, would have an increase/decrease in pre-tax profit for the year by	126	117

The analysis has been performed for floating interest rate over a year for financial instruments. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on profit or loss. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

38G. Foreign currency risk

The Group has exposure to foreign currency movements on financial assets and financial liabilities denominated in foreign currencies. It also has foreign currency risk on sales and purchases that are denominated in foreign currencies. The currencies giving rise to this risk is primarily the Australian dollar, Chinese renminbi, United States dollar and Euro. The Group hedges its foreign currency exposure should the need arise through the use of forward foreign currency contracts.

Other than as disclosed elsewhere in the financial statements, the Group's significant exposures to foreign currencies are as follows:

Group	Australian Dollar	Chinese Renminbi	United States Dollar	Euro	Total
	$'000	$'000	$'000	$'000	$'000
2020					
Financial assets					
Cash and cash equivalents	2	–	5	–	7
Trade and other receivables	4,431	16	2,131	176	6,754
Total financial assets	4,433	16	2,136	176	6,761

38. Financial instruments: information on financial risks (cont'd)

38G. Foreign currency risk (cont'd)

Group	Australian Dollar $'000	Chinese Renminbi $'000	United States Dollar $'000	Euro $'000	Total $'000
2020					
Financial liabilities					
Trade and other payables	(255)	(5)	(1,945)	–	(2,205)
Net financial assets	4,178	11	191	176	4,556
2019					
Financial assets					
Cash and cash equivalents	2	–	5	–	7
Trade and other receivables	2,117	1	651	164	2,933
Total financial assets	2,119	1	656	164	2,940
Financial liabilities					
Trade and other payables	–	(5)	(125)	–	(130)
Net financial assets/(liabilities)	2,119	(4)	531	164	2,810

Company	Malaysia Ringgit 2020 $'000	Malaysia Ringgit 2019 $'000
Financial assets		
Trade and other receivables	138	569

Sensitivity analysis

A hypothetical 10% (2019: 10%) strengthening of the above currencies against the functional currency of the respective subsidiaries of the Group at the end of the reporting year would increase/(decrease) pre-tax profit for the reporting year by the amounts shown below. A 10% (2019: 10%) weakening of the above currencies against the functional currency of the respective subsidiaries would have an equal but opposite effect. This analysis has been carried out without taking into consideration of hedged transactions and assumes all other variables remain constant.

	Group 2020 $'000	Group 2019 $'000	Company 2020 $'000	Company 2019 $'000
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against AUD with all other variables held constant would have an unfavourable effect on pre-tax profit of	379	193	–	–
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against all other currencies with all other variables held constant would have an unfavourable effect on pre-tax profit of	34	63	14	52

NOTES TO THE FINANCIAL STATEMENTS

31 OCTOBER 2020

38. Financial instruments: information on financial risks (cont'd)

38G. Foreign currency risk (cont'd)

The hypothetical sensitivity rate used in the above table is the reasonably possible change in foreign exchange rates.

39. Contingent liabilities

39A. Undertaking to support subsidiaries with deficits

The Company has undertaken to provide continued financial support to subsidiaries which have total accumulated losses in excess of issued and paid up capital as at the end of the reporting year. Due to the subsidiaries' financial and liquidity constraints, the Company may be required to provide estimated cash funding of approximately $17,496,000 (2019: $15,498,000) to enable these subsidiaries to meet their obligations as and when they fall due.

39B. Litigation

In September 2016, Changyi Enersave Biomass to Energy Co., Ltd, ("CEBEC"), a wholly-owned subsidiary in the Group, commenced arbitration proceedings in Weifang Arbitration Commission in Shandong, People's Republic of China against its contractor, China Huadian Engineering Co., Ltd, ("Hua Dian"), for failure to perform the Engineering, Procurement and Construction Contract ("EPC Contract") between the two parties in relation to the CEBEC Plant. See further details in Note 13C.

On 23 December 2017, the decisions of the arbitral tribunal were as follows:

(i) Hua Dian is to abide by the Engineering, Procurement and Construction Contract ("EPC Contract") and deliver to CEBEC a CEBEC plant in accordance with the technical specifications set out thereunder, within 6 months from 23 December 2017;

(ii) Hua Dian's counter-claim in the amount of RMB31,657,659 (S$6,299,000) (the "Remainder Amount"), representing the unpaid amounts under the EPC Contract, is in abeyance until delivery of a CEBEC plant compliant with the technical specifications as laid out in the EPC Contract; and

(iii) An interim award of RMB18,800,000 (S$3,860,000) is awarded to CEBEC for failure to perform the EPC contract, which shall be set-off against the Remainder Amount.

Hua Dian did not abide by the decision of the arbitral tribunal to deliver to CEBEC a plant in accordance with the technical specifications within 6 months from 23 December 2017.

39. Contingent liabilities (cont'd)

39B. Litigation (cont'd)

During the reporting year, CEBEC commenced a second arbitration proceeding against Hua Dian in Weifang Arbitration Commission and sought the commission to rule on the following matters:

(i) The EPC contract signed between Hua Dian and CEBEC will be nullified or voided

(ii) Hua Dian is responsible to reinstate the land where the CEBEC Plant is located to its original condition by removing all equipment and machinery relating to the CEBEC Plant within 90 days from the date of the arbitration award;

(iii) Hua Dian is obliged to refund the contract sum paid by CEBEC under the EPC contract and expenses paid on behalf of Hua Dian by CEBEC amounting to RMB148,326,885 (approximately $29,600,000) and RMB2,577,957 (approximately $515,000) respectively,

(iv) Hua Dian is required to compensate CEBEC for operating losses amounting to RMB41,259,848 million (approximately $8,200,000); and

(iv) Hua Dian is required to bear the cost of arbitration.

As of the date of these financial statements were authorised for issue by the board of directors, the Weifang Arbitration Commission has yet to issue its decision.

40. Events after the end of the reporting year

On 13 November 2020, the Group acquired additional shares in its subsidiaries from the non-controlling interest.

- Sun Tyre Sdn Bhd (formerly known as Sun Tyre Industries Sdn Bhd) (a wholly-owned subsidiary of the Group) acquired an additional 10,000 ordinary shares in Autoways Industries Sdn. Bhd. ("AIW"), representing 4% of the share capital of AIW at a consideration of RM20,835. Following the acquisition, AIW became a wholly-owned subsidiary of the Group.

- Winner Suntex Sdn Bhd (a wholly-owned subsidiary of the Group) acquired an additional 9,000 ordinary shares in Trakar Suntex Sdn. Bhd. ("TS"), representing 3% of the share capital of TS, at a consideration of RM8,210. Following the acquisition, TS became a 60%-owned subsidiary of the Company.

- Sunrich Integrated Sdn Bhd (a wholly-owned subsidiary of the Group) acquired an additional 57,300 ordinary shares in Sun Tyre (Sabah) Sdn Bhd ("Sun Tyre Sabah") (formerly known as Gulf Rubber (M) Sdn Bhd), representing 3% of the share capital of Sun Tyre Sabah, at a nominal consideration of RM1.00. Following the acquisition, Sun Tyre Sabah became an indirect wholly-owned subsidiary of the Company.

- Sun Tyre Sabah (a wholly-owned subsidiary of the Group following the acquisition stated above) acquired an additional 3 ordinary shares in Sunrich Marketing (Sabah) Sdn Bhd ("SRM Sabah") (formerly known as Gulf Rubber Suntex Sdn Bhd), representing 3% of the share capital of SRM Sabah, at a nominal consideration of RM1.00. Following the acquisition, SRM Sabah became a wholly-owned subsidiary of the Group.

41. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below.

FRS No.	Title
SFRS(I) 1-19	Amendments: Plan Amendment, Curtailment or Settlement
SFRS(I) 16	Leases (and Leases - Illustrative Examples & Amendments to Guidance on Other Standards)
SFRS(I) 1-28	Amendments to Long-term Interests in Associates and Joint Ventures
SFRS(I) INT 23	Uncertainty over Income Tax Treatments
SFRS(I) 1-12	Improvements (2017) – Amendments: Income Taxes
SFRS(I) 1-23	Improvements (2017) – Amendments: Borrowing Costs
SFRS(I) 3	Improvements (2017) – Amendments: Business Combinations
SFRS(I) 11	Improvements (2017) – Amendments: Joint Arrangements

SFRS(I) 16 Leases

On 1 November 2019, the Group adopted SFRS(I) 16 Leases. At the date of initial application, the Group recognised the rights to use leased assets as right-of-use assets and their associated obligations as lease liabilities. The Group applied this standard using the modified retrospective approach. Management elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition. The lease liabilities do not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-to-use assets.

On transition to the new standard on leases the weighted average incremental borrowing rate applied to lease liabilities recognised was 6.25% per year.

Reconciliation of lease commitments and lease liability at the date of initial application:

	Group $'000
Operating lease commitments as at 31 October 2019	2,206
Other minor adjustments	(70)
Operating lease liabilities before discounting	2,136
Discounted using incremental borrowing rate	(279)
Operating lease liabilities, net	1,857
Finance lease obligations recognised as at 31 October 2019	3,002
Total lease liabilities recognised at 1 November 2019 (Note 33)	4,859

41. Changes and adoption of financial reporting standards (cont'd)

The table below shows what the changes made to the presentation for the last reporting year.

	Reclassifications		
	After	Before	Difference
	$'000	$'000	$'000
Statement of financial position:			
Loans and Borrowings	11,845	14,847	(3,002)
Lease Liabilities	3,002	–	3,002

The right-of-use assets and lease liabilities are disclosed in Notes 14 and 33 respectively.

Under the modified retrospective approach the comparative information is not restated and therefore there is no presentation of a third column for the statement of financial position. Any cumulative effect of initially applying this standard is recognised as an adjustment to the opening balance of retained earnings at the date of initial application.

42. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the Group for future reporting years are listed below.

SFRS(I) No.	Title	Effective date for periods beginning on or after
SFRS(I) 1-1	Presentation of Financial Statements- amendment relating to Classification of Liabilities as Current or Non-current	1 January 2023
SFRS(I) 3	Definition of a Business – Reference to the Conceptual Framework - Amendments to	1 January 2022
SFRS(I) 1-16	Property, Plant and Equipment: Proceeds before Intended Use – Amendments to	1 January 2022
SFRS(I) 1-37	Onerous Contracts – Costs of Fulfilling a Contract - Amendments to	1 January 2022
SFRS(I) 1	First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter (Annual Improvement Project)	1 January 2022
SFRS(I) 9	Financial Instruments – Fees in the "10 per cent" test for de-recognition of financial liabilities (Annual Improvement Project)	1 January 2022
SFRS(I) 16	Covid-19-Related Rent Concessions – Amendments to	1 June 2020
SFRS(I)10 and SFRS(I) 1-28	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture	Not fixed yet
Various	Annual Improvements to SFRS(I)s 2018-2020	1 January 2022

The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following reporting year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the Group's financial statements in the period of initial application.

STATISTICS OF SHAREHOLDINGS

AS AT 5 FEBRUARY 2021

Class of Shares	:	Ordinary Share
Number of Issued Shares (excluding treasury shares and subsidiary holdings)	:	951,966,329
Issued and fully paid-up capital	:	S$53,886,908.57
Voting Rights	:	One vote per share (excluding treasury shares and subsidiary holdings)
Number of Treasury Shares and as a percentage of total number of shares outstanding	:	5,516,700 (0.58%)
Subsidiary Holdings and as a percentage of total number of shares outstanding	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	17	0.94	759	0.00
100 - 1,000	55	3.04	42,017	0.00
1,001 - 10,000	255	14.11	1,880,521	0.20
10,001 - 1,000,000	1,409	77.93	163,705,772	17.20
1,000,001 AND ABOVE	72	3.98	786,337,260	82.60
TOTAL	**1,808**	**100.00**	**951,966,329**	**100.00**

PERCENTAGE OF SHAREHOLDING IN PUBLIC HANDS

Based on the information available to the Company as at 5 February 2021, approximately 52.85% of the issued ordinary shares of the Company are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist which requires that at least 10% of the issued ordinary shares (excluding preference shares, convertible equity securities and treasury shares) of the Company in a class that is listed is at all times held in the hands of the public.

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	278,126,987	29.22
2	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	88,013,500	9.25
3	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	45,239,300	4.75
4	CAO SHIXUAN	42,535,114	4.47
5	RAFFLES NOMINEES (PTE.) LIMITED	29,314,600	3.08
6	SUNNY ONG KENG HUA	25,000,000	2.63
7	TAN JIN BENG WINSTON	22,987,533	2.41
8	TAN SWEE BOON	20,013,000	2.10
9	PHILLIP SECURITIES PTE LTD	19,280,315	2.03
10	DBS NOMINEES (PRIVATE) LIMITED	16,927,950	1.78
11	CHING WEE LING (ZHONG HUILING)	10,148,000	1.07
12	SBS NOMINEES PRIVATE LIMITED	10,000,000	1.05
13	OCBC SECURITIES PRIVATE LIMITED	9,584,450	1.01
14	CHAN BUANG HENG	8,119,850	0.85
15	NG CHEOW BOO	7,094,000	0.75
16	ZHANG YONGBI	6,876,300	0.72
17	MAYBANK KIM ENG SECURITIES PTE. LTD.	6,834,162	0.72
18	JENNY KWOK	5,650,000	0.59
19	LIAO HONGHAI	5,605,000	0.59
20	KNG CHIN KAIT	5,594,000	0.59
	TOTAL	**662,944,061**	**69.66**

STATISTICS OF SAREREHOLDINGS

AS AT 5 FEBRUARY 2021

SUBSTANTIAL SHAREHOLDERS AS AT 5 FEBRUARY 2021
As shown in the Register of Substantial Shareholders:

	DIRECT INTEREST		DEEMED INTEREST	
NAME OF SHAREHOLDER	**No. of Ordinary Shares**	**%**	**No. of Ordinary Shares**	**%**
ecoHub Pte. Ltd.	218,229,375	22.92	-	-
Ma Ong Kee	88,000,000[1]	9.24	-	-
Tan Jin Beng Winston	64,566,833[2]	6.78	-	-
Lee Thiam Seng	35,509,388[3]	3.73	218,229,375[4]	22.92

Notes:

(1) Mr Ma Ong Kee holds 25,000,000 shares through his nominee account with Philip Securities Pte Ltd, representing 2.62% of the issued share capital of the Company. Mr Ma Ong Kee also holds 63,000,000 shares through his nominee account with Morgan Stanley Asia (Singapore) Securities Pte Ltd, representing 6.60% of the issued share capital of the Company.

(2) Mr Tan Jin Beng Winston holds 41,579,300 shares through his nominee account with CGS-CIMB Securities (Singapore) Pte Ltd.

(3) Mr Lee Thiam Seng holds 35,500,000 shares through his nominee account with Citibank Nominees Singapore Pte Ltd.

(4) Mr Lee Thiam Seng is the sole shareholder of ecoHub Pte. Ltd. which in turn holds 218,229,375 shares (of which all are held through Citibank Nominees Singapore Pte Ltd), representing 22.86% of the issued share capital of the Company. Accordingly, Lee Thiam Seng has a deemed interest in the 218,229,375 shares held by ecoHub Pte. Ltd.

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION
– APPENDIX 7F TO THE CATALIST RULES

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out Appendix 7F to the Catalist Rules relating to Mr. Lee Thiam Seng and Mr. Er Kwong Wah, being the Directors who are retiring in accordance with the Company's Constitution at the forthcoming AGM, is set out below:

NAME OF DIRECTOR	MR. LEE THIAM SENG	MR. ER KWONG WAH
Date of first appointment	12 November 2002	3 July 2017
Date of last re-appointment (if applicable)	28 February 2019	28 February 2018
Age	57	74
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company (the "Board") has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the qualification, work experience and suitability of Mr. Lee Thiam Seng for re-appointment as an Executive Chairman in addition to his current position as Chief Executive Officer of the Company. The Board has reviewed and concluded that Mr. Lee Thiam Seng possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board has considered, among others, the recommendation of the NC and has reviewed and considered the qualification, work experience and suitability of Mr. Er Kwong Wah for re-appointment as a Lead Independent Non-Executive Director, Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee of the Company. The Board has reviewed and concluded that Mr. Er Kwong Wah possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr. Lee Thiam Seng is responsible for setting directions, formulating corporate strategies and overall management of the Group's businesses in the resource recovery, use of sustainable resources of renewable energy segments.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and Chief Executive Officer	Lead Independent Non-Executive Director, Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION
– APPENDIX 7F TO THE CATALIST RULES

NAME OF DIRECTOR	MR. LEE THIAM SENG	MR. ER KWONG WAH
Professional qualifications	Master of Business Administration, National University of Singapore. Chartered Financial Consultant, The American College Diploma (Merit) in Electrical Engineering, Singapore Polytechnic	Bachelor of Applied Science (Hons) (Electrical Engineering), University of Toronto, Canada Master in Business Administration (Manchester Business School), University of Manchester, England
Working experience and occupation(s) during the past 10 years	November 2002 to present Executive Chairman and Chief Executive Officer – EcoWise Holdings Limited	February 2001 to December 2016 Executive Director, East Asia Institute of Management
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 35,509,388 Shares Deemed interest: 218,229,375 Shares	Nil
Any relationship (including immediate family relationships with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of Interest (including any competing business)	Nil	Nil

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION
– APPENDIX 7F TO THE CATALIST RULES

NAME OF DIRECTOR	MR. LEE THIAM SENG	MR. ER KWONG WAH
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships# (for the last 5 years) * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)	Present Directorship: (i) ecoWise Holdings Limited – Executive Chairman and Chief Executive Officer, and director of the subsidiaries of the ecoWise Holdings Limited. (ii) ecoHub Pte Ltd Past Directorship: (i) Asia Cleantech Hub Pte. Ltd (ii) Swee Chioh Fishery Pte. Ltd.	Present Directorship: (i) ecoWise Holdings Limited (ii) COSCO Shipping International (Singapore) Co., Ltd (iii) CFM Holdings Limited (iv) The Place Holdings Limited (v) Luxking Group Holdings Ltd (vi) Chaswood Resources Holdings Ltd (Suspended) (vii) China Essence Group Ltd (delisted on 14 Feb 2020) (viii) The Thai Prime Fund Limited (ix) RHT Training Institute Pte. Ltd. Past Directorship: (i) China Environment Ltd (ii) GKE Corporation Limited (iii) China Sky Chemical Fiber Co., Ltd (iv) Firstlink Investment Corporation Limited (v) USP Group Limited (vi) China Dongyuan Environment Pte. Ltd. (vii) Firstlink Capital Pte. Ltd. (viii) Firstlink Investment Advisory Pte. Ltd. (ix) Firstlink Payment Solutions Pte. Ltd. (x) Glopeak Land Pte Ltd (xi) Glopeak Properties And Hotels Pte Ltd (xii) Singatronics Investment Pte Ltd

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION
– APPENDIX 7F TO THE CATALIST RULES

NAME OF DIRECTOR	MR. LEE THIAM SENG	MR. ER KWONG WAH
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	Yes. Mr Er Kwong Wah was an Independent Non-Executive Director of China Sky Chemical Fiber Co., Ltd that was placed under Judicial Management of Judicial Manager pursuant to an order made by the Court under Section 227B and Provision VIIIA of the Singapore Companies Act.
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION
– APPENDIX 7F TO THE CATALIST RULES

NAME OF DIRECTOR	MR. LEE THIAM SENG	MR. ER KWONG WAH
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7F TO THE CATALIST RULES

NAME OF DIRECTOR	MR. LEE THIAM SENG	MR. ER KWONG WAH
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	Yes In 2011, the board of directors of China Sky Chemical Fibre Co. Ltd, including Mr Er who was an Independent Non-Executive Director, were reprimanded by the Singapore Exchange for the directors' disregard of the Singapore Exchange's Directive to engage a special auditor to investigate the company on issues related to interested party transaction, high cost of equipment maintenance, and the purchase of a piece of land.

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION
– APPENDIX 7F TO THE CATALIST RULES

NAME OF DIRECTOR	MR. LEE THIAM SENG	MR. ER KWONG WAH
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	Yes Mr Er, together with the other directors of China Sky Chemical Fibre Co., Ltd, was reprimanded by the Singapore Exchange on 16 December 2011 and was placed under the Director Watchlist, due to certain non-compliance of SGX Directive by China Sky Chemical Fibre Co., Ltd. The non-compliance concerned the appointment of a Special Auditor as mentioned on (j) (i) above. Mr Er was subsequently removed by from the Director Watchlist by the Singapore Exchange on 24 July 2018.
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Yes. Mr Lee has been an Executive Director of the Company since 12 November 2002.	Yes. Mr Er has been the Lead Independent Director of the Company since 3 July 2017.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable. This is a re-election of a Director.	Not applicable. This is a re-election of a Director.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of ECOWISE HOLDINGS LIMITED (the “Company”) will be held by way of electronic means (via LIVE WEBCAST and LIVE AUDIO STREAM) on Saturday, 27 February 2021 at 10.00 a.m., to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 October 2020 together with the Auditors’ Report thereon.

   (Resolution 1)

2. To re-elect Mr. Lee Thiam Seng, who is retiring by rotation pursuant to Regulation 107 of the Company’s Constitution, and who, being eligible, offered himself for re-election as a director of the Company (“**Director**”).

   [See Explanatory Note (i)] (Resolution 2)

3. To re-elect Mr. Er Kwong Wah, who is retiring by rotation pursuant to Regulation 107 of the Company’s Constitution, and who, being eligible, offered himself for re-election as a Director.

   [See Explanatory Note (ii)] (Resolution 3)

4. To approve the payment of Directors’ fee of S$165,000 for the financial year ending 31 October 2021, to be paid half-yearly in arrears (2020: S$165,000).

   (Resolution 4)

5. To re-appoint Messrs RSM Chio Lim LLP as the independent auditors of the Company and to authorise the Directors to fix their remuneration.

   (Resolution 5)

6. To transact any other ordinary business which may be properly transacted at an AGM of the Company.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as ordinary resolutions, with or without any modifications:

7. Proposed renewal of the Share Buy-Back Mandate

THAT

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50, of Singapore (the "**Companies Act**"), the Directors be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire shares of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) on-market purchases ("**Market Purchases**"), transacted on Catalist through the trading system of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") or, as the case may be, any other stock exchanges on which the Shares may, for the time being, be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose of the share buyback; and/or

(ii) off-market purchases ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"),

and otherwise in accordance with all other laws and regulations, including but not limited to, the Company's Constitution, the provisions of the Companies Act and the Catalist Rules, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy-Back Mandate**");

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of passing of this resolution and expiring on the earliest of:

(i) the date on which the next AGM of the Company is held or is required by law to be held;

(ii) the date on which the purchases or acquisitions of the shares pursuant to the Share Buy-Back Mandate is carried out to the full extent mandated; or

(iii) the date on which the authority conferred in the Share Buy-Back Mandate is varied or revoked by Shareholders in a general meeting,

whichever is the earliest ("**Relevant Period**").

(c) for purposes of this resolution:

"**Prescribed Limit**" means 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) as at the date of passing of this resolution, unless the Company has, at any time during the Relevant Period, effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares shall be taken to be the total number of Shares as altered (excluding any treasury shares and subsidiary holdings, if any, that may be held by the Company from time to time); and

NOTICE OF ANNUAL GENERAL MEETING

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined herein); and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price, where:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) market days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase, or as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five (5) market day period;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the Share Buy-Back from Shareholders, stating the purchase or acquisition price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"**market day**" means a day on which the SGX-ST is open for trading in securities.

(d) the Directors be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they may consider desirable, expedient or necessary to give effect to the transactions contemplated by this resolution.

[See Explanatory Note (iii)] (Resolution 6)

8. Authority to allot and issue shares in the capital of the Company

That pursuant to Section 161 of the Companies Act, the Company's Constitution and Rule 806 of the Catalist Rules, authority be and is hereby given to the Directors to:

(a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, the **"Instruments"**) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any instrument made or granted by the Directors while this Resolution was in force, provided that:–

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to the existing shareholders of the Company (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) that may be issued under sub-paragraph (1) above, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time of the passing of this Resolution, after adjusting for:

(i) new Shares arising from the conversion or exercise of the Instruments or any convertible securities outstanding or subsisting at the time this Resolution is passed;

(ii) (where applicable) new Shares arising from the exercise of share options or vesting of share awards, provided that such share options or awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares;

adjustments in accordance with sub-paragraph (ii)(a) or sub-paragraph (ii)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Company's Constitution for the time being in force; and

(4) unless revoked or varied by the Company in a general meeting, the authority conferred by this Resolution shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier, or (ii) in the case of Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Shares in accordance with terms of the Instruments.

[See Explanatory Note (iv)] (Resolution 7)

9. Authority to allot and issue Shares under the ecoWise Performance Share Plan

That pursuant to Section 161 of the Companies Act, the Directors be and are hereby authorised and empowered to offer and grant awards in accordance with the provisions of the ecoWise Performance Share Plan (the "**Share Plan**") and to allot and issue from time to time, such number of Shares as may be required to be allotted and issued pursuant to the awards granted under the Share Plan (including but not limited to allotment and issuance of Shares at any time, whether during the continuance of such authority or thereafter, pursuant to awards made or granted by the Company whether granted during the subsistence of this authority or otherwise), provided always that the total number of new Shares issued and/or issuable pursuant to the Share Plan, and any other share

NOTICE OF ANNUAL GENERAL MEETING

option schemes of the Company shall not exceed fifteen per centum (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) from time to time, and such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (v)] (Resolution 8)

By Order of the Board

Lye Kar Choon
Secretary
Singapore, 12 February 2021

Explanatory Notes:

(i) Mr. Lee Thiam Seng will, upon re-election as a Director, remain as an Executive Chairman and Chief Executive Officer of the Company. Detailed information on Mr. Lee Thiam Seng can be found under the sections entitled "Board of Directors", "Management", "Corporate Governance", "Statement by Directors" and "Additional Information on Directors Nominated for Re-Election" of the Company's Annual Report 2020.

(ii) Mr. Er Kwong Wah will, upon re-election as a Director, remain as the Lead Independent Non-Executive Director, Chairman of the Nominating Committee, and a member of the Remuneration Committee and the Audit Committee. Mr. Er Kwong Wah is considered by the Board of Directors of the Company (the "**Board**") to be independent for the purpose of Rule 704(7) of the Catalist Rules. There are no relationships (including family relationships) between Mr Er. Kwong Wah and the other Directors, the Company, its related corporations, its officers or its substantial shareholders, which may affect his independence. Detailed information on Mr. Er Kwong Wah can be found under the sections entitled "Board of Directors", "Corporate Governance", "Statement by Directors" and "Additional Information on Directors Nominated for Re-Election" of the Company's Annual Report 2020.

(iii) Ordinary Resolution 6 proposed in item 7 above, if passed, will empower the Directors from the date on which the ordinary resolution in relation to the proposed renewal of the Share Buy-Back Mandate is passed in a general meeting and expiring on the earliest of the date on which the next AGM is held or is required by law to be held, the date the said mandate is revoked or varied by the Company in a general meeting, or the date on which the purchases of shares pursuant to the Share Buy-Back

Mandate are carried out to the full extent mandated, to repurchase ordinary shares of the Company by way of Market Purchases or Off-Market Purchases of up to ten per cent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the Maximum Price.

The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buy-Back Mandate, on the audited consolidated financial statements of the Group for the financial year ended 31 October 2020, will be set out in the Addendum to Notice of AGM.

(iv) Ordinary Resolution 7 proposed in item 8 above, if passed, will empower the Directors to issue Shares and make or grant instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such instruments, up to a number not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) of which up to 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) may be issued other than on a *pro-rata* basis to existing shareholders of the Company. For the purpose of determining the aggregate number of Shares and Instruments that may be issued, the percentage of the aggregate number of issued Shares and Instruments will be calculated based on the total number of issued Shares (excluding treasury shares or subsidiary holdings, if any) at the time this Resolution is passed, after adjusting for new Shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards which are outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

(v) Ordinary Resolution 8 proposed in item 9 above, is to empower the Directors to offer and grant awards, and to allot and issue new Shares pursuant to the Share Plan (which was approved by Shareholders at the Extraordinary General Meeting of the Company held on 23 March 2007 and extended accordingly for a period of 10 years at the AGM of the Company held on 28 February 2017), as may be modified by the Remuneration Committee from time to time, provided that the aggregate number of Shares to be allotted and issued pursuant to the Share Plan shall not exceed 15% of the total number of issued Shares from time to time.

NOTICE OF ANNUAL GENERAL MEETING

Notes

1. The Annual General Meeting of the Company ("**Meeting**") is being convened, and will be held, by way of electronic means pursuant to First Schedule of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice of AGM will NOT be sent to members of the Company. Instead, this Notice of AGM will be sent to members of the Company by electronic means via publication on SGXNet and the Company's corporate website at https://www.ecowise.com.sg/en/investor-relations/agm-2021.

2. Alternative arrangements relating to attendance at the Meeting via electronic means (including arrangements by which the Meeting can be electronically accessed via "live" audio-visual webcast ("**LIVE WEBCAST**") or "live" audio-only stream ("**AUDIO ONLY MEANS**"), submission of questions in advance of the Meeting, addressing of substantial and relevant questions, are set out in the Company's announcement dated 12 February 2021 (the "Announcement"), which has been uploaded together with the Notice of AGM on SGXNet on the same day. The Announcement may also be assessed at https://www.ecowise.com.sg/en/investor-relations/agm-2021. For the avoidance of doubt, the aforesaid section is circulated together with and forms part of this Notice of AGM in respect of the Meeting.

3. Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the Meeting in person. A member of the Company (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting, if such member wishes to exercise his/her/its voting rights at the Meeting. In appointing the Chairman of the Meeting as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.

5. The instrument appointing the Chairman of the Meeting as a proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:

(a) if submitted by email, be received by the Company at agm2021@ecowise.com.sg; or

(b) if submitted by post, be lodged at the registered office of the Company at 1 Commonwealth Lane, One Commonwealth, #07-28 Singapore 149544,

in either case, by 10.00 a.m. on 24 February 2021 (being not less than seventy-two (72) hours before the time appointed for holding the Meeting) (or any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members of the Company to submit completed proxy forms by post, members of the Company are strongly encouraged to submit completed proxy forms electronically via email.

6. This instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer, failing which the instrument of proxy may be treated as invalid.

7. A corporation which is a member may authorise by resolution its director or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act.

Personal data privacy:

By (a) submitting an instrument appointing the Chairman of the Meeting as a proxy to vote at the Meeting and/or any adjournment thereof, or (b) submitting details for the registration to attend the Meeting via LIVE WEBCAST or AUDIO ONLY MEANS, or (c) submitting any question prior to the Meeting in accordance with this Notice of AGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing and administration by the Company (or its agents) of proxy forms appointing the Chairman of the Meeting as a proxy for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof);

NOTICE OF ANNUAL GENERAL MEETING

(ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to the LIVE WEBCAST or AUDIO ONLY MEANS to observe the proceedings of the Meeting and providing them with any technical assistance where necessary;

(iii) addressing relevant and substantial questions from members received before the Meeting and if necessary, following up with the relevant members in relation to such questions;

(iv) preparation and compilation of the attendance list, proxy list, minutes and other documents relating to the Meeting (including any adjournment thereof); and

(v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the Meeting. Accordingly, the personal data of a member of the Company (such as his name, his presence at the Meeting and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. ("Sponsor"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist.

This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.

IMPORTANT:
1. The Annual General Meeting ("AGM" or the "Meeting") is being convened, and will be held, by way of electronic means pursuant to First Schedule of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of AGM will NOT be sent to members of the Company. Instead, this Notice of AGM will be sent to members by electronic means via publication on SGXNet and the Company's corporate website at https://www.ecowise.com.sg/en/investor-relations/agm-2021.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the AGM can be electronically accessed via "live" audio-visual webcast ("LIVE WEBCAST") or "live" audio only stream ("AUDIO ONLY MEANS"), submission of questions in advance of the Meeting, addressing of substantial queries and relevant comments, prior to, or at, the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, are set out in this Notice of AGM.
3. Due to the current COVID-19 restriction orders in Singapore, a member of theCompany will not be able to attend the Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.
4. Please read the notes to this Proxy Form.

ECOWISE HOLDINGS LIMITED

Company Registration No. 200209835C
(Incorporated In the Republic of Singapore)

PROXY FORM
FOR ANNUAL GENERAL MEETING

(Please see notes overleaf before completing this Form)

I/We ________________________________ (Name) ______________________ (*NRIC/Passport/Co. Reg No.) of

____ (Address)

being a member/members of ECOWISE HOLDINGS LIMITED (the "**Company**"), hereby appoint the Chairman of the Annual General Meeting of the Company (the "**Meeting**") as *my/our proxy to vote for *me/us on *my/our behalf at the Meeting to be held by electronic means (via LIVE WEBCAST and AUDIO ONLY MEANS) on Saturday, 27 February 2021 at 10.00 a.m. and at any adjournment thereof. *I/We direct the Chairman of the Meeting, being *my/our proxy to vote for or against, or abstain from voting on the Ordinary Resolutions to be proposed at the Meeting as indicated hereunder.

If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the appointment of the Chairman of the Meeting as *my/our proxy will be treated as invalid.
All Resolutions put to vote at the Meeting shall be decide by way of poll.

No.	Resolutions relating to:	No. of votes 'For'**	No. of votes 'Against'**	No. of votes 'Abstain'**
1	Adoption of the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 October 2020, together with the Auditors' Report thereon			
2	Re-election of Mr. Lee Thiam Seng as a Director of the Company			
3	Re-election of Mr. Er Kwong Wah as a Director of the Company			
4	Approval of Directors' fees amounting to S$165,000 for the financial year ending 31 October 2021, to be paid half-yearly in arrears			
5	Re-appointment of Messrs RSM Chio Lim LLP as the independent auditors of the Company and to authorise the Directors to fix their remuneration			
6	Renewal of the Share Buy-Back Mandate			
7	Authority to allot and issue shares in the capital of the Company			
8	Authority to grant awards, allot and issue shares under the ecoWise Performance Share Plan			

Notes:
* Delete accordingly
** If you wish the Chairman of the Meeting as your proxy to exercise all your votes "For" or "Against", or "Abstain" the relevant resolution, please mark an "X" in the relevant box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" or "Abstain" in the relevant box provided in respect of that resolution. If you mark an "X" in the abstain box for a particular resolution, you are directing your proxy, who is the Chairman of the Meeting, not to vote on that resolution.

Dated this ______________ day of ___________ 2021

Total number of shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

____

Signature of Member(s) or,
Common Seal of Corporate Member

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the Meeting a proxy shall be deemed to relate to all the Shares held by you.

2. Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the Meeting in person. A member of the Company (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting if such member wishes to exercise his/her/its voting rights at the Meeting. This proxy form has been made available on SGXNet and the Company's corporate website at https://www.ecowise.com.sg/en/investor-relations/agm-2021. A printed copy of the proxy form will **NOT** be despatched to members.

3. This duly executed proxy form, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must:

   (a) if submitted by email, be received by the Company at agm2021@ecowise.com.sg; or

   (b) if sent personally or by post, be lodged at the registered office of the Company at 1 Commonwealth Lane, One Commonwealth, #07-28 Singapore 149544,

   in either case, **by 10.00 a.m. on 24 February 2021** (being not less than seventy-two (72) hours before the time appointed for holding the Meeting) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members of the Company to submit completed proxy form by post, members of the Company are strongly encouraged to submit the completed proxy forms electronically via email.

4. This proxy form must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.

5. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as a proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instruction of the appointor specified in the instrument appointing the Chairman of the Meeting as a proxy. In addition, in the case of member of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as a proxy lodged if such members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the Meeting as certified by The Central Depository (Pte) Limited to the Company.

6. A Depositor shall not be regarded as a member of the Company entitled to attend the Meeting and vote thereat unless his/her name appears on the Depository Register seventy-two (72) before the time appointed for holding the Meeting.

7. For investors who hold Shares in the capital of the Company under Supplementary Retirement Scheme ("**SRS Investors**"), this proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS Investors who wish to appoint the Chairman of the Meeting to act as their proxy should approach their respective SRS Operators to submit their votes at least seven (7) workings days before the Meeting (i.e. by 10.00 a.m. on 17 February 2021).

Personal Data Privacy

By submitting an instrument appointing the Chairman of the meeting as a proxy to vote at the Meeting and/or any adjournment thereof, a member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 February 2021.

ecoWise Holdings Ltd

1 Commonwealth Lane,
One Commonwealth #07-26/27/28/29/30,
Singapore 149544

Tel: (65) 6250 0001
Fax: (65) 6250 0003
www.ecowise.com.sg