ecoWise
ecoworld · better world

# ANNUAL REPORT 2023

**"Our Environment Our Future"**

# 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


| | |
|---|---|
| 02 | CORPORATE PROFILE |
| 04 | MESSAGE FROM CHAIRMAN |
| 06 | FINANCIAL HIGHLIGHTS |
| 08 | FINANCIAL AND OPERATIONS REVIEW |
| 11 | BUSINESS OVERVIEW |
| 13 | BOARD OF DIRECTORS |
| 15 | MANAGEMENT |
| 16 | SUBSIDIARIES MANAGEMENT |
| 17 | CORPORATE STRUCTURE |
| 18 | CORPORATE INFORMATION |
| 19 | CORPORATE GOVERNANCE |
| 51 | DIRECTORS' STATEMENT |
| 55 | INDEPENDENT AUDITOR'S REPORT |
| 60 | FINANCIAL STATEMENTS |
| 141 | STATISTICS OF SHAREHOLDINGS |
| 143 | NOTICE OF ANNUAL GENERAL MEETING |
| 149 | PROXY FORM |


*This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**").*

*This annual report has not been examined or approved by the Singapore Exchange Securities Trading Limited (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.*

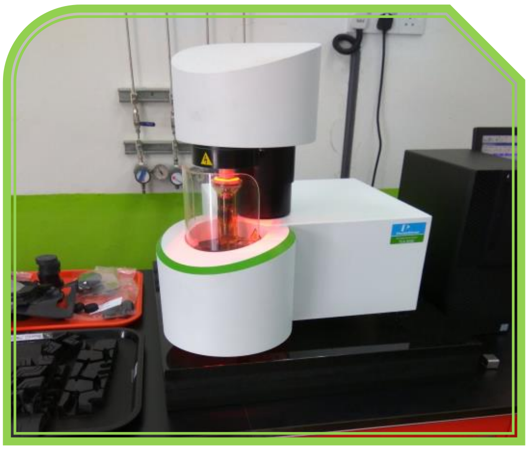
*The contact person for the Sponsor is Ms. Lee Khai Yinn at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210.*

# 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.

## Resource Recovery

## R&D



## Renewable Energy

## Integrated Environmental Solutions Provider

# CORPORATE PROFILE

## RESOURCE RECOVERY (RR)

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

In Singapore, the Group prepares its own fuel feedstock for its biomass power plants in Singapore through the collection and processing of horticultural and wood wastes at Sarimbun Recycling Park. 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, "**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 and STAP. 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.

## RENEWABLE ENERGY (RE)

In the Renewable Energy segment, the Group's co-generation biomass 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 (e.g. 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). In November 2011, the Group commenced operations of its tri-generation biomass power plant in Singapore at the iconic Gardens by the Bay. 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.

# MESSAGE FROM CHAIRMAN

**Dear Shareholders,**

The main challenges faced by the Group in the financial year ended 30 October 2021 ("**FY2021**"), namely COVID-19, leadership transition and the disruptive situations in governance and finance, have been managed and the Group has weathered through reasonably well in the 18-month financial period from 1 November 2021 and 30 April 2023 ("**FP2023**").

Since our three Independent Directors were newly appointed on 14 April 2022, the Board, headed by myself as the Executive Chairman and Chief Executive Officer, together with our core Management staff, have worked cohesively to stabilise the Group operationally and financially. We have proactively mitigated risks, divested non-core assets, and strategically downsized to optimise two out of three core business segments of the Group, namely Renewable Energy and Resource Recovery.

Our collective efforts have enabled the Group to achieve higher operational efficiency, generate positive operating cashflow and resumed the Group's path to attain profitability.

## Renewable Energy

For this business segment operating in Singapore, the Group is pleased to report that the two biomass power plants at Gardens by the Bay and at Sungei Kadut are profitable and their operations have been stabilised since June 2022.

The main task ahead would be to work closely as partner of Gardens by the Bay in their pursuance of achieving net-zero emissions for a low-carbon future as part of their decarbonisation efforts[1]. This may result in enlarging or expanding the work arrangement with third parties that are synergistic with our business for mutual and sustainable benefits.

Riding on the good track records of the Group in the Bioenergy sector, the Group has received various new business and project opportunities that the Group can value-add and embark on in the biomass waste to renewable energy sector. Our Board and Management are evaluating various credible options with relevant strategic partners with the intent of replicating similar Renewable Energy project(s) at an appropriate time and circumstances.

## Resource Recovery

The main business units for this segment are (1) rubber technology services for automotive, mining, transportation, construction, and agriculture industries, (2) tyre retreading and (3) total tyre distribution and management. The customers have been attracted by our advanced rubber mixing plant that was commissioned in 2016 and has recently undergone maintenance work for operation reliability and cost efficiency.

During the numerous disruption period caused by COVID-19, manpower shortage and tight cash flow, the Group has carried out appropriate restructuring and operation revamping measures to focus on our core competencies and turned the business around by honouring all agreed business deals. The Group also have put in place a lean management team to run these business units effectively for higher operating loads and improved financial performance. Sun Rubber Industry Sdn. Bhd. ("**SRI**"), a wholly owned subsidiary of the Company, is in the process of pursuing new customers in other major markets for cost competitiveness.

As part of Management's efforts to strengthen the Group's financial position and our balance sheet, we continue our efforts to monetise our non-core assets in Malaysia to reduce our debt burden and to secure sufficient working capital to provide for higher operating loads and capacity for potential expansion.

[1] https://www.gardensbythebay.com.sg/content/dam/gbb-2021/documents/annual-reports/Gardens%20By%20the%20Bay%20AR%202021_2022%20-%20Final%20-%20EBOOK.pdf

# MESSAGE FROM CHAIRMAN

With the above initiatives, we believe this business segment in Malaysia would be able to attract credible strategic partners for long-term participation in our business unit for both horizontal and vertical expansions. There are also opportunities for ecoWise to replicate its competencies in Renewable Energy to the businesses of manufacturing rubber compounds and tyre retreading.

**Integrated Environment Management Solution (applying propriety knowhow)**

This third business segment encompasses the innovative and holistic approach of ecoWise in offering cost effective solutions for the community to enjoy economically viable technologies for sustainable development in various Environment, Social and Governance (ESG) initiatives.

Our highly efficient tri-generation biomass power plant at Gardens by the Bay clearly demonstrated the importance of energy efficiency and automation. Our successful Public-Private-Public Partnership arrangement can be replicated in other similar situations involving relevant strategic parties where ecoWise can participate in win-win business arrangements to promote bankable projects either in Singapore or elsewhere in the region.

ecoWise has been recovering resources such as spent grain and soya wastes from the Food and Beverage sectors and converting such wastes into animal feed. As part of Singapore's national agenda to achieve a broader "Circular Economy" chain especially involving food security, we intend to resume our efforts to produce fish feed and become a significant player in the Circular Economy for food security.

**Corporate Development**

ecoWise has been exploring collaboration opportunities with various technology companies during FP2023 in areas such as digitalisation, ICA (instrumentation, computerisation, and automation) and modularisation of process unit for developing and owning intellectual properties and proprietary know-how in the environmental industries.

In response to SGX's call for all issuers to start to provide information on core ESG metrics based on SGX's newly issued guidance in April 2023, we are also evaluating potential partners to assist the Group on digitisation initiatives to enhance our future reporting capability in line with climate-related disclosures for our sustainability reporting.

In relation to the internal audit carried out pursuant to the Notice of Compliance ("**NOC**") issued by Singapore Exchange Regulation Pte. Ltd. on 25 June 2021 (the "**Internal Audit**"), I would like to inform the shareholders that the Internal Audit is still on-going.

**Finance and Human Resources**

With global growing emphasis for governments and companies to develop net-zero emission or decarbonisation projects as part of each country's national climate change commitments, ecoWise is well positioned to tap on the opportunities that can strengthen ecoWise in preparation for future fundraising efforts.

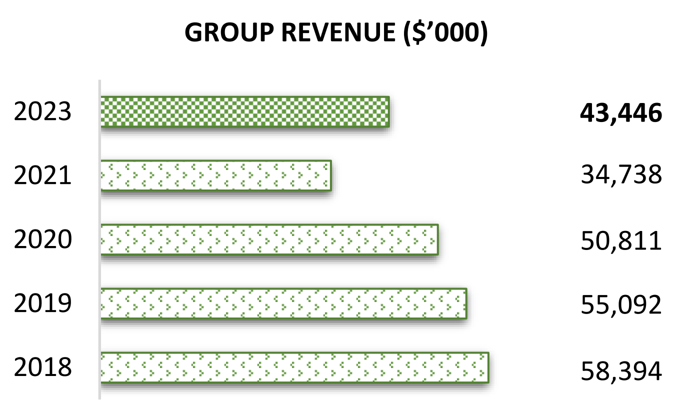
In addition, as ecoWise demonstrates its ability to achieve operational stability and financial profitability for some business segments in spite of all the disruptions in FY2021 and the early FP2023, we are optimistic that the Group will be able to start attracting new talents into the Group and resume our mission towards achieving our goal for "eco-World ... Better World".

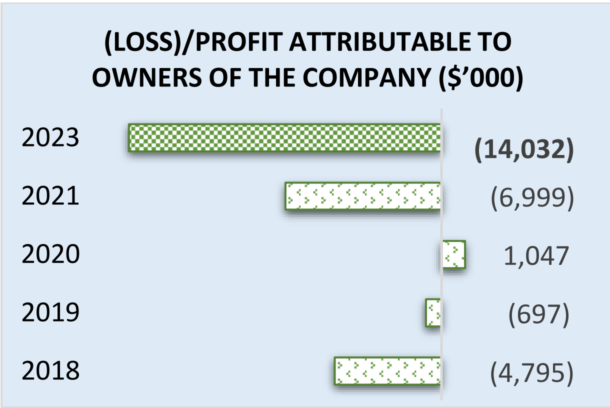
On behalf of the Board of Directors, I would like to express my appreciation to our shareholders, management and staff, professionals (i.e., auditors, Sponsor, lawyers, Company Secretary, etc.), bankers, business partners and associates, customers and suppliers for your continued support.

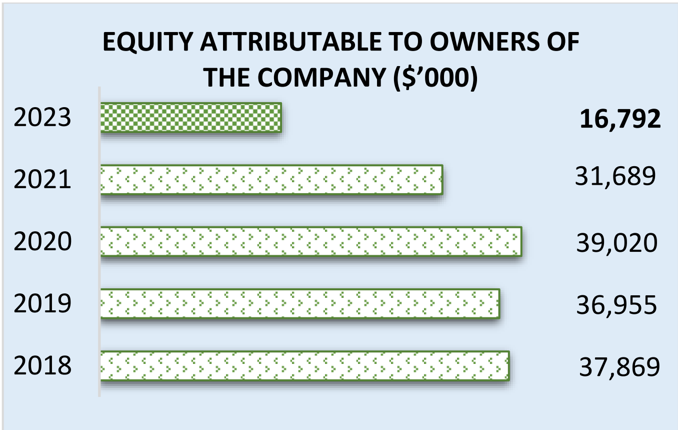
**Mr Lee Thiam Seng**
**Executive Chairman and Chief Executive Officer**

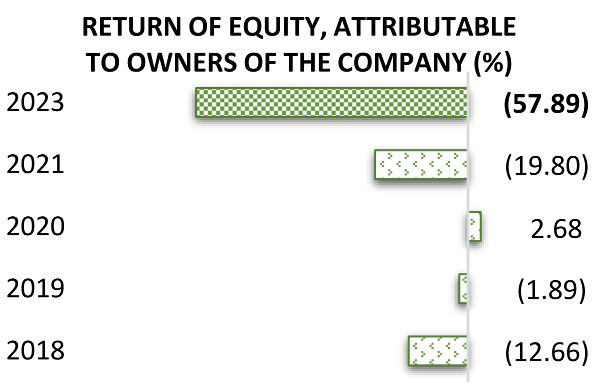
# FINANCIAL HIGHLIGHTS

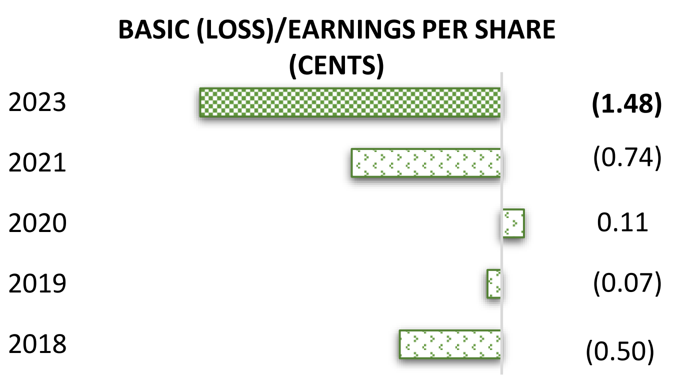
On 6 September 2022, the Company announced a change of financial year end from 31 October to 30 April to better reflect the new management's efforts and performance for a full financial year from the date of the effective change of its management and board members in April 2022. Therefore, the financial statements presented in this report covers the 18-month financial period from 1 November 2021 to 30 April 2023 ("**FP2023**") and its comparative preceding financial period covers the 12-month financial period from 1 November 2020 to 31 October 2021 ("**FY2021**"), as the case may be.

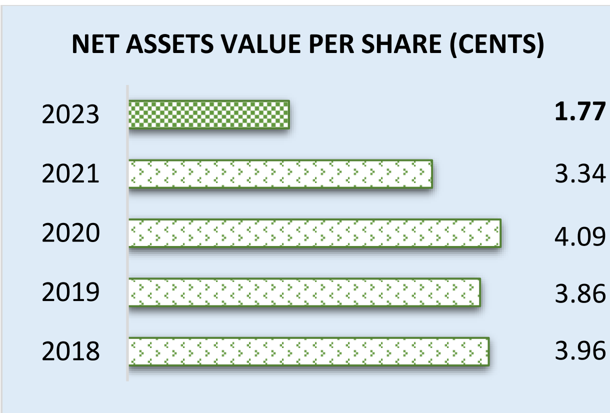



*Return on equity, attributable to owners of the Company for FP2023 and FY2021 are calculated based on the average shareholders' equity.

# FINANCIAL HIGHLIGHTS

| **FINANCIAL RESULTS** ($'000) | **FP 2023** | FY 2021 | FY 2020 | FY 2019 |
|---|---|---|---|---|
| **Revenue** | **43,446** | 34,738 | 50,811 | 55,092 |
| Gross profit | **3,905** | 4,406 | 10,594 | 10,317 |
| (Loss)/Profit before income tax | **(6,701)** | (4,678) | 2,688 | 377 |
| (Loss)/Profit from continuing operations, net of tax | **(6,857)** | (4,458) | 1,592 | (487) |
| (Loss)/Profit from discontinued operations, net of tax | **(7,225)** | (2,374) | - | - |
| Net (Loss)/Profit | **(14,082)** | (6,832) | 1,592 | (487) |
| Non-controlling interest | **(50)** | 167 | 545 | 210 |
| (Loss)/Profit attributable to owners of the Company | **(14,032)** | (6,999) | 1,047 | (697) |

| **STATEMENT OF FINANCIAL POSITION** ($'000) | **FP 2023** | FY 2021 | FY 2020 | FY 2019 |
|---|---|---|---|---|
| Property, plant and equipment | **12,140** | 27,260 | 29,315 | 27,336 |
| Right-of-use assets | **5,558** | 1,309 | 1,441 | - |
| Investment properties | **1,486** | 1,678 | 2,017 | - |
| Cash and cash equivalents | **908** | 1,900 | 6,768 | 5,501 |
| Current assets | **16,407** | 16,946 | 30,996 | 31,829 |
| Total assets | **40,065** | 56,611 | 77,212 | 74,185 |
| Current liabilities | **17,771** | 17,022 | 22,328 | 25,980 |
| Total liabilities | **23,309** | 24,908 | 34,191 | 32,941 |
| Working capital | **(1,364)** | (76) | 8,668 | 5,849 |
| Equity attributable to owners of the Company | **16,792** | 31,689 | 39,020 | 36,955 |

| **RATIOS** | **FP 2023** | FY 2021 | FY 2020 | FY 2019 |
|---|---|---|---|---|
| Current ratio (times) | **0.92** | 0.99 | 1.39 | 1.23 |
| Return on equity, attributable to owners of the Company(1) (%) | **(57.89)** (1)(2) | (19.80) (1)(2) | 2.68 | (1.89) |
| Return on assets(1) (%) | **(29.03)** (1)(3) | (10.46) (1)(3) | 1.36 | (0.94) |
| Basic (loss)/earnings per share (cents) | **(1.48)** | (0.74) | 0.11 | (0.07) |
| Net assets value per share (cents) | **1.77** | 3.34 | 4.09 | 3.86 |

Notes:
(1) 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.
(2) Return on equity, attributable to owners of the Company for FP2023 and FY2021 are calculated based on the average shareholders' equity.
(3) Return on assets for FP2023 and FY2021 are calculated based on the average of its total assets.

# FINANCIAL AND OPERATIONS REVIEW

## Statement of Comprehensive Income

Revenue for the FP2023 of S$43.45 million was S$8.71 million or 25.07% higher than revenue for FY2021 mainly due to a 15.33% increase in revenue from Resource Recovery segment and a 54.97% increase in revenue from Renewable Energy segment. These increases are the results of the increase in orders from a major customer (such orders tapered down from December 2022 till mid-January 2023 and picked up thereafter), increase in revenue from spent grain and collection fees on wood waste and 18-month period of operations in FP2023 as compared to 12-month period in FY2021.

Gross profit of S$3.91 million for FP2023 was S$501,000 lower than the gross profit for FY2021 as a result of increase in cost of sales arising from increase in diesel cost, repairs and maintenance, and direct labour cost. These also explain the 3.70% decrease in gross profit margin from 12.68% for FY2021 to 8.99% for FP2023.

Other gains decreased by S$2.19 million to S$413,000 in FP2023 (as compared to FY2021), mainly due to (i) absence of gain on disposal of a subsidiary which related to the disposal of Saiko Rubber (Malaysia) Sdn. Bhd. on 23 April 2021, (ii) absence of foreign exchange loss, and (iii) decrease in interest income of expenses of S$0.38 million.

Marketing and distribution expenses decreased by S$139,000 to S$1.24 million in FP2023 (as compared to FY2021), mainly due to tighter cost control measures undertaken by the Group as well as lesser marketing activities since the Group focused its efforts in stabilising its operations in Singapore and Malaysia..

Administrative expenses increased by S$961,000 for FP2023 as compared to FY2021 mainly due to increase in professional fees.

Finance costs increased by S$225,000 for FP2023 as compared to FY2021 due to higher bank charges prior to restructuring of bank borrowings in Malaysia.

Other losses decreased by S$1.16 million to S$1.19 million in FP2023 (as compared to FY2021), mainly due to the decrease in/absence of various impairment losses, partially offset by foreign exchange gain of S$0.41 million recorded in FP2023.

Share of losses from equity-accounted associate and jointly-controlled entity in FY2021 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**"). No such share of results of associate and jointly-controlled entity in FP2023 as CULCEC ceased its operations and have been under liquidation since December 2020 and accounted for as financial assets at fair value through profit or loss in FP2023. CECRT became a wholly-owned subsidiary in May 2021 and has been reclassified to disposal group in FP2023.

The Group recorded income tax expense of S$156,000 for FP2023 due to underprovision of income tax in prior years.

The loss from discontinued operations are mainly due to impairment of assets of disposal group classified as held-for-sale and amortisation of land use rights relating to underlying assets of China subsidiaries.

As a result of the above, the Group recorded net loss from both continuing and discontinued operations of S$14.08 million for FP2023 as compared to net loss of S$6.83 million for FY2021.

# FINANCIAL AND OPERATIONS REVIEW

## Statement of Financial Position

Property, plant and equipment decreased by S$15.12 million from S$27.26 million as at 31 October 2021 to S$12.14 million as at 30 April 2023. The decrease was mainly attributable to (i) reclassification of fixed assets of S$5.69 million owned by China subsidiaries to assets held for sale, (ii) reclassification of fixed assets in Malaysia to right-of-use of assets of S$5.71 million, (iii) provision of impairment loss of S$4.68 million, (iv) increase in depreciation of S$571,000, partially offset by (v) major repairs that have been capitalised and acquisition of motor vehicles of S$794,000.

The increase in right-of-use of assets of S$4.25 million was mainly due to reclassification as described above and additions of S$1.49 million offset by disposal of S$846,000 and depreciation of S$1.97 million for FP2023.

Investment properties relates to the Group's properties leased to third parties.

Investment in an associate relates to the Group's investment in CULCEC which is in process of liquidation. There is no change in the carrying amount of this investment. This has been reclassified to financial assets at fair value through profit or loss in FP2023.

Finance lease receivables (non-current and current) relate to the Group's investment in co-generation biomass 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$7.73 million as at 31 October 2021 to S$5.84 million as at 30 April 2023, mainly attributable to the billing to and the collections from the customer.

Inventories decreased by S$1.33 million from S$4.88 million as at 31 October 2021 to S$3.55 million as at 30 April 2023, mainly due to adoption of "just-in-time" system at Malaysia for better cashflow management.

Trade and other receivables decreased by S$693,000 from S$7.88 million as at 31 October 2021 to S$7.18 million as at 30 April 2023, mainly due to increase in trade receivables of Malaysia operations as a result of increase in revenue, offset by reclassification of other receivables of China subsidiaries into assets held for sale amounting to S$683,000 which was fully impaired at balance sheet date.

Other non-financial assets (non-current and current) comprise of prepayments and deposits, decreased by S$528,000 from S$1.32 million as at 31 October 2021 to S$791,000 as at 30 April 2023 mainly due to reduction of deposits placed with vendors.

Cash and cash equivalents decreased by S$992,000 from S$1.90 million as at 31 October 2021 to S$908,000 as at 30 April 2023. Please refer to "Statement of Cash Flow" section below for explanations on the decrease in cash and cash equivalents of the Group.

Loans and borrowings (non-current and current) decreased by S$809,000 from S$11.55 million as at 31 October 2021 to S$10.74 million as at 30 April 2023 mainly due to repayments as per the restructuring agreements with the Malaysian banks and monthly installments on property loans in Singapore.

Lease liabilities (non-current and current) decreased by S$1.49 million, from S$2.30 million as at 31 October 2021 to S$816,000 as at 30 April 2023 due to repayments.

Trade and other payables decreased by S$1.12 million from S$8.58 million as at 31 October 2021 to S$7.46 million as at 30 April 2023 mainly due to reclassification of trade and other payables of China subsidiaries into "Liabilities directly associated with disposal group classified as held-for-sale" amounting to S$2.41 million and offset by increase in trade and other payables in Malaysia of S$1.29 million as a result of increase in raw materials purchases.

Income tax payable decreased by S$224,000 from S$361,000 as at 31 October 2021 to S$137,000 as at 30 April 2023 mainly due to payment of income tax.

Deferred tax liabilities decreased by S$340,000 from S$993,000 as at 31 October 2021 to S$653,000 as at 30 April 2023 due to utilisation of deferred tax benefit offset by current income tax provison.

The Group's recorded a negative working capital of S$1.36 million as at 30 April 2023 as compared to a negative working capital of S$76,000 as at 31 October 2021.

# FINANCIAL AND OPERATIONS REVIEW

## Statement of Cash Flow

Net cash flows from operating activities for FP2023 was S$2.55 million, mainly attributable to (i) decrease in inventories of S$1.12 million, (ii) decrease in lease receivables of S$2.99 million, (iii) decrease in other non-financial assets of S$527,000 and (v) increase in trade and other payables of S$667,000, partially offset by (vi) increase in trade and other receivables of S$2.02 million, (vii) cash flows used in operations before changes in working capital of S$19,000 and (viii) payment of income tax of S$719,000.

Net cash flows used in investing activities of S$638,000 for FP2023 was mainly attributable to acquisition and disposal of property, plant and equipment.

Net cash flows used in financing activities of S$2.72 million for FP2023 comprised mainly of (i) repayments of loans and borrowings of S$1.78 million, (ii) repayment of lease liabilities of S$1.49 million, (iii) interest expenses paid of S$81,000, and partially offset by (iv) increase in loan from director of S$621,000.

As a result of the above, the Group's cash and cash equivalents decreased by S$810,000 for FP2023.

# 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:

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.

Major upgrading works were carried out 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.

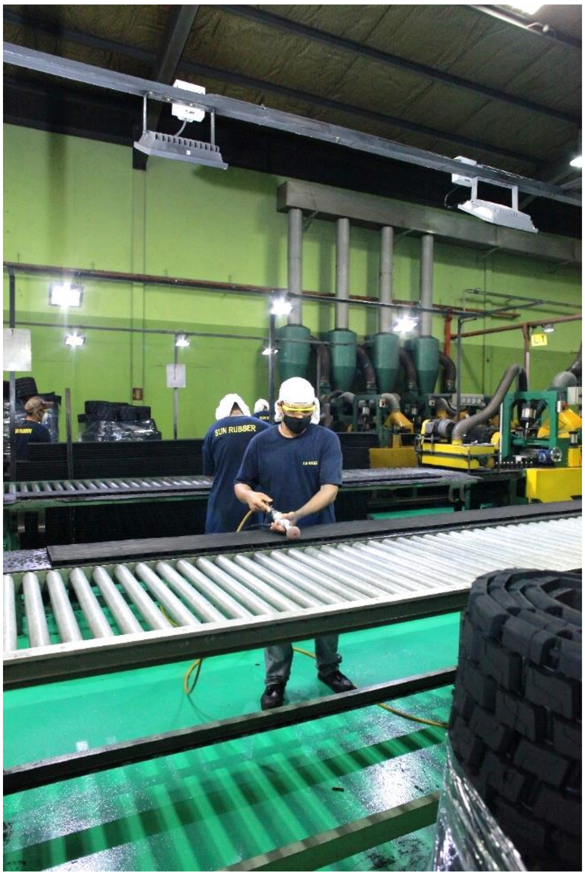
## Resource Recovery Segment
Singapore

In line with the nation’s net-zero emmission and decarbonisation efforts, 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

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.

# BOARD OF DIRECTORS

## MR 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:*
30 May 2022

*Length of service as a Director (as at 30 April 2023):*
20 years

*Board committee(s) served on:*
- Sustainability Reporting Committee (Member)

*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*
- Ecohub Pte Ltd

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

## MR TAN POH CHYE ALLAN
*Lead Independent Director*

*Date of first appointment as a Director:*
14 April 2022

*Date of last re-election as a Director:*
30 May 2022

*Length of service as a Director (as at 30 April 2023):*
1 year

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

*Other principal commitments (other than directorship):*
- See below

*Academic & professional qualifications:*
- LLB, Hon, University of Buckingham
- Bar Finals Examination, Gray's Inn
- MA, Comparative Business Law, London-Guildhall University (now London Metropolitan University)
- Barrister-at-law, England and Wales
- Advocate and Solicitor, Singapore

*Present directorships other than ecoWise:*
*Listed company*
- CNMC Goldmine Holdings Limited
- Vibropower Corporation Limited

*Non-listed company*
- Altum Law Corporation

*Past directorships held over the preceding three years:*
- Colin Ng & Partners
- Virtus Law LLP
- Allan Tan Law Practice
- Novita Healthcare Limited (listed on ASX)
- Affinity Energy and Health Limited (listed on the ASX)
- Prima Ops Pte Ltd
- Nico Steel Holdings Limited

# BOARD OF DIRECTORS

## DR DANNY OH BENG TECK

*Non-Executive Independent Director*

*Date of first appointment as a Director:*
14 April 2022
*Date of last re-election as a Director:*
N.A.
*Length of service as a Director (as at 30 April 2023):*
1 year

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

*Other principal commitments (other than directorship):*
- See below

*Academic & professional qualifications:*
- PhD (Business Management), University of South Australia
- MSc (Construction Management), Dundee University, Scotland
- BSc (Geology), Beloit College, USA

*Present directorships other than ecoWise:*
*Listed company*
- Imperium Crown Limited
- Mclean Technologies Berhad

*Non-listed company*
- Cambrian Engineering Corporation Pte Ltd
- Cambrian Academy Pte Ltd
- Cables & Utilities Detection Services Pte Ltd

*Past directorships held over the preceding three years:*
- China Powerplus Limited
- NM Backer Corporation Pte Ltd
- D.O. Recruitment Agency Pte Ltd

## MR GAN FONG JEK

*Non-Executive Independent Director*

*Date of first appointment as a Director:*
14 April 2022
*Date of last re-election as a Director:*
N.A.
*Length of service as a Director (as at 30 April 2023):*
1 year

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

*Other principal commitments (other than directorship):*
- See below

*Academic & professional qualifications:*
- MSID, Member of Singapore Institute of Directors
- Fellow Chartered Accountant, Institute of Singapore Chartered Accountant
- EMBA, INSEAD
- EMBA, Tsinghua University
- Master of Business, Nanyang Business School
- Bachelor of Accountancy (Honours), Nanyang Technological University

*Present directorships other than ecoWise:*
*Listed company*
- Healthbank Holdings Limited

*Non-listed company*
- Jubilee Capital Management Pte Ltd
- Jubilee Capital Partners Limited
- Jubilee Technology Fund Pte Ltd
- Bideford Global Holdings Limited
- Millennia Ventures Pte Ltd
- Latitude Technologies Ltd
- Optimatic Pte Ltd
- Decentralized Cyberspace Foundation Limited
- Isatrade (Asia) Pte Ltd
- Care Corner Senior Services Ltd (Non-Profit)
- Care Connexions Ltd (Non-Profit)
- Humaster Asia Pte Ltd

*Past directorships held over the preceding three years:*
- Jubilee Technology Fund SPC
- Idea Cable Holdings Pte Ltd
- Alpha Supply Chain Group Pte Ltd
- Care Corner Singapore Ltd (Non-Profit)
- Singapore Venture Capital Association (Non-Profit)

# 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 20 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.

## ALVIEDO RODOLFO JR SAN MIGUEL, JOJO
Chief Financial Officer

Mr Jojo Alviedo joined our Group in October 2022.

Mr Jojo Alviedo has amassed more than 20 years of international audit and advisory experience across Singapore, Philippines and Vietnam. Jojo held the post of Corporate Advisory Principal in Nexia TS Public Accounting Corporation, Singapore, as well as Assurance Senior Manager in PricewaterhouseCoopers, Singapore. During this time, he has garnered in depth experience in International Financial Reporting Standards, group audit, SOX 404 audit as well as initial public offering and reverse takeover projects. He has wide industry experience, including marine, engineering and construction, trading and manufacturing, technology and information, and freight and logistics. Mr Jojo Alviedo qualified as Certified Public Accountant in Philippines in 1992.

Mr Jojo Alviedo was also a CFO in a mainboard listed company in Singapore from 2012 to 2017.

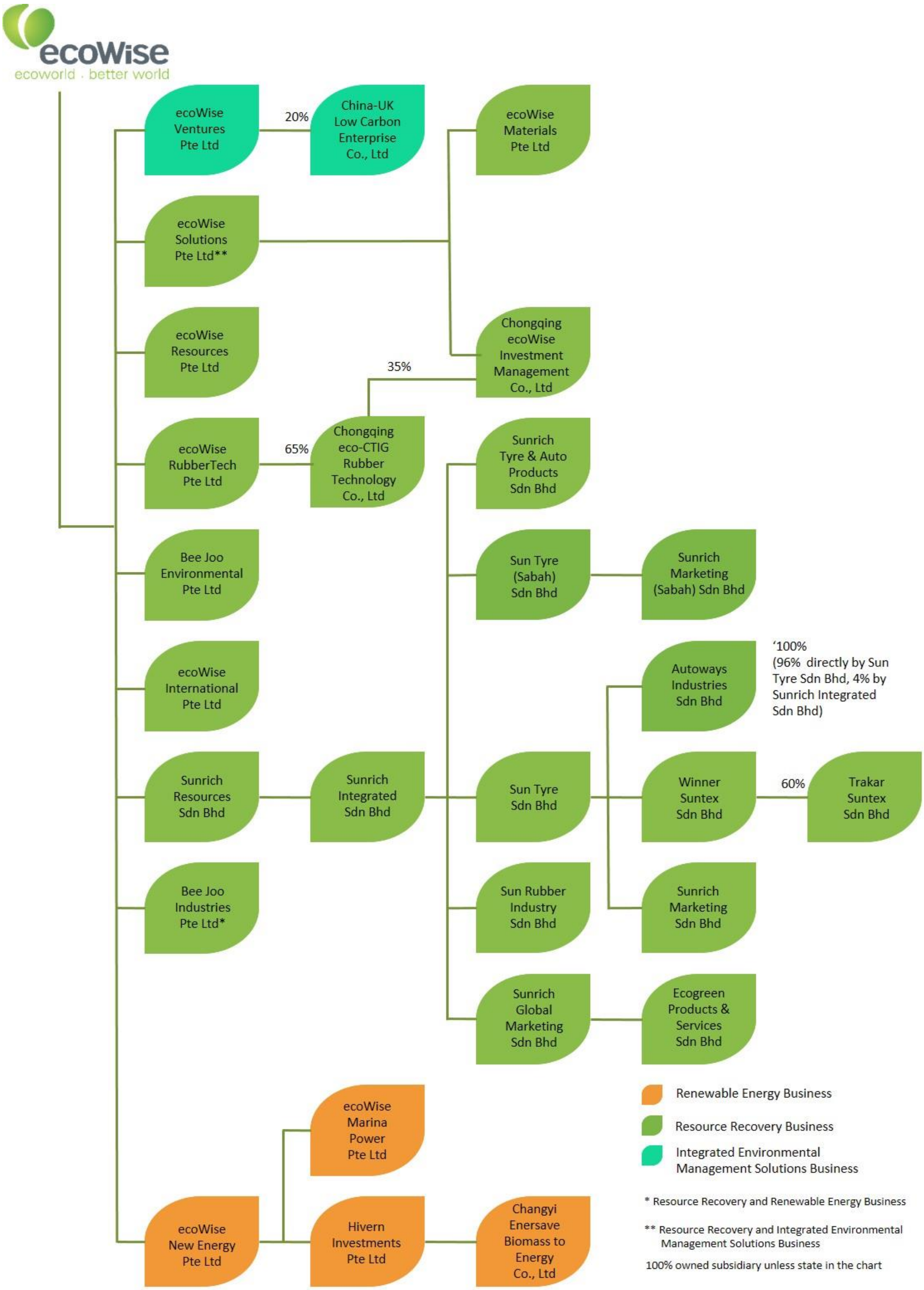
Mr Jojo Alviedo is respnsible for the Group's financial and accounting matters and compliance with financial reporting and regulatory requirements.

# SUBSIDIARIES MANAGEMENT

| SINGAPORE | MALAYSIA |
|---|---|
| **MR DESMOND CHAN**<br>General Manager<br><br>**MS CHRISTINE CHEONG**<br>Head of Human Resource<br><br>**MR RAJENDRAN AJAY PRABHAKARAN**<br>Senior Manager<br>Operations/Project<br><br>**MR GOPINATH S/O MADIAALAKAN**<br>Safety and Operations Manager | **MR STEVEN GAN SENG POE** (1)<br>Sunrich Integrated Sdn Bhd<br>Director cum Executive Officer<br><br>**MR LIM PENG KIAT**<br>Sun Rubber Industry Sdn Bhd<br>Head of R&D<br><br>**MR CHEW TONY**<br>Sunrich Integrated Sdn Bhd<br>Head of QA&QC<br><br>**MR TAM SIEW WAN**<br>Sun Rubber Industry Sdn Bhd<br>Head of Production<br><br>**MR RAYMOND WONG**<br>Head of Sun Tyre Sdn Bhd<br><br>**MR CHU WUI NAM**<br>Sun Rubber Industry Sdn Bhd<br>Head of Sales |

(1) Mr Steven Gan Seng Poe was appointed as a director for all the Company's subsidiaries in Malaysia with effect from 8 April 2022. Steven has a Bachelor of Science major in Mathematics from City of London Polytechnics and an MBA in Business Studies from University of South Australia. Steven has amassed more than 30 years of work experience in banking sector and manufacturing of rubber compound, plastic injection and tyre retreads.

# CORPORATE STRUCTURE



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**EXECUTIVE DIRECTOR**
Mr. Lee Thiam Seng
(Executive Chairman and CEO)

**INDEPENDENT DIRECTORS**
Mr. Tan Poh Chye Allan (Lead Independent Director)
Mr. Gan Fong Jek
Dr. Danny Oh Beng Teck

**AUDIT COMMITTEE**
Mr. Gan Fong Jek (Chairman)
Mr. Tan Poh Chye Allan
Dr. Danny Oh Beng Teck

**NOMINATING COMMITTEE**
Mr. Tan Poh Chye Allan (Chairman)
Mr. Gan Fong Jek
Dr. Danny Oh Beng Teck

**REMUNERATION COMMITTEE**
Dr. Danny Oh Beng Teck (Chairman)
Mr. Gan Fong Jek
Mr. Tan Poh Chye Allan

**SUSTAINABILITY REPORTING COMMITTEE**
Dr. Danny Oh Beng Teck (Chairman)
Mr. Lee Thiam Seng
Mr. Alviedo Rodolfo Jr San Miguel, Jojo (Member by invitation)
Mr. Tan Poh Chye Allan
Mr. Gan Fong Jek

**COMPANY SECRETARY**
Ms. Siau Kuei Lian

**INDEPENDENT AUDITOR**
Baker Tilly TFW LLP
Public Accountants and Chartered Accountants
600 North Bridge Road,
#05-01 Parkview Square,
Singapore 188778

Partner-in-charge: Low See Lien
Effective from reporting period ended 30 April 2023

**CONTINUING SPONSOR**
SAC Capital Private Limited (w.e.f. 7 January 2023)
1 Robinson Road,
#21-00 AIA Tower,
Singapore 048542

**SHARE REGISTRAR**
Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue,
#14-07 Keppel Bay Tower,
Singapore 098632

**PRINCIPAL BANKERS**
DBS Bank Ltd
United Overseas Bank Limited
Malayan Banking Berhad
RHB Bank Berhad
Affin Bank Berhad
Al Rajhi Banking & Investment Corporation (Malaysia) Berhad

**REGISTERED 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**") recognises the importance of sound corporate governance in protecting the interests of shareholders and ensuring that investors can have confidence in the management and financial reporting of the Group. The Board is committed to high standards of corporate governance within the Group.

The Group adopts corporate governance practices which are in line with the recommendation of the Code of Corporate Governance 2018 (the "**Code**") issued on 6 August 2018 and last amended on 11 January 2023. This report describes the Group's corporate governance practices that were in place throughout the financial period from 1 November 2021 to 30 April 2023 ("**FP2023**"), 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**").

**Statement Of Compliance**

For FP2023, the Board confirms that the Group has generally complied with the principles and provisions of the Code, save as otherwise explained in this report below.

## BOARD MATTERS

**The Board's Conduct of 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 functions of the Board are to lead and provide direction for the Group, act objectively in the best interests of the Company, hold key management personnel – which comprise both executive officers and non-executive officers (as defined in the Catalist Rules) (collectively referred to as "**Management**" where the context allows) – accountable for their performance, and enhance the value of the shareholders of the Company ("**Shareholders**") in the long-term.

Apart from statutory and fiduciary responsibilities, each Director understands the Group's businesses in addition to his or her specific role as executive, or non-executive and independent director.

While the Group does not have a formalised code of conduct and ethics, the Board sets the tone for the Group in respect of conduct and ethics, values and desired organisational culture, and also ensures proper accountability within the Group. The Board will work towards formalising the code of conduct and ethics in the next financial year.

The primary role of the Board includes the following:

- 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 in achieving organizational 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;

# CORPORATE GOVERNANCE

- reviewing and approving interested person transactions and significant transactions that require announcements under the Catalist Rules;

- ensuring accurate and timely reporting in communication with Shareholders;

- 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 sustainability strategies;

- identifying key stakeholders' groups and recognising that their perception of the Company affects its reputation;

- ensuring that the Group meets good corporate governance standards; and

- exercising due diligence and independent judgement and acting in good faith and considering at all times the interests of the Company. In this regard, if any 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 interests and conflict at the Board meeting, and recuse himself/herself from any discussion on the matter and abstain from participating in any Board decisions.

All Directors are also required to update the Board on a timely basis, through the Company Secretary, of interests in new companies that were not previously disclosed to the Board. Additionally, at the start of each financial year, all Directors must submit a letter to the Company Secretary of all their interests in other companies to be read and acknowledged by the Board as a whole.

Provision 1.2

***Appointment Letter***

Upon the appointment of a new Director, the Company will provide a formal letter of appointment to the Director explaining, among other matters, his/her role, obligations, duties and responsibilities, and membership of any of the Audit Committee ("**AC**"), Nominating Committee ("**NC**"), Remuneration Committee ("**RC**") and Sustainability Reporting Committee ("**SRC**").

***Board Orientation and Training***

The Board comprises the following members, all of whom have the appropriate core competencies and diversity of experience needed to enable them to effectively contribute to the Group. The composition of the Board as at the date of this Annual Report is as follows:

**Name of Director**

| | | |
|---|---|---|
| Mr Lee Thiam Seng | - | Executive Chairman and Chief Executive Officer ("**CEO**") |
| Mr Tan Poh Chye Allan | - | Lead Independent Director |
| Dr Danny Oh Beng Teck | - | Independent Director |
| Mr Gan Fong Jek | - | Independent Director |

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 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, organised by the Singapore Institute of Directors ("**SID**") as required under Rule 406(3)(a) of the Catalist Rules.

All Directors are encouraged to undergo continuous training to broaden their perspective and keep abreast with new statutory and regulatory requirements. Training is provided to Directors through a mix of in-house and external training programmes, at the Company's expense. In keeping with the Board's open policy for occasional training for all the Directors, a training budget has been set aside for Directors to select and attend external training to develop their skills, knowledge and keep updated on regulatory changes.

# CORPORATE GOVERNANCE

Mr Tan Poh Chye Allan, Dr Danny Oh Beng Teck and Mr Gan Fong Jek were newly appointed on 14 April 2022. Save for Mr Gan Fong Jek, all new Directors appointed in FP2023 have prior experience as a director of companies listed on the SGX-ST. Mr Gan Fong Jek has completed the training in the roles and responsibilities of a director of a listed company as prescribed by the SGX-ST.

In FP2023, briefing and updates provided to the Directors included but not limited to the following:

- updates on the developments in financial reporting and governance standards, where relevant, by the external auditor of the Company to the AC and the Board; and

- updates on business and material developments pertaining to the Group's business by the Management to the Independent Directors.

For the period under review, the Directors were briefed by the Company Secretary on changes to the Catalist Rules, the Code and Companies Act, and by its external auditor on changes to the financial reporting standards. All Directors have attended the sustainability training course as prescribed by the SGX-ST under Rule 720(6) of the Catalist Rules.

As part of the Company's continuing education for the Directors, the Company Secretary, the Sponsor and Management circulate to the Board relevant articles, reports and press releases pertaining to material statutory and regulatory developments and the Group's business to keep Directors updated on the current requirements, industry trends and issues. News releases and guidance issued by the SGX-ST and the Accounting and Corporate Regulatory which are relevant to the Directors are circulated to the Board. Directors are also briefed by the external auditor on developments in the Singapore Financial Reporting Standards (International) and the related changes that affect the Group.

Provision 1.3

***Matters Requiring Board's Approval***

The following matters are specifically reserved for the decision of the Board:

- entering into contractual obligations, other than in the ordinary course of business;
- undertaking any corporate action, other than in the ordinary course of business;
- any business and transaction in the ordinary course of business with a value exceeding S$100,000;
- approving the policies, strategies and financial objectives and monitoring the performance of Management;
- overseeing the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- approving the nominations of persons to the Board and appointments of persons to positions of Management;
- approving annual budgets, major funding proposals, corporate or financial restructuring and investments or divestment proposals;
- declaration of interim dividends and proposal of final dividends and interested person transactions,

(collectively, the "**Reserved Matters**").

The Management has been instructed by the Board that all Reserved Matters must be referred to the Board for approval. Save for the Reserved Matters which require the Board's decision and approval, Management is responsible for the day-to-day operation and administration of the Group.

The list of Reserved Matters is reviewed by the Board on an annual basis, taking its cue from businesses and transactions that took place during the year under review, operational and compliance issues arising and from reports of the Company's internal and external auditor.

# CORPORATE GOVERNANCE

Provision 1.4

***Delegation of Authority of Board Committees***

The Board has delegated specific responsibilities to four (4) committees namely, the AC, the NC, the RC and the SRC (collectively, the "**Board Committees**", each a "**Board Committee**") to assist the Board in the execution of its responsibilities and duties.

The Board Committees function within written and 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 discharges its function by dealing with issues that are pertinent to their written terms of references, and makes recommendations to the Board, which will take into consideration such recommendations prior to making a decision. Minutes of all Board Committees meetings are circulated to the Board so that all 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 responsibilities on all matters lies with the entire Board. The composition of the respective Board Committees, terms of reference and a summary of activities of each Board Committee are set out in this report.

As announced on 6 June 2022, the Sustainability Reporting Committee (the "**SRC**") was formed within clear and written terms of reference setting out its composition, functions, authorities and duties.

The composition of the SRC is as follows:

***Composition of the SRC***

(1) Dr Danny Oh Beng Teck (Chairman)
(2) Mr Lee Thiam Seng (Member)
(3) Mr Alviedo Rodolfo Jr San Miguel, Jojo (Member by Invitation)
(4) Mr Tan Poh Chye Allan (Member)
(5) Mr Gan Fong Jek (Member)

***The primary functions of the SRC are to assist the Board in:***

- Reviewing and adopting of all sustainability-related policies/standards;
- Overseeing management process to ensure compliance with sustainability-related policies/standards;
- Reviewing periodic reports (at least half-yearly) from senior management on risk management;
- Reviewing internal review findings on how sustainability-related policies/standards are implemented; and
- Reviewing and approving sustainability reports before publishing.

The Company's sustainability report for FP2023 ("**FP2023 SR**") is prepared in accordance with and adopts the Global Reporting Initiative ("**GRI**") Standards and complies with the requirements of the Catalist Rules on sustainability reporting. For FP2023, the report will be published as a standalone report. The FP2023 SR discloses the material sustainability factors that the Company has identified as key to its mission and objectives of becoming a well-governed, responsible and sustainable business. Shareholders are encouraged to read the FP2023 SR when it is published to understand in more detail the material sustainability factors identified by the Company as key to its sustainability policies and practices and the extent sustainability targets set during the last financial year have been achieved.

# CORPORATE GOVERNANCE

Provision 1.5

***Meetings of the Board and Board Committees***

The Board and Board Committees meet during scheduled and ad hoc meetings as and when necessary. The Board and the Audit Committee meet at least 4 times during each financial year to approve the Company's quarterly and full year results announcements (formerly 2 times to approve the Company's half-yearly results announcements) and attend to the business affairs of the Group. The Remuneration and Nominating Committees will also meet at least 1 time during each financial year to attend to and review the progress of any matter(s) that arose from the last respective meetings, and to recommend and report to the Board on matters regarding the remuneration and assessment of the Board and Directors, including the independence of Independent Directors of the Company. The schedule of Board and Board Committees meetings and Annual General Meeting ("**AGM**") for the next financial year is planned ahead at the beginning of the financial year, in consultation with the Directors. Where appropriate, decisions of the Board and Board Committees may also be made by way of written resolutions.

The number of Board and Board Committees meetings held during FP2023 and the attendance of each Director during their terms where relevant is as follows:

| **Type of meetings** | **Board of Director (BOD)** | **Audit Committee** | **Nominating Committee** | **Remuneration Committee** | **Sustainability Reporting Committee** | **General Meeting** |
|---|---|---|---|---|---|---|
| **No. of meetings** | **15** | **10** | **1** | **1** | **1** | **2** |
| **Attendance** | | | | | | |
| Mr Lee Thiam Seng | 15 | 9^ | 1^ | 1^ | 1 | 2 |
| Mr Tan Poh Chye Allan | 8 | 4 | 1 | 1 | -(6) | - |
| Dr Danny Oh Beng Teck | 10 | 6 | 1 | 1 | 1 | 2 |
| Mr Gan Fong Jek | 10 | 6 | 1 | 1 | -(6) | 2 |
| Mr Alviedo Rodolfo Jr San Miguel, Jojo(1) | - | - | - | - | 1 | 1 |
| Mr Cao Shixuan(2) | 5 | 4 | - | - | - | - |
| Mr Er Kwong Wah(3) | 5 | 4 | - | - | - | - |
| Mr Lo Kim Seng(4) | 7 | 6 | 1 | 1 | - | - |
| Mr Tham Chee Soon(5) | 9 | 8 | 1 | 1 | - | - |

^ By invitation

(1) Mr Alviedo Rodolfo Jr San Miguel, Jojo was appointed as the Chief Finance Officer on 18 October 2022 and a member by invitation of SRC on 6 June 2022. He is responsible for ensuring the risk and compliance management framework is embedded and operational for the Group, managing the processes for financial forecasting and budgets, overseeing the preparation of all financial reporting, and advising on long-term business and financial planning of the Group.

(2) Mr Cao Shixuan resigned as Executive Director and Deputy Chief Executive Officer on 13 April 2022.

(3) Mr Er Kwong Wah resigned as Lead Independent Director on 13 April 2022.

(4) Mr Lo Kim Seng retired as Independent Director at the conclusion of the Company's AGM held on 30 May 2022.

(5) Mr Tham Chee Soon retired as Independent Director at the conclusion of the Company's AGM held on 30 May 2022.

(6) Mr Tan Poh Chye Allan and Mr Gan Fong Jek have been appointed to the SRC on 26 September 2023.

# CORPORATE GOVERNANCE

Provision 1.6

***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 background facts, resource requirement, projected outcomes, financial impact, risk analysis, specific 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 next Board meeting.

From time to time, when the Company proposes to enter into a material transaction or a corporate action, a presentation will be made by the relevant Management personnel to the Board (either via a face-to-face meeting or by circulation of a proposal and/or presentation) to facilitate a robust discussion before the transaction is entered into or the corporate action take place. The presentation sets out the analyses made by the relevant Management personnel and any specific issues which the Board should be appraised so that the Board may make informed decision in respect of the proposed transaction.

Provision 1.7

***Board's Access to Company Secretary***

The Company Secretary's responsibilities include, among other things, assisting the Board in ensuring that all relevant procedures set out in the Constitution, relevant rules and regulations, including requirements of the Securities and Future Act 2001 of Singapore, the Companies Act 1967 of Singapore, and the Catalist Rules are complied with. 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 Directors, and advising the Board on all corporate governance matters.

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

All Directors have separate and independent access to advice and services of the Company Secretary. The appointment and the removal of the Company Secretary are subject to Board's approval.

***Board's Access to Management and Independent Professional Advice***

The Board has, at all times, separate and independent access to the Management and may request for any additional information needed at any time to enable them to make informed decisions.

Management recognises the importance of ensuring the flow of information to Directors on an ongoing basis to enable them to make informed decisions in the discharge of 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.

Key management personnel, the Company's auditor 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 Independent Directors may seek independent professional advice as and when required in furtherance of their duties, and the cost of such advice is borne by the Company.

**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.***

# CORPORATE GOVERNANCE

Provision 2.1

***Board Independence***

The Board adopts as the criteria for determining the independence of the Board the definition set out in the Practice Guidance of the Code, and takes into consideration whether any Director falls under any of the circumstances set out in Rule 406(3)(d) of the Catalist Rules. The Board considers an "Independent" Director as one who is independent in conduct, character and judgment, and has no relationship with the Company, its related corporations, its substantial Shareholders or its officers or any other relationship that could interfere, or be reasonably perceived to interfere, with the exercise by the Director's independent business judgement in the best interests of the Company.

The NC assesses and determines the independence of a Director at the time of his appointment and periodically, at the end of each financial year.

For FP2023, the Independent Directors have confirmed that they do not have any relationships, including immediate family relationships with the Company, its related corporations, its substantial Shareholders or its officers and any other relationships that could interfere or be perceived to interfere, with the exercise of their independent business judgement in the best interest of the Company. They have also confirmed that they 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 during the period under review, and were not or deemed to be in any situation that could compromise their independence of thought and decision. The Board, based on the review conducted by the NC and in concurrence with the NC, has determined that Mr Tan Poh Chye Allan, Dr Danny Oh Beng Teck and Mr Gan Fong Jek are independent.

***Duration of Independent Directors' Tenure***

The independence of each Independent Director is assessed at least annually by the NC. On 11 January 2023, the SGX-ST amended the Catalist Rules to limit the tenure of Independent Directors to a maximum of nine (9) years from the date of his/her first appointment. Effective from 11 January 2023, Independent Directors who have served for more than nine (9) years from the date of his/her first appointment may no longer be designated as independent directors. To provide sufficient time for board appointments, Independent Directors whose tenure exceeds nine (9) years may continue to be considered independent until the conclusion of the next AGM of the issuer for the financial year ending on or after 31 December 2023.

As at the date of this report, none of the Independent Directors has served more than nine (9) years from the date of his first appointment.

Provisions 2.2 and 2.3

***Proportion of Independent Directors***

As at the date of this Report, the Board comprises four (4) Directors, three (3) of whom are Independent Directors and one (1) who is the Chairman and Executive Director of the Company. The Board has satisfied the requirement 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.

# CORPORATE GOVERNANCE

Provision 2.4

***Board Composition and Size***

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

| Name of Director | Designation | Audit Committee | Nominating Committee | Remuneration Committee | Sustainability Reporting Committee |
|---|---|---|---|---|---|
| Mr Lee Thiam Seng | Executive Chairman and Chief Executive Officer | - | - | - | Member |
| Mr Tan Poh Chye Allan | Lead Independent Director | Member | Chairman | Member | Member |
| Dr Danny Oh Beng Teck | Independent Director | Member | Member | Chairman | Chairman |
| Mr Gan Fong Jek | Independent Director | Chairman | Member | Member | Member |
| Mr Alviedo Rodolfo Jr San Miguel, Jojo | - | - | - | - | Member by invitation |

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 size and composition changes are considered together and weighted for relevant benefits in respect of foreseeable circumstances and requirements which are appropriate for the size and nature of activities of the Group's businesses and their compliance with applicable laws and the Catalist Rules.

During FP2023, the following changes to the composition of the Board took place:

(1) Cessation of Mr Cao Shixuan as the Executive Director and Deputy Chief Executive Director with effect from 13 April 2022;

(2) Cessation of Mr Er Kwong Wah as the Lead Independent Director, Chairman of the NC and a member of the AC and RC with effect from 13 April 2022;

(3) Following an extraordinary general meeting requisitioned by certain Shareholders held on 14 April 2022, Mr Danny Oh Beng Teck, Mr Gan Fong Jek and Mr Tan Poh Chye Allan were appointed Independent Directors of the Company by the Shareholders with effect from 14 April 2022. For more information regarding the aforementioned events and issues arising from these events, please refer to the announcements released by the Company on the SGXNET and also to the section on Accountability and Audit in this report;

(4) At the conclusion of the annual general meeting of the Company held on 30 May 2022, Mr Lo Kim Seng and Mr Tham Chee Soon retired pursuant to Regulation 117 of the Constitution of the Company;

(5) Mr Tan Poh Chye Allan was redesignated as the Lead Independent Director of the Company effective from 3 June 2022.

# CORPORATE GOVERNANCE

The Directors are of the opinion that the current size and composition of the Board is appropriate taking into account the diversity of skillsets and knowledge possessed by the current Board that are of assistance to guide and lead the Company in completing the directives under the Notice of Compliance issued by the Singapore Exchange Regulation Pte. Ltd. ("**SGX RegCo**") on 25 June 2021 (the "**NOC**") and to stabilise the Group's operations.

***Diversity and Competency of the Board***

The current Board comprises high-calibre individuals who have a wide range of expertise, experience and knowledge in the accounting and legal professions, and business management. The current NC is satisfied that taking into account the issues as set out, and the directives stipulated, in the NOC and the nature and scope of the Group's current operations, the current size and the composition of the Board and the Board Committees are appropriate to guide the Company in resolving the issues and ensuring compliance with the directives stipulated in the NOC, and to stabilise the Group's operations.

In view of the above and the strong element of independence on the Board, the NC believes that the Group will benefit from the diverse experience and skillsets possessed by members of the current Board. The biographies of the Directors are set out in "Board of Directors" section this Annual Report.

At the current time, the Company intends to resolving all issues arising from past disagreements and fulfilling the directives under the NOC while stabilising the Group's current operations.

The Board recognises the importance of gender diversity on the Board and will strive to include female candidates in the selection process for any new future director appointments. However, the Board also takes the view that the right blend of skillsets, industry knowledge, relevant experiences and overall suitability will remain the objective and overriding assessment of the suitability of a candidate.

The Board has adopted a diversity policy ("**Diversity Policy**") which aims to support the Group's business and strategic objectives better so that the Group may achieve sustainable growth through the enhanced decision-making process of a Board that comprises different perspectives contributed by a diverse range of individuals with different but complementary skills, business experience, industry disciplines, gender, age, ethnicity, cultural background and other distinguishing qualities of its members.

The Diversity Policy provides a framework for setting the Company's diversity objectives, which includes:

- setting targets to achieve more diversity on the Board;
- plans and timelines for achieving the targets set;
- requirements to report progress made towards achieving the targets set within the timelines; and
- a description of how the combination of skills, talents, experience and diversity of its directors can serve the needs and plans of the Group.

The Board is committed to achieving gender diversity, and the Nominating Committee will, when reviewing and assessing the composition of the Board, prioritise achieving gender diversity when the Company makes its next appointment of a new Director.

The current members of the Board, while comprising only males, possess a range of skillsets, experiences, industry disciplines, ages, and cultural diversity. While the Board will strive to achieve diversity as set out in its Diversity Policy, it will only appoint a director if his or her overall skills-set, experience are found to be suitable and appropriate for the Group's development and strategic objectives, based on recommendations made by the Nominating Committee of the skillsets and experience that are needed to enhance the effectiveness of the Board. No member of the Board will be a "diversity-hire" simply to satisfy the Diversity Policy of the Company.

<u>Provision 2.5</u>

***Role of Non-Executive Directors***

The Independent Directors participate actively in Board meetings. With their professional expertise and competency in their respective fields of legal, finance, accounting and commercial sectors, the Independent Directors collectively provide constructive advice and guidance, and independence of thought for effective discharge by the Board of its functions.

# CORPORATE GOVERNANCE

All Directors have equal responsibility for the performance of the Group, although the role of the Independent Directors is particularly important in ensuring that the strategies proposed by the Management are fully discussed and rigorously examined, taking into account the long-term interests of its stakeholders, comprising Shareholders, employees, customers, suppliers and the communities in which the Group conducts its business.

***Meeting of Independent Directors without Management***

The Independent Directors meet, without the presence of Management, as and when necessary to facilitate a more effective system of checks and balances in respect of the authority and powers of the Management. During FP2023, the Independent Directors, led by the Lead Independent Director have met and/or communicated on a number of occasions, without the presence of the Management, to discuss and propose solutions to issues that have arisen in the course of business of the Group, and for the purpose of guiding the Management with respect to the Group's current operations. 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 in discussions on the issues and challenges faced by the Group in its business operations.

Although Mr Lee is the Chairman and CEO of the Company, the role of the Chairman is separate from that of the CEO and there is a clear division of the responsibilities between the Chairman on the one hand and CEO on the other. As CEO, Mr. Lee is overall in charge of the management of the Group's businesses, and as Chairman, Mr. Lee leads the Board in discussion. However, as there is a Lead Independent Director and the fact that 3 out of 4 members of the Board comprises Independent Directors, the Board is of the opinion that the process of decision-making by the Board has been independent and based on collective decision without any individual or small group of individuals dominating the Board's decision-making. The Board is also of the view that with an overwhelming majority of Independent Directors Non-Executive on the Board, a single leadership structure as currently adopted by the Board is in the interests of the Group.

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 the 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 operations, the implementation of the Group's corporate plans, policies and executive decision-makings.

Provision 3.3

***Appointment of Lead Independent Director***

Mr Tan Poh Chye Allan was appointed as an Independent Director of the Company on 14 April 2022 and was subsequently redesignated as the Lead Independent Director of the Company effective 3 June 2022. The Lead Independent Director is available to Shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman and/or Management have failed to resolve or are 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 as follows:

- reviewing the Board structure, size and composition, having regard to the scope, nature and requirements of the Group's business operations, the diversity of skills, experience, gender and core competencies required for effective leadership and decision making on the Board;
- recommending to the Board on matters relating to (i) the Board succession plans for the Directors, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel; (ii) training and professional development programs for the Directors; and (iii) the appointment and re-appointment of the Directors;
- assessing the process and criteria for evaluating the performance of the Board as a whole, the Board Committees, as well as the contribution by each Director to the overall effectiveness of the Board;
- determining on an annual basis the independence of Directors; and
- identifying and making recommendation to the Board as to which Directors are to retire by rotation and be put for re-election at each AGM of the Company.

Provision 4.2

***Composition of the NC***

As at the date of this report, the NC comprises the following three (3) members, all of whom, including the NC Chairman, are Independent Directors. The Lead Independent Director is a member of the NC. The NC comprises the following members:

(1) Mr Tan Poh Chye Allan (Chairman)
(2) Dr Danny Oh Beng Teck (Member)
(3) Mr Gan Fong Jek (Member)

# CORPORATE GOVERNANCE

Provision 4.3

***Selection and Appointment of Directors***

The NC reviews the composition of the Board and identifies the skillsets which are required and will enhance the Board's overall effectiveness in the selection process for the appointment of new directors. Potential candidates are identified from various sources such as referrals from existing Board members and/or referrals from external sources, such as the Singapore Institute of Directors. Once suitable candidates have been identified, 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. In accordance with the Diversity Policy, the NC recognises and will prioritise female candidates so long as such candidates are determined to possess the right blend of skillsets, industry knowledge, relevant experiences and overall suitability.

***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 once 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 following any casual appointment by the Board. Rule 720(4) of the Catalist Rules also requires that each Directors to submit himself 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, Dr Danny Oh Beng Teck and Mr Gan Fong Jek will be retiring pursuant to Regulation 107 of the Constitution. Dr Danny Oh Beng Teck and Mr Gan Fong Jek have offered themselves up for re-election at the forthcoming AGM.

Each member of the NC is required to abstain from voting, approving or making a recommendation on any resolution of the NC in which he/she has an 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 direct contribution and performance as a Director). This assessment includes attendance record, preparedness, level 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 Dr Danny Oh Beng Teck and Mr Gan Fong Jek.

Provision 4.4

***The NC to Determine Directors' Independence***

The NC reviews, annually, the independence declarations made by the Independent Directors based on the criteria of independence provided in the Code and the Practice Guidance, Rule 406(3)(d) of the Catalist Rules and any other salient factors. For FP2023, the NC reviewed and determined that Mr Tan Poh Chye Allan, Mr Gan Fong Jek and Dr Danny Oh Beng Teck are independent (within the meaning of the Code and the Catalist Rules). Each Independent Director has confirmed that neither himself nor any of its associates nor any immediate family member has any relationship with the Company, its related corporations, its substantial Shareholders or its officers, that may could interfere or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Company.

# CORPORATE GOVERNANCE

Provision 4.5

***Directors' Commitments***

All Directors declare their board representations as and when practicable. When a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his or her duties as a Director of the Company. During FP2023, the NC has reviewed and is satisfied that sufficient time and attention has been given by the Directors to the affairs of the Company to adequately perform their duties as Directors of the Company, notwithstanding that some of the Directors have multiple board representations.

Prior to making an appointment of any Director, the NC will condition its recommendation of a candidate with no prior experience of acting as a director of a listed issuer with a requirement that the candidate must attend prescribed courses stipulated by the SGX-ST for directors without such prior experience. In attending the prescribed courses, the Director so appointed will be briefed on his/her duties generally as a director and under the Catalist Rules.

When a Director has multiple board representations, the NC will consider whether or not the Director is able to and has adequately carried out his/her duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.

***Appointment of Alternate Directors***

While the Constitution allows for the appointment of alternate directors, the Board will only agree to such appointments in exceptional cases, such as when a Director has a medical emergency. The Board will employ the same criteria for the selection of any alternate Directors as it does when appoint a new Director. The Company does not currently have any alternate director.

***Key Information on Directors***

The respective dates of initial appointments and re-elections of the Directors as well as the Directors' directorships in other listed companies and other principal commitments are set out in the section entitled "Board of Directors" 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.***

Provisions 5.1 and 5.2

***Assessment of the Board and Board Committees***

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

Following the review of FP2023, the Board, with the concurrence of the NC, is of the view that the Board and its Board Committees operate effectively, and each Director has met the performance evaluation criteria and objectives for FP2023 and is contributing to the overall effectiveness of the Board. In addition, each of the NC members have abstained from the voting or review process on matters in connection with his own performance and re-appointment as a Director of the Company.

Assessment checklists are disseminated to each member of the NC and the Chairman at the end of each financial year. The assessment results are discussed and the key areas for improvement and follow-up actions proposed are discussed at the NC meeting. No external facilitator was engaged for the assessment process in FP2023. However, the NC has full authority to engage an external facilitator to assist the NC to carry out the evaluation process at the Company's expense, if the need arises.

# CORPORATE GOVERNANCE

***Objective Performance Criteria for Board Evaluation & Evaluation of Individual Directors***

The Board assessment checklist includes factors such as Board structure and size and strong element of independence, the conduct and frequency of meetings held, 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 whether objectives and targets set for the year have been met. The results of evaluation are then presented to the Board.

For the period under review, the NC has undertaken an assessment in respect of the performance of the Board (as a whole) and each Board Committee.

The NC is satisfied that the Board, as a whole, and each of the Audit Committee, Remuneration Committee and Nominating Committee operated effectively, and each Director performed and contributed to the overall effectiveness of the Board adequately. In making its assessment, the NC took into consideration the fact that no Director serves on more than 5 boards at any one time and each Independent Director has been able to devote time to the Company and discharge his duties adequately. No external facilitator was engaged for the assessment process.

## 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:

- recommending to the Board all matters relating to remuneration, including but not limited to recommending a framework of remuneration and specific remuneration packages for 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 for executive Directors;
- determining the appropriateness of the remuneration of Directors;
- considering the disclosure requirements for Directors' and top five (5) key management personnel's remuneration as required by the Code; and
- administering the ecoWise Performance Share Plan ("**PSP**").

For the period under review and for the immediate future, the RC has, in addition to the usual criteria, reviewed and recommended the remuneration of Directors and key management personnel based on the additional scope of work and time commitment the Directors and key management personnel have to put in to comply with the directives of the NOC as well as to stabilise the Group's operations.

Provision 6.2

***Composition of the RC***

As at the date of this report, the RC comprises the following three (3) members, all of whom, including the RC Chairman, are Independent Directors:

# CORPORATE GOVERNANCE

(1) Dr Danny Oh Beng Teck (Chairman)
(2) Mr Gan Fong Jek (Member)
(3) Mr Tan Poh Chye Allan (Member)

Provision 6.3

***Procedure for Setting Remuneration***

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

In particular, the RC reviews the specific remuneration package for each Executive Director and each key management personnel for fairness. The RC's recommendation is, thereafter, submitted to the Board for its approval and implementation.

The Executive Director's remuneration packages is based on the terms of the service contract entered into by him. Independent Directors are normally paid Directors' fees at half yearly intervals of an agreed amount, and these fees are subject to Shareholders' approval at the AGM. Independent Directors are also eligible for share-based incentive awards.

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

***Service Contracts***

The Company's obligations arising in the event of termination of the Executive Director and key management personnel are contained in the respective service contracts. The Executive Director does not receive Directors' fees and there are no post-retirement and severance benefits. The service contract of the Executive Director may be terminated with notice of 6 months. The service contract of the Chief Financial Officer is periodic and each period is for a term of 1 year, and can be terminated earlier than its stipulated term with notice of 6 months. The RC is satisfied that the termination clauses therein are fair and reasonable. It should also be noted that the notice period for the Executive Director and key management personnel is longer than other staff of the Company. The RC, having reviewed the Executive Director's 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 FP2023, the RC did not seek any external professional advice on remuneration of the Directors.

## Level and Mix of Remuneration

***Provision 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***

The RC ensures the Executive Director and key management personnel are adequately but not excessively remunerated when compared to the industry and comparable companies.

# CORPORATE GOVERNANCE

The compensation of the Executive Director and key management personnel is reviewed annually by the RC to ensure that such compensation is commensurate with their performance and that of the Company, with due regard given to the financial and commercial health and business needs of the Group.

Executive Directors of the Company do not receive Directors' fees but are remunerated in accordance with their service contracts. The remuneration for Executive Directors comprises a fixed 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 to promote the long-term sustainability of the Group.

Service contract for the Executive Director is 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 that 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 has been extended at the AGM held on 28 February 2017. The PSP will continue in force at the discretion of the RC, subject to a maximum period of 10 years, i.e. 22 March 2027 ("**PSP Term**").

A participant's award is determined at the discretion of the RC. Awards are granted based principally on performance, and incorporates performance targets to be achieved at agreed timelines by the Company and the grantees, which are aimed 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 that may be issued, when aggregated with new shares already issued pursuant to past awards granted, may not exceed fifteen (15%) of the issued share capital of the Company from time to time during the PSP Term.

***Remuneration of Non-Executive Directors***

The Independent Directors receive Directors' fees, in accordance with their contributions, taking into account factors such as responsibilities, effort and time spent serving the Board and Board Committees. At the Company's AGM held in respect of FY2021 on 30 May 2022, the Company has obtained Shareholders' approval for Directors' fees amounting to S$323,000 for the financial period between 1 November 2021 to 31 October 2022 (FY2021: S$178,000), to be paid monthly in arrears. In view of the change of financial year end of the Company from 31 October to 30 April, Directors' fees of S$329,000 for the period from 1 November 2021 to 30 April 2023 (out of which S$323,000 is approved in the previous AGM held on 30 May 2022) is recommended by the Board for approval of Shareholders at the forthcoming AGM of the Company.

At the forthcoming AGM, the RC has also recommended to the Board, and the Board has included for approval by Shareholders, Directors' fees for the financial year ending 30 April 2024 of S$180,000 to be paid to the Independent Directors monthly in arrears.

# CORPORATE GOVERNANCE

***Contractual Provisions to Reclaim Incentive Components of Remuneration from Executive Directors***

The current service agreement entered into with the Executive Director is for a three-year period. This has been approved by the RC and it does not contain contractual provisions permitting the Company to reclaim the incentive components of remuneration except in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. As Directors owe a fiduciary duty to the Company, the RC is of the view that the Company should be able to avail itself of remedies against the Executive Director in the event of a breach of his fiduciary duties.

**Disclosure on Remuneration**

***Provision 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 breakdown of the remuneration and fees of each individual Directors (including the CEO who is a Director) in percentage terms for FP2023, is set out below:

| **Directors** | **Directors Fees**<br>**%** | **Base/Fixed Salary**<br>**%** | **Variable or Performance Related Income/Bonus**<br>**%** | **Benefits in kind**<br>**%** | **ecoWise PSP**<br>**%** | **Total**<br>**%** |
|---|---|---|---|---|---|---|
| Lee Thiam Seng | - | 100 | - | - | - | 100 |
| Danny Oh Beng Teck | 100 | - | - | - | - | 100 |
| Gan Fong Jek | 100 | - | - | - | - | 100 |
| Tan Poh Chye Allan | 100 | - | - | - | - | 100 |
| Cao Shixuan(1) | - | 100 | - | - | - | 100 |
| Er Kwong Wah(2) | 100 | - | - | - | - | 100 |
| Lo Kim Seng(3) | 100 | - | - | - | - | 100 |
| Tham Chee Soon(4) | 100 | - | - | - | - | 100 |

(1) Mr Cao Shixuan resigned as Executive Director and Deputy Chief Executive Officer on 13 April 2022.
(2) Mr Er Kwong Wah resigned as Lead Independent Director on 13 April 2022.
(3) Mr Lo Kim Seng retired as Independent Director at the conclusion of the Company's AGM held on 30 May 2022.
(4) Mr Tham Chee Soon retired as Independent Director at the conclusion of the Company's AGM held on 30 May 2022.

# CORPORATE GOVERNANCE

The details of the remuneration of the top five (5) key management personnel (based on annual remuneration) of the Group for FP2023 is set out below.

| Key Management Personnel | Base/Fixed Salary and allowances<br>% | Variable or Performance Related Income/Bonus<br>% | Benefits in kind<br>% | ecoWise PSP (1)<br>% | Total<br>% |
|---|---|---|---|---|---|
| **Below $250,000** | | | | | |
| Alviedo Rodolfo Jr San Miguel, Jojo(1) | **100** | **-** | **-** | **-** | **100** |
| Steven Gan Seng Poe(2) | **97** | **-** | **3** | **-** | **100** |
| Desmond Chan(3) | **100** | **-** | **-** | **-** | **100** |
| Rajendran Ajay Prabhakaran | **90** | **10** | **-** | **-** | **100** |
| Christine Cheong | **96** | **4** | **-** | **-** | **100** |

(1) Mr Alviedo Rodolfo Jr San Miguel was appointed as the Chief Financial Officer of the Company with effect from 18 October 2022.
(2) Mr Steven Gan Seng Poe was appointed as a director for all the Company's subsidiaries in Malaysia with effect from 8 April 2022.
(3) Mr Desmond Chan joined the Company as General Manager in Singapore on 4 July 2022.

Total remuneration paid to the top five (5) key management personnel (for the financial period from 1 November 2021 to 30 April 2023) in aggregate amounted to approximately S$584,000**.**

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

The fixed component of the remuneration paid to Executive Directors is based on the terms of their respective service agreements with the Company. Similarly, the fixed component of the remuneration paid to the top five (5) key management personnel is also based on the terms of their respective employment contracts with the Company. The variable component of the remuneration paid to Executive Directors and Management 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 who is the Executive Chairman and CEO and a substantial shareholder of the Company, none of the employees in the Group is a substantial shareholder, or is an immediate family member of any Director, the CEO or a substantial shareholder and whose remuneration exceeded S$100,000 during FP2023.

Provision 8.3

***Employee Share Schemes***

The PSP is administered by the RC in accordance with the rules contained therein. No share awards were granted under the PSP in FP2023, and no share awards remained outstanding as at 30 April 2023. The details of the PSP are illustrated under Provision 7 "Long-term Incentive Scheme" of this report.

**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.***

# CORPORATE GOVERNANCE

Provision 9.1

***Structure of Risk Management and Internal Controls***

Currently, the AC assumes the responsibility of the risk management function with the assistance of internal and external auditor and the Management. Management is tasked to review, on a regular basis, the Group's business and operations to identify areas of significant risks and implement appropriate measures to control and mitigate these risks. Management is tasked to review all significant risk-management policies and procedures and highlight all significant risks to the Board and the AC. During FP2023, as Management and the Board took a whole-of-Group approach to stabilising the Group's businesses, including restructuring loans in default, and spent much of FP2023 in taking stabilising measures. Further as the SGX-ST directed an expansion of scope of the special internal review on 11 May 2022, Management has yet to conduct the reviews of its enterprise risk management on a group-wide basis. Management will engage its internal auditor to perform a group-wide enterprise risk management review based on a scope of work to be agreed on once the reports of the special internal review and expanded scope currently in progress under the NOC are able to be circulated to the Board and Management.

***Review of Risk Management and Internal Controls***

During FP2023, the Company appointed Wensen Consulting Asia (S) Pte. Ltd. to conduct internal audit for the Company's subsidiary, Sun Rubber Industry Sdn. Bhd. ("**SRI**") on its procurement and payment management for the period from 1 June 2022 to 31 May 2023. The findings from the internal audit, together with recommendations for improvement, were reported to the AC and the Board. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored.

The internal auditor highlighted a particular concern in relation to the development and adoption of Anti-Bribery and Corruption Policy in SRI. The AC and the Board have discussed the findings and have instructed Management to take steps as recommended to augment and rectify risks or deficiencies identified by the internal auditor, and to implement the additional internal controls procedures as recommended by the internal auditor.

***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 and the CFO***

The Board has received assurance from the Executive Chairman and Chief Executive Officer and the Chief Financial Officer that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances, except for the opening balances and limitation of scope in relation to the China subsidiaries as raised in the audit report of the external auditor.

In addition, the Executive Chairman and Chief Executive Officer and the key management personnel who are responsible have also given assurance to the Board regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

In FY2024, the AC and the Board will work together with Management to ensure that Management complete their reviews of significant risks, mitigating measures and internal controls and resume the regular internal audit activities addressing financial, operational, compliance and information technology controls, and risk management systems. Once the special internal review that is still underway is completed, the Audit Committee will discuss with the special internal auditor appointed and any other relevant professionals to address the findings of the special internal audit and take all steps necessary and required to address any deficiency.

# CORPORATE GOVERNANCE

**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 Group's financial reporting system, management of financial, operational, compliance and information technology risks, and monitoring of the internal control systems.

The duties of the AC include:

- reviewing the external auditor's audit plans and auditor' 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 significant financial reporting issues and judgements of 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 auditor and internal auditor;
- reviewing the nature and extent of non-audit services provided by the external auditor;
- reviewing the assistance given by the Group's officers to the internal auditor and external auditor;
- making recommendations to the Board on the appointment, re-appointment and removal of external auditor, and approving the remuneration and terms of engagement of the external auditor;
- 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 during FP2023:

- reviewing and agreeing the external auditor' scope for the half-year audit & Messrs. E&Y's scope of internal audit, with the concurrence of SGX RegCo;
- reviewing and approving the half-year and annual audit plans of the external auditor;

# CORPORATE GOVERNANCE

- undertaking regular update meetings with the external auditor and Messrs. E&Y on the status of their respective audits;
- reviewing the preliminary internal audit findings by Messrs. E&Y;
- reviewing the reports to the AC by the external auditor;
- reviewing half-yearly and full year financial statements (audited and unaudited), and recommending to the Board for approval;
- reviewing the annual re-appointment of the external auditor and determining their remuneration, and making recommendations to the Board for approval;
- reviewing and approving the interested/related parties' transactions; and
- meeting with the external auditor and internal auditor 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 auditor when they attend the AC meetings.

***Whistle-blowing Policy***

The Group has implemented a whistle-blowing policy whereby accessible channels are provided for employees to raise concerns about possible improprieties in matters of financial reporting or other matters which they become aware of and to ensure that:

(i) independent investigations are carried out in an appropriate and timely manner;
(ii) appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and
(iii) administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balance and fair, while providing reassurance that employees will be protected from reprisals or victimisation for whistle-blowing in good faith and without malice.

The Group is committed to 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 their identity will be kept confidential, and they will be protected from victimisation for whistle-blowing in good faith.

The AC is responsible for oversight and monitoring of whistle-blowing and will report to the Board on such matters at Board meetings. 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 on the Company's website. There was no such incident reported to the AC during FP2023.

<u>Provisions 10.2 and 10.3</u>

***Composition of the AC***

As at the date of this report, the AC comprises the following three (3) members, all of whom, including the AC Chairman, are Independent Directors:

(1) Mr Gan Fong Jek (Chairman)
(2) Mr Tan Poh Chye Allan (Member)
(3) Dr Danny Oh Beng Teck (Member)

Mr Gan Fong Jek graduated with a Bachelor of Accountancy from the Nanyang Technological University and is a Fellow Chartered Accountant of the Institute of Singapore Chartered Accountant. Mr. Allan Tan has held various directorships in listed issuers both in Singapore and Australia and is familiar with the duties of the AC. Dr Danny Oh also has experience as director of listed issuers and as members of their audit committees. 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.

# CORPORATE GOVERNANCE

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 existing auditing or auditing corporation.

***External Auditor Function***

Annually, the AC reviews the independence and objectivity of the external auditor through discussions with the external auditor, 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 auditor, to ensure that the non-audit services provided by the external auditor would not affect the independence and objectivity of the external auditor.

RSM Chio Lim LLP ("**RSM**") had given notice to the Company on 26 May 2022 that they do not wish to seek re-appointment and would retire at the AGM of the Company duly held on 30 May 2022. RSM has confirmed that their retirement as auditor of the Company did not arise from circumstances that should be brought to the attention of the Shareholders.

In view of the retirement of RSM, the Company has obtained Shareholders' approval at the extraordinary general meeting held on 21 April 2023 ("**EGM**") to appoint Baker Tilly TFW LLP ("**Baker Tilly**") as the external auditor of the Company for FP2023 and to hold office until the conclusion of the next AGM of the Company for such terms as may be agreed by the Directors and Baker Tilly.

Following is a breakdown of fees paid to Baker Tilly for FP2023:

Audit fees: S$645,000
Non-audit fees: NIL
Total: S$645,000

In reviewing the nomination of Baker Tilly for re-appointment for the financial year ending 30 April 2024 ("**FP2023**"), the AC has considered the performance, adequacy of resources and experience of Baker Tilly. 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 Baker Tilly.

For FP2023, 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 auditor of the subsidiaries and significant associated companies of the Group, other than those of the Company. The AC had evaluated and was satisfied with the performance of the external auditor based on the Audit Quality Indicators Disclosure Framework introduced by the Accountants and Corporate Regulatory Authority ("**ACRA**") in October 2015, for the financial year ended 30 April 2023.

As there are no non-audit services provided during FP2023, the AC is of the view that the objectivity and independence of the external auditor are not in any way impaired. As such, the AC has recommended to the Board that Baker Tilly be nominated for re-appointment as external auditor at the forthcoming AGM.

The Board would like to bring to shareholders' attention the qualifications in respect of the Company's consolidated financial statements for FP2023 expressed by the external auditor in their audit report dated 28 September 2023. In compliance with the requirements of the Catalist Rules, the Company will release an announcement regarding the qualifications made by the external auditor.

# CORPORATE GOVERNANCE

Provision 10.4

***Appointment of Internal Auditor***

The internal auditor' primary line of reporting is to the AC Chairman. The AC approves the engagement, removal, evaluation and compensation of the internal auditor. The internal auditor 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 auditor are properly implemented; and (iv) the effectiveness and independence of the internal auditor.

***Adequately Resourced Internal Audit Function***

During FP2023, the Company outsourced its internal audit function to Wensen Consulting Asia (S) Pte. Ltd. ("**Wensen**"). Wensen is headed by the Managing Director Mr. Edward Yap, who is a member of Malaysian Institute of Accountants (MIA), member of Institute of Singapore Chartered Accountants (ISCA), Fellow Member of the Association of Certified Chartered Accountants (FCCA) and Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA). Further, assisted by engagement Director who has more than ten (10) years of experience in risk management and risk based internal audit services.

***Qualified Internal Auditor***

For FP2023, the AC will ensure that the external service provider selected to perform the regular internal audit activities is independent, effective and adequately resourced, and staffed by suitably qualified and experienced professionals with the relevant experience.

***Standards for Internal Audit***

During FP2023, the Company appointed Wensen to conduct internal audit for the Company's subsidiary, Sun Rubber Industry Sdn. Bhd., on its procurement and payment management, and sustainability reporting process for the Group. The AC confirmed that the internal audit was performed in accordance to the International Professional Practices Framework issued by the Institute of Internal Auditors and other internationally recognised framework for internal controls and risk management.

***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.

Provision 10.5

***Meeting with External and Internal Auditor without Management***

The AC has met with the external auditor and the internal auditor without the presence of Management, at least once during FP2023.

# CORPORATE GOVERNANCE

## 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.***

Provision 11.1

***Shareholders' Participation at General Meetings***

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 and posted onto the SGXNet within the mandatory period. The annual report, circulars, notice of general meetings, and accompanying proxy form and other documents related to the general meetings are also made available on the Company's website at https://www.ecowise.com.sg/en/investor-relations/announcements. For the request of a printed copy of annual report/circular, the Company has specified in the notice of AGM on how Shareholders can obtain such a printed copy. The alternative arrangement pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Alternative Arrangements Order**") ceased on 1 July 2023. The Company resumes holding physical general meetings, and Shareholders are encouraged to attend physically and voice their opinions directly on matters under discussion at the general meetings.

Shareholders are encouraged to submit questions in relation to any resolution set out in the notice of AGM to the Company in advance of the AGM. The Company will provide responses to substantial queries and relevant comments from Shareholders prior to the AGM within the stipulated times set out in the notice of AGM. Minutes of the AGM will subsequently be published on the SGXNet and the Company's website together within one calendar month of the AGM.

Proxy forms are 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. The rules, including the voting procedures, will be clearly explained by the scrutineers at such general meetings. 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 FP2023, as the AGM will be held physically, Shareholders who wish to vote on any or all of the resolutions at the AGM may attend personally or appoint proxy by completing the proxy form for the AGM, and submit the proxy form by post to the Company seventy-two (72) hours before the AGM.

# CORPORATE GOVERNANCE

Provision 11.2

***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.

Provision 11.3

**Attendees at General Meeting**

All Directors, key management staff, the Company's external auditor and legal advisors (if necessary) are required to 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 auditor will also normally be present to address Shareholders' queries on the conduct of the audit and the preparation and content of the auditor's report.

For financial period under review, the Company held (i) the annual general meeting for FY2022 on 30 May 2022 and (ii) an extraordinary general meeting on 21 April 2023 ("**EGM**") to appoint its current external auditor, Messrs. Baker Tilly TFW LLP, during which all Directors were present.

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 proceedings of each of the general meeting 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. In compliance with the requirements of the Catalist Rules, the Company will publish the minutes of the AGM and any other general meetings it holds on its corporate website and the SGXNet within one month from the conclusion of the AGM and other general meetings.

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 FP2023 in light of the need to stabilise the Group's operations and the COVID-19 pandemic that has severely affected businesses the world over. The Board is of the opinion that having sufficient cash reserves is critical for the Group as the world emerges from the pandemic.

# CORPORATE GOVERNANCE

**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 Appendix 7A — Corporate Disclosure Policy of the Catalist Rules, 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 1967, the Catalist Rules and the Singapore Financial Reporting Standards;
- SGXNet announcements and news releases; and
- the Group's website at www.ecowise.com.sg on which Shareholders can access information relating to the Group.

***Regular Dialogue with Shareholders***

The Group is committed to providing regular communication with its shareholders. For FP2023, the Company did not organise any shareholders' dialogue, apart from the announcements made and the EGM held by the Company.

Participation by Shareholders at general meetings is strongly encouraged by the Company as it is a major platform for Shareholders to engage in dialogue with the Company directly. All Directors, key management staff, the Company's external auditor 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 receiving 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.***

Provisions 13.1 and 13.2

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 communities, customers, employees, regulators, shareholders and suppliers.

# CORPORATE GOVERNANCE

The Company publishes a sustainability report annually which provides details on its sustainability strategy and key sustainability focus areas. For FP2023, the sustainability report will be prepared with reference to the Global Reporting Initiatives ("GRI") Standards and disclose on the Company's material sustainability factors, which include: (i) total customer satisfaction, (ii) water conservation, (iii) energy conservation and emissions reduction, (iv) responsible waste management and effluent management, (v) workplace health and safety, (vi) talent attraction and retention, (vii) diversity in hiring process, (viii) corporate social responsibility and (ix) responsible business conduct and ethics.

Detailed approach to the stakeholder engagement and materiality assessment are disclosed in the Company's sustainability report. The Company's sustainability report for FP2023 will be published separately on the SGXNet and the Company's website.

Provision 13.3

To promote regular, effective and fair communication with Shareholders, the Company maintains a corporate website at www.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 Person 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. On 28 July 2022, Mr Lee Thiam Seng, Executive Chairman and CEO of the Company, granted a short-term, unsecured and interest-free loan for a total amount of S$750,000 to the Company. The loan is repayable on or before 31 December 2022, subject to an extension that has to be mutually agreed by both parties. As at 30 April 2023, the loan from Mr Lee Thiam Seng has a remaining balance of S$621,000.

Save as disclosed above, there were no IPTs, as defined in Chapter 9 of the Catalist Rules, above S$100,000 entered into by the Group during FP2023.

***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 trade- and/or price-sensitive information. This Internal Code has been issued to Directors and officers setting up the implications on insider trading.

# CORPORATE GOVERNANCE

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 commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and 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***

With reference to Rule 1204(8) of the Catalist Rules, the Company confirms that save as disclosed in the "Interested Person Transactions ("IPT")" section above, the audited financial statements and the service agreements between the Company and its Executive Directors, no material contracts (including loans) were entered into between the Company or any of its subsidiaries involving the interests of the CEO, 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.

***Non-Sponsorship Fees***

With reference to Rule 1204(21) of the Catalist Rules, the following were the non-sponsorship fees paid in FP2023:

(1) W Capital Markets Pte. Ltd. (terminated on 6 January 2023) – NIL
(2) SAC Capital Private Limited (appointed on 7 January 2023) – NIL

# CORPORATE GOVERNANCE

**Additional Information on Directors Nominated for Re-election – Appendix 7F to the Catalist Rules**

Dr Danny Oh Beng Teck and Mr Gan Fong Jek are the Directors seeking for re-election at the forthcoming AGM of the Company to be convened on 14 October 2023 ("**AGM**") (collectively the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the Retiring Directors as set out in Appendix 7F relating to the Directors who are retiring and being eligible, offer themselves for re-election at the forthcoming AGM are set out below.

| **Name of Director** | **Dr Danny Oh Beng Teck** | **Mr Gan Fong Jek** |
|---|---|---|
| Date of Appointment | 14 April 2022 | 14 April 2022 |
| Date of last re-election | N/A | N/A |
| Age | 61 | 51 |
| 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 has accepted the NC's recommendation, who has reviewed and considered Dr Danny Oh Beng Teck's qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company, and is satisfied that Dr Danny Oh Beng Teck is suitable for re-election as an Independent Director of the Company, Chairman of the Remuneration and the Sustainability Reporting Committees, and member of the Audit and Nominating Committees. | The Board has accepted the NC's recommendation, who has reviewed and considered Mr Gan Fong Jek's qualifications, expertise, past experience and overall contribution since he was appointed as a Director of the Company, and is satisfied that Mr Gan Fong Jek is suitable for re-election as an Independent Director of the Company, Chairman of the Audit Committee, and member of the Remuneration and Nominating Committees. |
| Whether appointment is executive, and if so, the area of responsibility | Non-Executive | Non-Executive |
| Job Title(e.g. Lead ID, AC Chairman, AC Member etc.) | RC and SRC Chairman, a member of AC and NC. | AC Chairman, a member of RC and NC. |
| Professional Qualifications | PhD (Business Management), University of South Australia<br><br>MSc (Construction Management), Dundee University, Scotland<br><br>BSc (Geology), Beloit College, USA. | MSID, Member of Singapore Institute of Directors<br><br>Fellow Chartered Accountant, Institute of Singapore Chartered Accountant<br><br>EMBA, INSEAD<br><br>EMBA, Tsinghua University<br><br>Master of Business, Nanyang Business School |

# CORPORATE GOVERNANCE

| Name of Director | Dr Danny Oh Beng Teck | Mr Gan Fong Jek |
|---|---|---|
| | | Bachelor of Accountancy (Honours), Nanyang Technological University |
| Working experience and occupation(s) during the past 10 years | Dr Danny Oh Beng Teck has been the Managing Director of Cambrian Group of companies since 1996.<br><br>Dr Danny Oh Beng Teck is also an Independent Director at Imperium Crown Limited since 2017.<br><br>Dr Danny Oh Beng Teck was also a former Independent Director at China Powerplus Limited from 2011 to 2014. | Mr Gan Fong Jek is the Founding CEO, Managing Partner and CIO of Jubilee Capital Management Pte Ltd since 2015.<br><br>From 2014 to 2015, Mr Gan Fong Jek was the SVP, Head of Corporate Development and M&A of MNC Media Investment Ltd.<br><br>From 2012 to 2014, Mr Gan Fong Jek was the Founder & CEO of Millennia Ventures Pte Ltd. |
| Shareholding interest in the listed issuer and its subsidiaries | No | No |
| 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 | No | No |
| Conflict of interest (including any competing business) | None | None |
| Undertaking submitted to the listed issuer in the form of Appendix 7H (Listing Rule 720(1)) | Yes | Yes |
| **Other** Principal Commitments Including **Directorships** | **Other Principal Commitment:**<br><br>**Present Directorship:**<br>Imperium Crown Limited<br>Mclean Technologies Berhad<br>Cambrian Engineering Corporation Pte Ltd<br>Cambrian Academy Pte Ltd<br>Cables & Utilities Detection Services Pte Ltd<br><br>**Past Directorship (for the past 5 years):**<br>China Powerplus Limited<br>NM Backer Corporation Pte Ltd<br>D.O. Recruitment Agency Pte Ltd | **Other Principal Commitment:**<br><br>**Present Directorship:**<br>Jubilee Capital Management Pte Ltd<br>Jubilee Technology Fund Pte Ltd<br>Jubilee Capital Partners Limited<br>Bideford Global Holdings Limited<br>Latitude Technologies Ltd<br>Optimatic Pte Ltd<br>Millennia Ventures Pte Ltd<br>Decentralized Cyberspace Foundation Limited<br>Isatrade (Asia) Pte Ltd<br>Care Corner Senior Services Ltd (Non-Profit) |

# CORPORATE GOVERNANCE

| Name of Director | Dr Danny Oh Beng Teck | Mr Gan Fong Jek |
|---|---|---|
| | | Care Connexions Ltd (Non-Profit)<br>Humaster Asia Pte Ltd<br><br>**Past Directorship (for the past 5 years):**<br>Jubilee Technology Fund SPC<br>Idea Cable Holdings Pte Ltd<br>Alpha Supply Chain Group Pte Ltd<br>Care Corner Singapore Ltd (Non-Profit)<br>Singapore Venture Capital Association (Non-Profit) |

The general statutory disclosures of the Directors are as follows:

| Name of Director | | Dr Danny Oh Beng Teck | Mr Gan Fong Jek |
|---|---|---|---|
| Questions: | | | |
| (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 | No |
| (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 |
| (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 |

# CORPORATE GOVERNANCE

| | Name of Director | Dr Danny Oh Beng Teck | Mr Gan Fong Jek |
|---|---|---|---|
| (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 |
| (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 | No | No |
| | (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 | No |
| | (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 | No | No |
| | (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? | No | No |
| (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 | No |

# Directors' Statement

The directors present their statement to the members (the "Statement") together with the accompanying audited financial statements of ecoWise Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and the statement of changes in equity of the Company for the financial period from 1 November 2021 to 30 April 2023.

### Opinion of the directors

In the opinion of the directors, except for the matters raised in the report of the external auditors,

(a) the accompanying statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position as at 30 April 2023 and the financial performance, changes in equity and cash flow of the Company and of the Group for the reporting period from 1 November 2021 to 30 April 2023; and

(b) at the date of the statement, after considering the measures taken by the Company and the Group with respect to Company's and the Group's ability to continue as a going concern as described in Note 2(b) to the consolidated financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Subject to the foregoing, the board of directors approved and authorised these financial statements for issue.

### Directors

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

| | |
|---|---|
| Executive director | |
| Lee Thiam Seng | |
| | |
| Independent directors | |
| Tan Poh Chye Allan | (Appointed on 14 April 2022) |
| Gan Fong Jek | (Appointed on 14 April 2022) |
| Dr Danny Oh Beng Teck | (Appointed on 14 April 2022) |

Mr. Cao Shixuan (Executive Director) and Mr. Er Kwong Wah (Lead Independent Director) were directors of the Company until they resigned as directors of the Company on 13 April 2022. Mr Lo Kim Seng (Independent Director) and Mr Tham Chee Soon (Independent Director) were directors of the Company until they retired as directors of the Company at the conclusion of the Company's Annual General Meeting held on 30 May 2022.

### Directors' interests in shares

The directors of the Company holding office at the end of the reporting year had no interests in the shares or debenture of the Company or other related corporations as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Companies Act 1967 (the "Act") except as follows:

| Name of directors and companies in which interests are held | Direct interests: At beginning of the reporting year | Direct interests: 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 |

| Name of directors and companies in which interests are held | Deemed interests: At beginning of the reporting year | Deemed interests: 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 |

# Directors' Statement

### Directors' interests in shares (cont'd)

The directors' interests in the ordinary shares of the Company at 21 May 2023 were the same at 30 April 2023.

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

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

Neither at the end of nor at any time during the reporting year was the Company a party to any 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 or debenture of the Company or any other related corporation, except as mentioned below.

### Share options

During the reporting year, there was no grant of any shares under the Share Plan (see below) by the Company and no grant of any option to take up unissued shares of the Company or any related corporation in the Group.

There were no shares issued during the reporting year by virtue of the exercise of any grant under the Share Plan or any option to take up unissued shares of the Company or a related corporation in the Group, whether granted before or during the reporting year.

There were no unissued shares of the Company or a related corporation in the Group under the Share Plan or under any option at the end of the reporting period.

### 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.

The Share Plan is administered by the remuneration committee comprising three independent directors, Dr Danny Oh Beng Teck (Chairman), Mr. Gan Fong Jek and Mr. Tan Poh Chye Allan. 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.

# Directors' Statement

**ecoWise Performance Share Plan (cont'd)**

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 to be issued as at 30 April 2023.

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 period ended 30 April 2023 | Aggregate performance shares granted since commencement of Share Plan to 30 April 2023 [(1)] | Aggregate performance shares vested since commencement of Share Plan to 30 April 2023 [(1)] | Aggregate performance shares cancelled / lapsed since commencement of Share Plan to 30 April 2023 [(1)] | Aggregate performance shares outstanding at 30 April 2023 |
| Lee Thiam Seng* | – | 13,767,825 | 13,219,388 | 548,437 | – |
| Other participants | – | 31,464,400 | 29,474,400 | 1,990,000 | – |
| | – | 45,232,225 | 42,693,788 | 2,538,437 | – |

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

**Directors' contractual benefits**

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest in, except as disclosed in the financial statements and this annual report.

# Directors' Statement

**Report of audit committee**

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

| | |
|---|---|
| Gan Fong Jek | (Chairman of audit committee and Independent director) |
| Tan Poh Chye Allan | (Lead independent director) |
| Dr Danny Oh Beng Teck | (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 in conjunction with the independent external auditor, their audit plan.

(b) Reviewed in conjunction 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 in conjunction with Ernst & Young Advisory Pte. Ltd. ("EY"), the internal auditor engaged by the Company pursuant to the Notice of Compliance issued by Singapore Exchange Regulation Pte. Ltd. ("SGX RegCo") on 25 June 2021, the preliminary results of their specific internal review procedures, in accordance with the scope agreed with the concurrence of SGX RegCo.

(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).

(f) Reviewed the independence of the external auditor, noting that during the reporting period, no non-audit services were performed by the external auditor nor were they engaged for any.

(g) Engaged an internal auditor to perform an agreed scope of work on the procurement and payment management of the Company's subsidiary, Sun rubber Industry Sdn. Bhd. for the period from 1 June 2022 to 31 May 2023.

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 the independent auditor's objectivity and independence are safeguarded where the independent auditor provides non-audit services.

**Independent auditor**

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Lee Thiam Seng
Director

Dr Danny Oh Beng Teck
Director

# Independent Auditor's Report
## to the Members of ECOWISE HOLDINGS LIMITED

### Report on the Audit of the Financial Statements

***Disclaimer of Opinion***

We were engaged to audit the financial statements of ecoWise Holdings Limited (the "Company ") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 April 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and statement of changes in equity of the Company for the financial period from 1 November 2021 to 30 April 2023, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements of the Group and statement of financial position and statement of changes in equity of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

***Basis for Disclaimer of Opinion***

1) *Opening balances and limitation of scope in relation to the China subsidiaries*

   The independent auditor's report on the consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 October 2021 expressed a disclaimer of opinion. The extract of the basis for disclaimer of opinion is disclosed in Note 43 to the financial statements.

   In view of the matters described in the *Basis for Disclaimer of Opinion* on the financial statements for the financial year ended 31 October 2021, we are unable to determine whether the opening balances as at 1 November 2021 are fairly stated. Since the opening balances as at 1 November 2021 enter into the determination of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial period ended 30 April 2023, we are unable to determine whether any adjustments might have been found necessary in respect of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial period ended 30 April 2023.

   Furthermore, on the following matters which were similarly disclaimed by the predecessor auditors (Note 43) and relating to the China subsidiaries including Chongqing ecoWise Investment Management Co., Ltd. ("CQEIM"), Changyi Enersave Biomass to Energy Co., Ltd. ("CEBEC") and Chongqing eco-CTIG Rubber Technology Co., Ltd. ("CERT") (collectively, the "China subsidiaries") which have a continuing relevance to the current period financial statements are described below:

   a) the service agreements entered by CQEIM and the related accounting implications;

   b) the disclosure of related party relationships, transactions and balances in relation to the China subsidiaries;

   c) the completeness of the China subsidiaries included for the Group's consolidation purpose;

   d) the accounting of long outstanding payable in relation to CEBEC;

   e) the recoverability of receivables in relation to the China subsidiaries.

   We were unable to obtain sufficient appropriate audit evidence such as confirmations from the lawyers, banks, related parties and third parties, and supporting documents for verification of certain balances and transactions for the China subsidiaries. We were also unable to carry out the necessary audit procedures to complete the review of subsequent events of the China subsidiaries from 30 April 2023 up to the date of this report.

# Independent Auditor's Report
## to the Members of ECOWISE HOLDINGS LIMITED

### Report on the Audit of the Financial Statements (cont'd)

***Basis for Disclaimer of Opinion (cont'd)***

1) *Opening balances and limitation of scope in relation to the China subsidiaries (cont'd)*

Accordingly, we are unable to satisfy ourselves with regards to the recording and measurement of all transactions relating to China subsidiaries that may have occurred or are related to the above-mentioned matters during the financial period ended 30 April 2023 and whether the profit or loss, assets and liabilities are complete and fairly stated as at 30 April 2023, and the possible effect of these matters on the comparability of the current financial period's figures and the corresponding figures.

2) *Disposal Group classified as held for sale (in relation to the China subsidiaries)*

As at 30 April 2023, assets and liabilities in relation to the China subsidiaries have been reclassified as disposal group classified as held-for-sale which amounted to $1,056,000 and $2,410,000 respectively, as disclosed in Note 11 to the financial statements. The results of the Chinese subsidiaries have also been presented as "Discontinued operations" in the current financial period with the preceding financial year comparatives similarly re-presented

As at the date of this report, the sale of the China subsidiaries has not been completed and due to the circumstances described in Note 11, management is unable to provide further justification that the criteria to be classified as held-for-sale have been satisfactorily met in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations*. Consequently, we are unable to obtain sufficient appropriate audit evidence to ascertain the appropriateness of the classification and measurement of the disposal group classified as held-for-sale as at 30 April 2023.

In addition to Basis for Disclaimer (1), we are also unable to satisfy ourselves whether the loss from discontinued operations, and assets and liabilities directly associated to the disposal group classified as held-for-sale are complete and fairly stated as at 30 April 2023, including but not limited to the items described below:

(i) the loss from discontinued operations (net of tax) of $7,225,000 and assets and liabilities directly associated to the disposal group classified as held-for-sale as disclosed in Note 11 to the financial statements;

(ii) the basic and diluted loss per share attributable to equity holders of the Company for loss from discontinued operations as disclosed in Note 14 to the financial statements;

(iii) the reasonableness and appropriateness of expected credit loss recognised in the consolidated profit or loss and disclosures of credit risk related to the receivables as disclosed in Note 38(b) to the financial statements;

(iv) the reasonableness and appropriateness of impairment loss recognised in the consolidated profit or loss in relation to the disposal group classified as held-for-sale as disclosed in Note 11 to the financial statements;

(v) any other gain or loss to be recognised on the remeasurement of the disposal group classified as held-for-sale;

(vi) the cash flows effects of the discontinued operations to the consolidated statement of cash flows of the Group as disclosed in Note 11 to the financial statements;

(vii) the disclosure of related party information relating to disposal group; and

(viii) the disclosure of segment information relating to the disposal group.

# Independent Auditor's Report
## to the Members of ECOWISE HOLDINGS LIMITED

### Report on the Audit of the Financial Statements (cont'd)

#### *Basis for Disclaimer of Opinion (cont'd)*

3) *Internal audit under "Notice of Compliance" ("NOC")*

Included in the basis for disclaimer of opinion of the financial year ended 31 October 2021, as disclosed in Note 43 to the financial statements, Singapore Exchange Regulation Pte. Ltd. ("SGX RegCo") has issued a NOC which required the Company to commission an internal audit ("Internal Audit").

As at the date of this report, the Internal Audit is still on-going. Consequently, we are unable to determine the potential financial impact, if any, arising from the findings of the NOC. We are also unable to determine whether any additional audit procedures or any adjustments arising thereon may be required, and whether there will be any impact on the financial statements.

4) Impairment assessment of the Group's property, plant and equipment in Malaysia

As disclosed in Note 15 to the financial statements, the carrying amount of the Group's property, plant and equipment in Malaysia was $9,465,000 (31 October 2021: $16,800,000) and an impairment loss of $452,000 was recognised to write down the carrying amount of the Group's property, plant and equipment in Malaysia to its recoverable amount during the financial period ended 30 April 2023. Furthermore, in Note 43 to the financial statements, the basis for disclaimer of opinion of the preceding financial year included the impairment assessment on the Group's property, plant and equipment in Malaysia.

Since the opening balances as at 1 November 2021 enter into the determination of the current period's consolidated profit or loss, we are unable to determine whether adjustments to the current period's consolidated profit or loss and accumulated losses as at 1 November 2021 might be necessary in respect of the impairment loss of $452,000 recognised during the current financial period ended 30 April 2023. We were also unable to determine whether the necessary disclosures as required by SFRS (I) 1-36 were complete.

5) *Valuation of equity investment at fair value through profit or loss (previously classified as investment in an associate)*

As at 30 April 2023, the carrying amount of the Group's equity investment at fair value through profit or loss in relation to China-UK Low Carbon Enterprise Co., Ltd ("CULCEC") was $1,513,000 (31 October 2021: $1,513,000 classified as investment in an associate).

As disclosed in the Note 26 to the financial statements, the Group owned a 20% equity interest in CULCEC, which was previously accounted for as investment in an associate. The liquidation of CULCEC was approved by the court in China on 21 December 2020. As at 30 April 2023, the Group reclassified the investment in an associate to equity investment at fair value through profit or loss in accordance with SFRS(I) 9 *Financial Instruments*.

As at 30 April 2023, the Group assessed the fair value of the investment in unquoted equity shares by reference to the liquidator report dated on 31 December 2020 as there has been no update on the liquidation status of CULCEC. We are unable to satisfy ourselves that the carrying amount of the Group's equity investment at fair value through profit or loss as at 30 April 2023 is fairly stated, and whether the classification of the Group's investment in an associate as at 31 October 2021 was appropriate.

# Independent Auditor's Report
## to the Members of ECOWISE HOLDINGS LIMITED

**Report on the Audit of the Financial Statements (cont'd)**

***Basis for Disclaimer of Opinion (cont'd)***

6) *Use of the going concern assumption*

We draw attention to Note 2(b) to the financial statements with respect to the Group's and the Company's ability to continue as going concerns. During the financial period ended 30 April 2023, the Group incurred a net loss of $14,082,000 (2021: $6,832,000). As at 30 April 2023, the Group's and the Company's current liabilities exceeded the current assets by $1,364,000 (31 October 2021: $76,000) and $7,486,000 (31 October 2021: $6,320,000) respectively. These conditions give rise to material uncertainties on the ability of the Group and the Company to continue as going concerns.

The ability of the Group and of the Company to meet their liabilities as and when they fall due depends on the conclusion of the courses of action described in note 2(b). We were not provided with sufficient appropriate audit evidence to perform required assessment in order to conclude on the appropriateness of management's use of the going concern basis of accounting.

If the Group and Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded on the statements of financial positions of the Group and the Company. In addition, the Group and Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to the financial statements.

***Other Matter***

The consolidated financial statements of the Group and the statement of financial position of the Company for the financial year ended 31 October 2021 were audited by another auditor whose report dated 14 May 2022 expressed a disclaimer of opinion on the financial statements as disclosed in Note 43 to the financial statements.

***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 Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"), 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.

# Independent Auditor's Report
## to the Members of ECOWISE HOLDINGS LIMITED

**Report on the Audit of the Financial Statements (cont'd)**

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our responsibility is to conduct the audit of the Group and Company's financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group 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.

**Report on Other Legal and Regulatory Requirements**

In our opinion, in view of the significance of the matters referred in the *Basis for Disclaimer of Opinion* section of our report, we do not express an opinion on whether 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 Low See Lien.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

28 September 2023

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

**For the financial period from 1 November 2021 to 30 April 2023**

| | Note | **1.11.2021 to 30.4.2023** | 1.11.2020 to 31.10.2021 (Re-presented) |
|---|---|---|---|
| | | **$'000** | $'000 |
| **Continuing operations** | | | |
| Revenue | 6 | **43,446** | 34,738 |
| Cost of sales | | **(39,541)** | (30,332) |
| Gross profit | | **3,905** | 4,406 |
| Other income and gains | 7 | **413** | 2,602 |
| Marketing and distribution expenses | | **(1,240)** | (1,379) |
| Administrative expenses | | **(7,643)** | (6,682) |
| Finance costs | 8 | **(1,047)** | (822) |
| Other losses | 7 | **(1,089)** | (2,250) |
| Share of losses from equity-accounted associate and jointly-controlled entity | | **–** | (553) |
| **Loss before income tax** | | **(6,701)** | (4,678) |
| Income tax (expense)/credit | 13 | **(156)** | 220 |
| **Loss, net of tax from continuing operations** | | **(6,857)** | (4,458) |
| Loss from discontinued operations, net of tax | 11 | **(7,225)** | (2,374) |
| **Loss for the year** | | **(14,082)** | (6,832) |
| **<u>Other comprehensive loss</u>** | | | |
| *Items that may be reclassified subsequently to profit or loss* | | | |
| Exchange differences on translating foreign operations, net of tax | | **(827)** | (43) |
| Cash flow hedges, net of tax | 25 | **8** | (129) |
| *Item that may not be reclassified subsequently to profit or loss* | | | |
| Defined benefit plan - actuarial (loss)/gain | | **(46)** | 79 |
| **Other comprehensive loss, net of tax** | | **(865)** | (93) |
| **Total comprehensive loss** | | **(14,947)** | (6,925) |
| Loss attributable to: | | | |
| Owners of the Company, net of tax | | **(14,032)** | (6,999) |
| Non-controlling interests, net of tax | | **(50)** | 167 |
| | | **(14,082)** | (6,832) |
| Total comprehensive loss attributable to: | | | |
| Owners of the Company | | **(14,897)** | (7,107) |
| Non-controlling interests | | **(50)** | 182 |
| | | **(14,947)** | (6,925) |
| | | **Cents** | Cents |
| **Loss per share** | | | |
| Basic and diluted loss per share | 14 | **(1.49)** | (0.74) |

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

# Statements of Financial Position

## As at 30 April 2023

| | Note | Group 30.4.2023 $'000 | Group 31.10.2021 $'000 | Company 30.4.2023 $'000 | Company 31.10.2021 $'000 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant and equipment | 15 | **12,140** | 27,260 | **90** | 372 |
| Right-of-use assets | 16 | **5,558** | 1,309 | – | – |
| Investment properties | 17 | **1,486** | 1,678 | – | – |
| Intangible assets | 18 | – | – | – | – |
| Land use rights | 19 | – | 1,140 | – | – |
| Investments in subsidiaries | 20 | – | – | **21,438** | 26,470 |
| Investment in an associate | 21 | – | 1,513 | – | – |
| Lease receivables, non-current | 23 | **4,474** | 6,472 | – | – |
| Other non-financial assets, non-current | 24 | – | 293 | – | – |
| **Total non-current assets** | | **23,658** | 39,665 | **21,528** | 26,842 |
| **Current assets** | | | | | |
| Inventories | 25 | **3,546** | 4,876 | **–** | – |
| Financial assets at fair value through profit or loss | 26 | **1,513** | – | **–** | – |
| Trade and other receivables | 22 | **7,188** | 7,881 | **6,174** | 1,362 |
| Lease receivables, current | 23 | **1,369** | 1,254 | – | – |
| Other non-financial assets, current | 24 | **791** | 1,026 | **90** | 59 |
| Derivative financial assets | 27 | **16** | 9 | – | – |
| Cash and cash equivalents | 28 | **908** | 1,900 | **141** | 12 |
| | | **15,331** | 16,946 | **6,405** | 1,433 |
| Assets held for sale | | **20** | – | **–** | – |
| Disposal group assets classified as held for sale | 11 | **1,056** | – | – | – |
| **Total current assets** | | **16,407** | 16,946 | **6,405** | 1,433 |
| **Total assets** | | **40,065** | 56,611 | **27,933** | 28,275 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Share capital | 29 | **47,890** | 47,890 | **47,890** | 47,890 |
| Accumulated losses | | **(27,428)** | (13,396) | **(33,847)** | (27,506) |
| Foreign currency translation reserve | 30 | **(5,852)** | (5,025) | **–** | – |
| Other reserves | 31 | **2,182** | 2,220 | **–** | – |
| **Equity attributable to owners of the Company** | | **16,792** | 31,689 | **14,043** | 20,384 |
| Non-controlling interests | | **(36)** | 14 | – | – |
| **Total equity** | | **16,756** | 31,703 | **14,043** | 20,384 |
| **Non-current liabilities** | | | | | |
| Provisions | 32 | **1,096** | 1,121 | **–** | – |
| Loans and borrowings | 33 | **3,448** | 4,384 | **–** | – |
| Lease liabilities | 34 | **341** | 1,388 | **–** | 138 |
| Deferred tax liabilities | 13 | **653** | 993 | **–** | – |
| **Total non-current liabilities** | | **5,538** | 7,886 | **–** | 138 |
| **Current liabilities** | | | | | |
| Income tax payables | | **137** | 361 | **65** | 44 |
| Trade and other payables | 35 | **7,461** | 8,583 | **13,816** | 7,661 |
| Derivative financial liabilities | 27 | – | 2 | **–** | – |
| Loans and borrowings | 33 | **7,288** | 7,161 | **–** | – |
| Lease liabilities | 34 | **475** | 915 | **9** | 48 |
| | | **15,361** | 17,022 | **13,890** | 7,753 |
| Liabilities directly associated with disposal group classified as held for sale | 11 | **2,410** | – | **–** | – |
| **Total current liabilities** | | **17,771** | 17,022 | **13,890** | 7,753 |
| **Total liabilities** | | **23,309** | 24,908 | **13,890** | 7,891 |
| **Total equity and liabilities** | | **40,065** | 56,611 | **27,933** | 28,275 |

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

# Statements of Changes in Equity
## For the financial period from 1 November 2021 to 30 April 2023

| Group | Total equity $'000 | Non-controlling interests $'000 | Attributable to owners of the company subtotal $'000 | Share capital $'000 | Accumulated losses $'000 | Other reserves $'000 | Foreign currency translation reserve $'000 |
|---|---|---|---|---|---|---|---|
| At 1 November 2021 | 31,703 | 14 | 31,689 | 47,890 | (13,396) | 2,220 | (5,025) |
| Changes in equity: | | | | | | | |
| Total comprehensive income for the year | (14,947) | (50) | (14,897) | – | (14,032) | (38) | (827) |
| At 30 April 2023 | **16,756** | **(36)** | **16,792** | **47,890** | **(27,428)** | **2,182** | **(5,852)** |
| | | | | | | | |
| At 1 November 2020 | 43,021 | 4,001 | 39,020 | 48,090 | (6,461) | 2,409 | (5,018) |
| Changes in equity: | | | | | | | |
| Total comprehensive income for the year | (7,004) | 167 | (7,171) | – | (6,999) | (165) | (7) |
| Disposal of subsidiaries with a change in control (Note 10) | (4,181) | (4,181) | – | – | – | – | – |
| Acquisitions of non-controlling interests (Note 20(c)) | (12) | 12 | (24) | – | – | (24) | – |
| Purchase of treasury shares (Note 29) | (200) | – | (200) | (200) | – | – | – |
| Defined benefit plan (Note 32(a)) | 79 | 15 | 64 | – | 64 | – | – |
| | (11,318) | (3,987) | (7,331) | (200) | (6,935) | (189) | (7) |
| At 31 October 2021 | 31,703 | 14 | 31,689 | 47,890 | (13,396) | 2,220 | (5,025) |

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

# Statements of Changes in Equity (cont'd)
## For the financial period from 1 November 2021 to 30 April 2023

| Company | Total equity $'000 | Share capital $'000 | Accumulated losses $'000 |
|---|---|---|---|
| At 1 November 2021 | 20,384 | 47,890 | (27,506) |
| Changes in equity: | | | |
| Total comprehensive loss for period | (6,341) | – | (6,341) |
| Purchase of treasury shares (Note 29) | – | – | – |
| | (6,341) | – | (6,341) |
| At 30 April 2023 | **14,043** | **47,890** | **(33,847)** |
| At 1 November 2020 | 27,068 | 48,090 | (21,022) |
| Changes in equity: | | | |
| Total comprehensive loss for the year | (6,484) | – | (6,484) |
| Purchase of treasury shares (Note 29) | (200) | (200) | – |
| | (6,684) | (200) | (6,484) |
| At 31 October 2021 | 20,384 | 47,890 | (27,506) |

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

# Consolidated Statement of Cash Flows
## For the financial period from 1 November 2021 to 30 April 2023

| | 1.11.2021 to 30.4.2023 | 1.11.2020 to 31.10.2021 (Re-presented) |
|---|---|---|
| | $'000 | $'000 |
| **Cash flows from operating activities** | | |
| Loss before tax from continuing operations | **(6,701)** | (4,678) |
| Loss before tax from discontinued operations | **(7,225)** | (2,374) |
| | **(13,926)** | (7,052) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment (Note 15) | **3,478** | 2,907 |
| Depreciation of right-of-use assets (Note 16) | **1,968** | 468 |
| Depreciation of investment properties (Note 17) | **149** | 246 |
| Gain on disposal of property, plant and equipment | **(232)** | (86) |
| Impairment loss on investment properties (Note 17) | **43** | 283 |
| Impairment loss on goodwill | **–** | 115 |
| Impairment loss on trademark | **–** | 645 |
| Impairment loss on property, plant and equipment (Note 15) (Note (a)) | **4,678** | 367 |
| Impairment loss on right-of-use assets (Note 16) | **37** | 166 |
| Allowance for doubtful debts (Note 7) (Note (a)) | **2,710** | – |
| Inventories written off (Note 18) (Note (a)) | **208** | – |
| Amortisation of intangible assets (Note 18) | **–** | 73 |
| Amortisation of land use rights (Note 19) (Note (a)) | **84** | 56 |
| Share of loss from associates and jointly-controlled entity | **–** | 553 |
| Gain on disposal of subsidiaries (Note 10) | **–** | (1,467) |
| Net fair value loss on derivative financial instruments | **(9)** | – |
| Provision for retirement benefit obligations expenses, net | **6** | 23 |
| Finance income | **(1,106)** | (12) |
| Finance costs | **1,047** | 822 |
| Net foreign exchange loss/(gain) | **846** | (449) |
| **Operating cash flows before changes in working capital** | **(19)** | (2,342) |
| Inventories | **1,122** | 139 |
| Trade and other receivables | **(2,017)** | 5,381 |
| Lease receivables | **2,989** | 1,037 |
| Other non-financial assets | **527** | 1,705 |
| Trade and other payables | **667** | (2,957) |
| Deferred income | **–** | (82) |
| Provisions | **–** | (238) |
| **Net cash flows from operations** | **3,269** | 2,643 |
| Income tax paid | **(719)** | (522) |
| **Net cash flows from operating activities** | **2,550** | 2,121 |
| | | |
| **Cash flows from investing activities** | | |
| Acquisition of property, plant and equipment | **(870)** | (1,876) |
| Proceeds from disposal of property, plant and equipment | **232** | 2,071 |
| Interest income received | **–** | 12 |
| Net cash outflow on acquisition of a subsidiary (Note 20(b)) | **–** | (397) |
| Net cash inflow on disposal of a subsidiary (Note 10) | **–** | 1,648 |
| **Net cash flows (used in)/from investing activities** | **(638)** | 1,458 |

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

# Consolidated Statement of Cash Flows (cont'd)
## For the financial period from 1 November 2021 to 30 April 2023

| | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 |
|---|---|---|
| **Cash flows from financing activities** | | |
| Repayments of loans and borrowings | **(809)** | (4,354) |
| Lease liabilities - principal portion paid | **(1,487)** | (1,714) |
| Loan from directors | **621** | – |
| Interest expense paid | **(1,047)** | (768) |
| Purchase of treasury shares | – | (200) |
| Acquisitions of non-controlling interests | – | (12) |
| Increase in cash restricted in use over 3 months | – | 1,955 |
| **Net cash flows used in financing activities** | **(2,722)** | (5,093) |
| | | |
| **Net decrease in cash and cash equivalents** | **(810)** | (1,514) |
| Effect of exchange rate changes on cash and cash equivalents | **(183)** | (69) |
| Cash and cash equivalents, beginning balance | **1,772** | 3,355 |
| **Cash and cash equivalents, ending balance (Note 28(a))** | **779** | 1,772 |

(a) The loss from discontinued operations of China subsidiaries consists of the impairment loss on property, plant and equipment amounted to $4,226,000, allowance for doubtful debts amounted to $2,782,000, inventories written off amounted to $132,000 and amortisation of land use rights amounted to $84,000.

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

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 1 Corporate information

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 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, if necessary.

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 20 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.

During the current financial period, the Company changed its financial year end from 31 October to 30 April.

### 2 Summary of significant accounting policies

#### (a) Basis of preparation

The financial statements of the Group are presented in Singapore Dollar ("$"), which is the Company's functional currency and all financial information presented in Singapore dollar are rounded to the nearest thousand ("$'000") except when otherwise indicated. The financial statements have been prepared in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of 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 financial years. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

*Use of estimates and judgements*

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within next financial year are disclosed in Note 3 to the financial statements.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables (other than lease liabilities) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 2 Summary of significant accounting policies (cont'd)

#### (b) Material uncertainties related to going concern

As at the date of approval of these financial statements by the Board of Directors for issue, there are material uncertainties on the ability of the Group to continue as a going concern. Management noted that while the Group had loss before tax of $6,701,000 for the current reporting period (31.10.2021: loss before tax of $4,678,000), it had net current liabilities of $1,364,000 at 30 April 2023 (31.10.2021: net current liabilities of $76,000), and generated net cash of $2,550,000 (31.10.2021: $2,121,000) from operating activities for the current reporting period.

During the current reporting period, Management carried out the following measures to enable the Group to continue as a going concern:

a) Restructured the bank borrowings in Malaysia in relation to overdue payments as at 31 October 2021;

b) Repaired certain machinery and equipment in June 2022 so that the subsidiaries in Singapore and Malaysia are able to resume, to the extent possible, their former scale of operations;

c) Obtained a short term loan from its Executive Director and Chairman, Mr. Lee Thiam Seng to augment the Group's working capital requirements;

d) Further stabilised the operations in Singapore and Malaysia by (i) securing more orders from existing customers, (ii) obtaining orders from new customers and (iii) resuming former products and services that have been inactive in the prior periods;

e) Continue to work with strategic partners to offer more products and services that are synergistic with current operations;

f) Continue to explore collaboration opportunities with various technology companies in areas such as digitalisation, ICA (instrumentation, computerisation, and automation) and modularisation of process unit for developing and owning intellectual properties and proprietary know-how in the environmental industries; and

g) Continue to monetise its non-core assets in Singapore and Malaysia;

Management prepared the financial statements using the going concern assumption on the basis that the actions that it has taken and continue to undertake are sufficient to mitigate the going concern uncertainty.

As at the date these financial statements were authorised for issue, the directors express the further opinion that the ability of the Company and the Group to pay their debts as and when they fall due is dependent on the continued success of the above efforts.

If, for any currently unforeseen circumstances, the Company and the Group are unable to continue in operational existence for the foreseeable future, the Group and Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation and assets may need to be realised other than in the normal course of business at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial positions of the Group and the Company. In addition, the Company and the Group may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

Notwithstanding, please read this Note 2(b) in conjunction with paragraph 6 of the report of the external auditor dated 28 September 2023.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 2 Summary of significant accounting policies (cont'd)

#### (c) Basis of presentation

*New and revised standards that are adopted*

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of these new/revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company.

*New and revised standards not yet effective*

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 30 April 2023 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

The consolidated financial statements include the financial statements made up to the end of the reporting period 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 Act, the Company's separate statement of profit or loss and other comprehensive income and statement of cash flows are not presented.

#### (d) 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.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 2 Summary of significant accounting policies (cont'd)

#### (d) Revenue recognition (cont'd)

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 over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group provides the service to the customer.

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 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.

#### (e) Other income

Interest income is recognised using the effective interest method.

#### (f) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

#### (g) 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.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

**2 Summary of significant accounting policies (cont'd)**

**(g) Employee benefits (cont'd)**

*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 period.

*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.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account if new ordinary shares are issued, or credited to the "treasury shares" account if treasury shares are re-issued to the employees. Upon expiry of the options, the balance in the share option reserve is transferred to retained earnings.

**(h) Borrowing costs**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest method.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

**2 Summary of significant accounting policies (cont'd)**

**(i) Foreign currency transactions (cont'd)**

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 period, 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 period 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 period 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 period. 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.

**(j) Income tax**

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively.

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable or recoverable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method, on all temporary differences at the balance sheet date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred tax liability is provided on all taxable temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax liability is provided on all taxable temporary differences arising on investments in subsidiaries and associated companies, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

**2 Summary of significant accounting policies (cont'd)**

**(j) Income tax (cont'd)**

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the reporting period.

**(k) 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 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.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

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.

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 |

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each financial year-end. The effects of any revision are recognised in profit or loss when the changes arise

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.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 2 Summary of significant accounting policies (cont'd)

#### (l) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Leases - When a Group entity is the lessee**

The Group applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones). For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

*Lease liabilities*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

**Leases - When a Group entity is the lessee (cont'd)**

*Lease liabilities (cont'd)*

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

*Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 2 Summary of significant accounting policies (cont'd)

#### (l) Leases (cont'd)

*Right-of-use assets (cont'd)*

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and the useful lives of the assets. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets (except for those which meets the definition of an investment property) are presented as a separate line in the statements of financial position.

**Leases - When a Group entity is the lessor**

Where the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Finance lease income from finance lease arrangement 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.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Initial direct cost incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and reduce the amount of income recognised over the lease term. When a contract includes both lease and non-lease components, the Group applies FRS 115 to allocate the consideration under the contract to each component.

#### (m) Investment properties

Investment properties are properties that are either owned by the Group/Company or right-of-use assets that are held to earn rentals or for capital appreciation, or both, or land held for a currently undetermined future use. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties.

Investment properties are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful life or over the lease terms of 6 to 18 years. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in profit or loss when the changes arise.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

**2 Summary of significant accounting policies (cont'd)**

**(n) 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.

**(o) 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.

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.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 2 Summary of significant accounting policies (cont'd)

#### (o) Intangible assets (cont'd)

*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.

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.

#### (p) 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.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 2 Summary of significant accounting policies (cont'd)

#### (q) 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.

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.

#### (r) 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
## For the financial period from 1 November 2021 to 30 April 2023

### 2 Summary of significant accounting policies (cont'd)

#### (s) Impairment of non-financial assets

At each reporting date, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In estimating 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is recognised in other comprehensive income up to the amount of any previous revaluation.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### (t) 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.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 2 Summary of significant accounting policies (cont'd)

#### (u) Financial instruments

*Recognition and derecognition of financial instruments*

A financial asset or a financial liability is recognised in the statements 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. 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. 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.

*Classification and measurement of financial assets*

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.

#### (u) Financial instruments (cont'd)

*Classification and measurement of financial assets (cont'd)*

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 period end date.

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 period 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
## For the financial period from 1 November 2021 to 30 April 2023

**2 Summary of significant accounting policies (cont'd)**

**(v) Cash and cash equivalents**

Cash and cash equivalents in the statement of cash flows include bank and cash balances. For the consolidated 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.

**(w) Provisions for other liabilities**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

**(x) Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

**(y) Share capital**

*Ordinary shares*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

**(y) Share capital (cont'd)**

*Treasury shares*

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of the capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company. When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 2 Summary of significant accounting policies (cont'd)

#### (z) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

The assets are not depreciated or amortised while they are classified as held for sale.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and

(a) represents a separate major line of business or geographical area of operations; or
(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
(c) is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

### 3 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 period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting period 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.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 3 Critical judgements, assumptions and estimation uncertainties (cont'd)

*Expected credit loss allowance on trade receivables*

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical defaults rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The estimates on ECL have included the expected effects that the current macroeconomic uncertainties and inflationary pressures have on the recoverability of the Group's receivables. The information about the ECL and the carrying amount of the Group's trade receivables is disclosed in Note 22.

As at 30 April 2023, the Group recognises an impairment loss on the trade receivables in relation to the China subsidiaries as disclosed in Note 22.

*Impairment assessment of disposal group assets classified as held for sale, 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 2021, the carrying values of CEBEC Plant and land use rights where the plant is located were RMB10,800,000 (approximately $2,300,000) and RMB5,421,000 (approximately $1,100,000) respectively.

The CEBEC Plant has not commenced operations since it was acquired by the Group in the reporting period 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").

As at 30 April 2023, the Group recognised a write-down of $4,226,000 on the property plant and equipment in relation to the China subsidiaries.

*Valuation of financial asset at fair value through profit or loss*

As disclosed in Note 21, in the prior financial period, the Group owned a 20% equity interest in China-UK Low Carbon Enterprise Co. Ltd., ("CULCEC") The Group's application for the liquidation of CULCEC was approved by the court in PRC on 21 December 2020. The carrying amount of the Group's investment in the associate, which was determined based on the Group's share of the net assets of CULCEC on 31 December 2020 (based on information provided by the liquidator), approximate to $1.5million (RMB7 million). There was no change in the carrying amount of investment in the associate from 31 December 2020 to 31 October 2021. On 30 April 2023, the Group reclassified its investment in associate to equity investments at fair value through profit or loss in accordance with SFRS(I) 9 Financial Instruments.

The Group has assessed and determined the fair value of CULCEC on 30 April 2023 remains at $1.5million (RMB 7million) as there has been no update on the liquidation status of CULCEC. This amount represents the net expected amounts to be realised through sale of assets, net of repayment obligations of CULCEC.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 3 Critical judgements, assumptions and estimation uncertainties (cont'd)

*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 unit is measured based on the higher of fair value less costs of disposal or value in use calculations. When value in use calculations are undertaken, management is required to estimate the expected future cashflows from the asset or cash-generating unit and a suitable discount rate, in order to determine the present value of those cashflows, key assumptions are given in Note 18 to the financial statements.

As at 30 April 2023, the Group recognises an impairment loss of $452,000 (2021: $nil) on the property plant and equipment in relation to the Malaysia entities as disclosed in Note 15.

*Measurement of impairment of subsidiaries*

The Company assesses at each balance sheet date whether there are any indicators of impairment for investments in subsidiaries. Investments in subsidiaries are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying amount of the investment exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use.

When value in use calculations are undertaken, management is required to estimate the expected future cash flows from the business and a suitable terminal growth rate and pre-tax weighted average cost of capital, in order to determine the present value of those cash flows. The carrying amount of investments in subsidiaries is disclosed in Note 20.

*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 25.

*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 Note 13.

# Notes to the Financial Statements

## For the financial period from 1 November 2021 to 30 April 2023

**3 Critical judgements, assumptions and estimation uncertainties (cont'd)**

*Accrual of land use rights tax and property tax*

As disclosed in Notes 7(a) and 19, the Group accrued for estimated property and land use taxes in the financial statements. Management has previously been submitting applications to local tax authority for waiver to pay land use rights tax and property tax in prior years in accordance with local regulations. Management has taken the view that the local tax authority would grant a waiver for payment of these taxes as they believe CEBEC met the conditions for the waiver and there was neither a response from nor enforcement by the local tax authority previously. Management submitted new applications to the local tax authority for waiver of these taxes after making payments in July, August and September 2021. If the outcome of CEBEC's application is favourable, the accruals made would be reversed in the relevant reporting year.

*Liabilities directly associated with disposal group classified as held for sale*

As disclosed in Note 35, the Group's other payables to outside parties included a long outstanding payable of a subsidiary in the People's Republic of China amounting to RMB3,560,000 (approximately $729,000), which arose in 2013. The external law firm engaged by the Group as management's expert advised on 2 March 2022 that the subsidiary is not liable to repay the amount if there has been no request for repayment from the creditor concerned within the statutory time bar period. There are uncertainties on whether the creditor has been requesting for repayment of this amount, and hence whether the statutory time bar period has indeed been met. During the financial period, the Group has received a letter of demand from the creditor on 1 June 2022.

**4 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.

**a) 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** | |
|---|---|---|
| | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 |
| Jointly-controlled entity: | | |
| Rental income | **–** | (74) |
| Related parties: | | |
| Revenue - sale of goods | **–** | (1,903) |
| Purchase of goods and services | **–** | 838 |
| Loan from director | **621** | – |
| Finance expenses | **15** | – |
| Payable to director for out-of-scope work | **10** | – |

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

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 4 Related party relationships and transactions

#### b) Key management compensation

| | Group | |
|---|---|---|
| | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 |
| Salaries and other short-term employee benefits | **2,033** | 1,597 |

Included in the above amounts are the following items:

| | | |
|---|---|---|
| Remuneration of directors of the Company | **882** | 909 |
| Remuneration of directors of the subsidiaries | **6** | 29 |
| Fees to directors of the Company | **339** | 145 |
| Fees to directors of the subsidiaries | **–** | 26 |

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.

### 5 Financial information by operating segments

#### a) 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.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 5 Financial information by operating segments (cont'd)

#### a) Information about operating segment profit or loss, assets and liabilities (cont'd)

As disclosed in note 11, the Group has decided to discontinue the operations and dispose certain subsidiaries previously included in the Integrated Environmental Management Solutions, Resource Recovery and Renewable Energy segments in China. The assets and liabilities related to these subsidiaries have been presented as a disposal group held for sale, and the results from these three subsidiaries are presented separately on the income statement as "Discontinued operations". Accordingly, the Segmental information below has also been re-presented to show the assets and liabilities of the disposal group separately.

- 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 was-to-feed process for fish and aquiculture business.

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 | |
|---|---|---|
| | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 |
| Sale of rubberised products | **7,877** | 27,019 |

**5 Financial information by operating segments (cont'd)**

**b) Profit or loss from continuing operations and reconciliations**

| | **Renewable Energy** | | **Resource Recovery** | | **Integrated Environmental Management Solutions** | | **Eliminations** | | **Group** | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 (Re-presented) | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 (Re-presented) | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 (Re-presented) | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 (Re-presented) | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 (Re-presented) |
| Revenue: | | | | | | | | | | |
| Revenue from external customers | **11,634** | 7,486 | **31,647** | 27,252 | **165** | – | – | – | **43,446** | 34,738 |
| Inter-segment revenue | **1,224** | 811 | **1,256** | 1,277 | **639** | 812 | **(3,119)** | (2,900) | **–** | – |
| Segment revenue | **12,858** | 8,297 | **32,903** | 28,529 | **804** | 812 | **(3,119)** | (2,900) | **43,446** | 34,738 |
| Segment results before allocation of corporate management fees | **2,026** | 395 | **(4,056)** | 1,344 | **(379)** | (299) | **(3,043)** | (2,348) | **(5,452)** | (908) |
| Allocated corporate management fees | **(1,346)** | (1,007) | **(1,697)** | (1,341) | – | – | **3,043** | 2,348 | **–** | – |
| Segment results | **680** | (612) | **(5,753)** | 3 | **(379)** | (299) | **–** | – | **(5,452)** | (908) |
| Share of results from associates and jointly-controlled entity, allocated to operating segments | – | (95) | – | (458) | – | – | – | – | **–** | (553) |
| Unallocated corporate results | | | | | | | | | **(206)** | (2,407) |
| Loss before finance income, dividend income, finance costs and income tax expense | | | | | | | | | **(5,658)** | (3,868) |
| Finance income | | | | | | | | | **4** | 12 |
| Finance costs | | | | | | | | | **(1,047)** | (822) |
| Income tax expense | | | | | | | | | **(156)** | 220 |
| Loss net of tax from continued operations, net of tax | | | | | | | | | **(6,857)** | (4,458) |
| Loss net of tax from discontinued operations, net of tax | | | | | | | | | **(7,225)** | (2,374) |
| Loss for the year | | | | | | | | | **(14,082)** | (6,832) |

## 5 Financial information by operating segments (cont'd)

### c) Assets and liabilities reconciliation

| Group | Renewable Energy | | Resource Recovery | | Integrated Environmental Management Solutions | | Eliminations | | Group | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 |
| Segment assets | **31,214** | 15,399 | **44,032** | 32,594 | **14,451** | 3,567 | **(51,135)** | 2,979 | **38,562** | 54,539 |
| Investments in associates, allocated to operating segments | – | 1,513 | – | – | – | – | – | – | – | 1,513 |
| Disposal group assets classified as held for sale | **1,056** | – | – | – | – | – | – | – | **1,056** | – |
| Unallocated corporate assets | | | | | | | | | **447** | 559 |
| Total assets | | | | | | | | | **40,065** | 56,611 |
| Segment liabilities | **52,457** | 32,738 | **19,199** | 12,715 | **6,988** | 10,394 | **(71,506)** | (44,818) | **7,138** | 11,029 |
| Loans and borrowings allocated to operating segments | – | – | **8,829** | 9,363 | **1,907** | 2,182 | – | – | **10,736** | 11,545 |
| Income tax payable allocated to operating segments | **11** | 107 | **69** | 168 | **13** | 42 | – | – | **71** | 317 |
| Unallocated income tax payable | | | | | | | | | **65** | 44 |
| Deferred tax liabilities | | | | | | | | | **653** | 993 |
| Liabilities directly associated with disposal group classified as held for sale | **1,824** | – | **435** | – | **151** | – | – | – | **2,410** | – |
| Unallocated corporate liabilities | | | | | | | | | **2,236** | 980 |
| Total liabilities | | | | | | | | | **23,309** | 24,908 |
| Capital expenditure allocated to operating segments: | | | | | | | | | | |
| Property, plant and equipment | **77** | 584 | **561** | 3,694 | – | 23 | – | – | **638** | 4,301 |
| Right-of-use assets | – | – | **6,357** | – | – | – | – | – | **6,357** | – |
| Unallocated corporate capital expenditure on property, plant and equipment | | | | | | | | | – | 285 |
| Total capital expenditure | | | | | | | | | **6,995** | 4,586 |

**5 Financial information by operating segments (cont'd)**

**d) Other material items**

| Group | Renewable Energy | | Resource Recovery | | Integrated Environmental Management Solutions | | Discontinued operations | | Elimination | | Group | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 |
| Depreciation of property, plant and equipment and investment properties: Allocated to operating segments | **1,369** | 676 | **1,818** | 2,113 | **380** | 304 | **–** | – | **–** | – | **3,567** | 3,093 |
| Unallocated corporate depreciation | | | | | | | | | | | **60** | 60 |
| | | | | | | | | | | | **3,627** | 3,153 |
| Depreciation of right-of-use assets | **533** | 303 | **1,435** | 165 | **–** | – | **–** | – | **–** | – | **1,968** | 468 |
| Loss/(Gain) on disposal of property, plant and equipment: Allocated to operating segments | **(19)** | (2,399) | **(173)** | 97 | **–** | 89 | **–** | – | **–** | 2,341 | **(192)** | (128) |
| Unallocated corporate depreciation | **–** | – | **–** | – | **–** | – | | | **–** | – | **(40)** | 42 |
| | | | | | | | | | | | **(232)** | (86) |
| Amortisation of intangible assets | **–** | – | **–** | 73 | **–** | – | | | **–** | – | **–** | 73 |
| Amortisation of land use rights | - | 56 | **–** | – | **–** | – | **84** | | **–** | – | **84** | 56 |
| Impairment loss on property, plant and equipment | **–** | – | **452** | – | **–** | 367 | **4,226** | – | **–** | – | **4,678** | 367 |
| Impairment loss on investment properties | **–** | – | - | – | **43** | 283 | **–** | – | **–** | – | **43** | 283 |
| Provision for retirement benefit obligations expenses, net | **–** | – | **6** | 23 | **–** | – | **–** | – | **–** | – | **(72)** | 23 |
| Allowance for doubtful receivables | **–** | 105 | **(72)** | – | **1,468** | – | **2,782** | – | **–** | 26 | **2,710** | 130 |

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

**e) Geographical information**

| Group | Revenue | | Non-current assets | |
|---|---|---|---|---|
| | **1.11.2021 to 30.4.2023** | 1.11.2020 to 31.10.2021 (Re-presented) | **1.11.2021 to 30.4.2023** | 1.11.2020 to 31.10.2021 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Singapore | **13,498** | 8,862 | **4,725** | 8,100 |
| Malaysia | **12,263** | 13,735 | **14,459** | 18,214 |
| Australia | **17,027** | 10,170 | **–** | – |
| People's Republic of China | **–** | 73 | **–** | 1,513 |
| Others | **658** | 1,898 | **–** | – |
| | **43,446** | 34,738 | **19,184** | 27,827 |

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.

**f) Information about major customers**

| | Group | |
|---|---|---|
| | **1.11.2021 to 30.4.2023** | 1.11.2020 to 31.10.2021 |
| | **$'000** | $'000 |
| Top 1 customer in resource recovery segment | **16,709** | 10,104 |
| Top 2 customers in resource recovery and renewable energy segments | **8,175** | 4,387 |

## 6 Revenue

| | Group | |
|---|---|---|
| | **1.11.2021 to 30.4.2023** | 1.11.2020 to 31.10.2021 (Re-presented) |
| | **$'000** | **$'000** |
| #A. Revenue classified by type of good or service: | | |
| Sale of goods | **33,208** | 27,816 |
| Service income | **8,842** | 5,761 |
| Finance lease income | **1,106** | 896 |
| Others | **290** | 265 |
| Total revenue | **43,446** | 34,738 |
| | | |
| #B. Revenue classified by duration of contract: | | |
| Short term contracts | **36,078** | 29,505 |
| Long term contracts | **7,368** | 5,233 |
| Total revenue | **43,446** | 34,738 |
| | | |
| #C. Revenue classified by timing of revenue recognition: | | |
| Point in time | **36,078** | 29,505 |
| Over time | **7,368** | 5,233 |
| Total revenue | **43,446** | 34,738 |

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 7 Other income and gains and (other losses)

| | Group | |
|---|---|---|
| | **1.11.2021 to 30.4.2023** | 1.11.2020 to 31.10.2021 (Re-presented) |
| | **$'000** | $'000 |
| Gain on disposal of property, plant and equipment | **232** | 86 |
| Government grant income | **101** | 207 |
| Foreign exchange transaction gain/(loss), net | **(591)** | 424 |
| Reversal of allowance of doubtful debt | **72** | – |
| Impairment loss on trade and other receivables | – | (130) |
| Impairment loss on investment properties (Note 17) | **(43)** | (283) |
| Allowance for impairment on non-financial assets | **–** | (114) |
| Write-off of property, plant and equipment | **(3)** | – |
| Gain on disposal of subsidiaries (Note 10) | **–** | 1,467 |
| Interest income from financial institutions | **4** | 380 |
| Impairment loss on goodwill | **–** | (115) |
| Impairment loss on trademark | **–** | (645) |
| Impairment loss on property, plant and equipment | **(452)** | (367) |
| Write down of land use right | **–** | (166) |
| Fines | **–** | (105) |
| Legal claims | **–** | (320) |
| Bad debts written-off | **–** | (5) |
| Others | **4** | 38 |
| Net | **(676)** | 352 |

| | | |
|---|---|---|
| Presented in profit or loss as: | | |
| Other income and gains | **413** | 2,602 |
| Other losses | **(1,089)** | (2,250) |
| | **(676)** | 352 |

#### a) Administrative expenses

Included in administrative expense are the following items:

| | Group | |
|---|---|---|
| | **1.11.2021 to 30.4.2023** | 1.11.2020 to 31.10.2021 |
| | **$'000** | $'000 |
| Prepaid expenses written-off | **–** | 971 |
| Property and land use taxes | **–** | 732 |
| Audit fees (Note 12) | **645** | 509 |

### 8 Finance costs

| | Group | |
|---|---|---|
| | **1.11.2021 to 30.4.2023** | 1.11.2020 to 31.10.2021 |
| | **$'000** | $'000 |
| Interest expense on: | | |
| - Borrowings from financial institutions | **830** | 594 |
| - Lease liabilities | **81** | 174 |
| - Others | **136** | 54 |
| | **1,047** | 822 |

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 9 Employee benefits expenses

| | Group | |
|---|---|---|
| | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 |
| Short term employee benefits expense | **8,360** | 7,831 |
| Contributions to defined contribution plans | **704** | 641 |
| Provision for retirement benefit obligations expense, net | **25** | 79 |
| Other benefits | **566** | 474 |
| | **9,655** | 9,025 |
| The employee benefits expenses are charged as follows: | | |
| Cost of sales | **5,598** | 4,843 |
| Administrative expenses | **3,408** | 3,394 |
| Marketing and distribution expenses | **649** | 788 |
| | **9,655** | 9,025 |

### 10 Disposal of a subsidiary

On 23 April 2021, the Group entered into a Sale and Purchase Agreement to dispose its 51% equity interest in Saiko Rubber (Malaysia) Sdn. Bhd. subject to terms and conditions of the Sale and Purchase Agreement, for a cash consideration of RM18,000,000 (approximately $5.83 million).

The following table is a summary of the carrying value of the consolidated assets and liabilities of the disposal Group that was sold on 23 April 2021:

| | Group At date of disposal in 2021 $'000 |
|---|---|
| Property, plant and equipment | 2,970 |
| Inventories | 1,670 |
| Trade and other receivables | 2,640 |
| Other non-financial assets | 17 |
| Cash and cash equivalent | 4,182 |
| | 11,479 |
| Trade and other payables | 2,277 |
| Income tax payable | 188 |
| Provision for retirement benefit obligations | 126 |
| Deferred tax liabilities | 344 |
| | 2,935 |
| Net carrying amount | 8,544 |
| Non-controlling interests | (4,181) |
| Net carrying value of disposal Group | 4,363 |
| Gain on disposal | 1,467 |
| Net consideration | 5,830 |
| Net cash inflow on disposal: | |
| Cash consideration | 5,830 |
| Cash balance disposed of | (4,182) |
| Net cash inflow | 1,648 |

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 10 Disposal of a subsidiary (cont'd)

The cash flow of the disposal Group for the period from the beginning of the reporting period to 23 April 2021, which have been included in the consolidated financial statements, were as follows:

| | Group 1.11.2020 to 23.04.2021 $'000 |
|---|---|
| Operating cash flows | (133) |

### 11 Discontinued operations and Disposal group classified as held for sale

During the current reporting period, following the resignation of former executive director who was the legal representative for Chongqing ecoWise Investment Management Co., Ltd. ("CQEIM"), Chongqing eco-CTIG, Rubber Technology Co., Ltd. ("CECERT") and Changi Enersave Biomass to Energy Co, Ltd. (CEBEC) in China, Management and the Board formally decided to discontinue the operations and dispose these subsidiaries (or hereinafter also referred to as the "China Subsidiaries"). As presented under this Note 11, for the current reporting period, the China Subsidiaries did not contribute any revenue to the Group.

However, due to the travel restrictions in China until July 2023 and challenges encountered in effecting a change of legal representative, the change of legal representative for the China Subsidiaries has not been executed as yet. The Group is currently exploring all avenues to expedite the change of legal representative for the China subsidiaries.

The assets and liabilities related to CQEIM, CECRT and CEBEC (which previously contributed to the Integrated Environmental Management Solutions, Resource Recovery and Renewable Energy segment, respectively in China) have been presented as a disposal group held for sale, and the results from the three subsidiaries are presented separately on the income statement as "Discontinued operations". Accordingly, the comparative statement of comprehensive income has been re-presented to show the discontinued operation separately from continuing operations.

An analysis of the results of the discontinued operations and the results recognised on the remeasurement of disposal is as follows:

| | **Group** | |
|---|---|---|
| | **1.11.2021 to 30.4.2023** | 1.11.2020 to 31.10.2021 (Re-presented) |
| | **$'000** | $'000 |
| Revenue | **–** | 828 |
| Cost of sales | **–** | (388) |
| | **–** | 440 |
| Other income | **–** | (368) |
| Distribution expenses | **–** | (3) |
| Administrative expenses | **(7,225)** | (2,443) |
| Loss before and after tax from discontinued operations | **(7,225)** | (2,374) |

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 11 Discontinued operations and Disposal group classified as held for sale (cont'd)

The impact of the discontinued operations on the cash flows of the Group are as follows:

| | Group | |
|---|---|---|
| | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 |
| Operating cash flows | **7,225** | 1,991 |

Details of disposal group classified as held for sale are as follows:

| | **Group 30.4.2023 $'000** |
|---|---|
| Land use rights | **1,056** |

Liabilities directly associated with disposal group as held for sale are as follows:

| | **Group 30.4.2023 $'000** |
|---|---|
| Trade payables | **357** |
| Other payables | **1,441** |
| Income tax payable | **612** |
| | **2,410** |

| | **Group 30.4.2023 $'000** |
|---|---|
| ***Reserve*** | |
| Currency translation reserve | **(1,491)** |

### 12 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 | |
|---|---|---|
| | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 |
| Auditors' remuneration: | | |
| - Auditors of the Company | **555** | 456 |
| - Member firms of the auditors of the Company | **90** | 53 |
| Non-audit fee | | |
| - Auditors of the Company | – | – |
| - Member firms of the auditors of the Company | – | – |
| Professional fees | **533** | – |

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

**13 Income tax**

**a) Components of income tax (credit)/expense recognised in profit or loss**

| | Group | |
|---|---|---|
| | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 |
| Current tax expense | | |
| Current tax expense | **154** | 317 |
| Withholding tax expense | **37** | 37 |
| Over adjustments in respect of prior periods | **146** | (113) |
| Subtotal | **337** | 241 |
| | | |
| Deferred tax expense | | |
| Deferred tax (credit) / expense | **(256)** | (320) |
| (Over)/under adjustments in respect of prior periods | **75** | (141) |
| Subtotal | **(181)** | (461) |
| Total income tax expense/(credit) | **156** | (220) |

Income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2021: 17%) to profit or loss before income tax as a result of the following differences:

| | Group | |
|---|---|---|
| | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.202 1 $'000 |
| Loss before income tax | **(6,701)** | (4,678) |
| Share of losses from associates and a jointly-controlled entity | **–** | 553 |
| Discontinued operations, net of tax | **(7,225)** | (2,374) |
| | **(13,926)** | (6,499) |
| | | |
| Income tax expense at the above rate | **(2,367)** | (1,105) |
| Effect of different tax rates in different countries | **(1,840)** | (414) |
| Withholding tax expense | **37** | 37 |
| Expenses non-deductible for tax purposes | **4,366** | 426 |
| Income not subject to tax | **(481)** | (103) |
| Tax incentives | | (39) |
| Under/(over) adjustments to current tax in respect of prior periods | **147** | (113) |
| Under/(over) adjustments to deferred tax in respect of prior periods | **75** | (141) |
| Deferred tax assets not recognised | **256** | 1,034 |
| Others | **(37)** | 198 |
| Total income tax (credit)/expense | **156** | (220) |

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 13 Income tax (cont'd)

**b) Movements in deferred tax (liabilities)/assets in the statements of financial position**

| Group | At 1 November 2020 $'000 | Recognised in profit or loss $'000 | Expired during the year $'000 | Disposal of subsidiary $'000 | Exchange differences $'000 | At 31 October 2021 $'000 | Recognised in profit or loss $'000 | Expired during the year $'000 | Exchange differences $'000 | At 30 April 2023 $'000 |
|---|---|---|---|---|---|---|---|---|---|---|
| Property, plant and equipment | (1,525) | 483 | – | 383 | 23 | (636) | (35) | 485 | 10 | **(176)** |
| Unutilised tax losses | 1,786 | – | (276) | – | – | 1,510 | – | (1,510) | – | **–** |
| Unutilised capital allowances | 266 | – | – | – | – | 266 | – | (248) | – | **18** |
| Provision for retirement benefit obligations | 165 | (7) | – | (39) | (2) | 117 | – | (117) | – | – |
| Provisions | – | – | – | – | – | – | (221) | (285) | – | **(506)** |
| Other items | (26) | (15) | – | – | – | (41) | – | 52 | – | **11** |
| Deferred tax assets not recognised | (2,485) | – | 276 | – | – | (2,209) | – | 2,209 | – | – |
| | (1,819) | 461 | – | 344 | 21 | (993) | (256) | 586 | 10 | **(653)** |

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

**13 Income tax (cont'd)**

**c) Unrecognised deferred tax assets**

| Group | **30.4.2023** Gross amount $'000 | **30.4.2023** Tax effect $'000 | 31.10.2021 Gross amount $'000 | 31.10.2021 Tax effect $'000 |
|---|---|---|---|---|
| Unutilised tax losses | – | – | 7,885 | 1,885 |
| Excess of tax value over carrying value of plant and equipment | – | – | 1,905 | 324 |
| | – | – | 9,790 | 2,209 |

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 | | Unrecognised deferred tax assets | |
|---|---|---|---|---|
| | **30.4.2023 $'000** | 31.10.2021 $'000 | **30.4.2023 $'000** | 31.10.2021 $'000 |
| Expiring in 31 December 2021 | – | – | – | – |
| Expiring in 31 December 2022 | – | 943 | – | 236 |
| Expiring in 31 December 2023 | – | 1,334 | – | 334 |
| Expiring in 31 December 2024 | – | 1,677 | – | 419 |
| Expiring in 31 December 2025 | – | 704 | – | 168 |
| | – | 4,658 | – | 1,157 |

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 14 Loss per share

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

| | Group | | | | | |
|---|---|---|---|---|---|---|
| | Continuing operations | | Discontinued operations | | Total | |
| | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'**000** | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 |
| Loss, net of tax attributable to owners of the Company | **(6,807)** | (4,625) | **(7,225)** | (2,374) | **(14,032)** | (6,999) |
| | **'000** | '000 | **'000** | '000 | **'000** | '000 |
| Weighted average number of equity shares | **940,209** | 950,582 | **940,209** | 950,582 | **940,209** | 950,582 |
| | **Cents** | Cents | **Cents** | Cents | **Cents** | Cents |
| Loss per share | **(0.72)** | (0.49) | **(0.77)** | (0.25) | **(1.49)** | (0.74) |

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

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

Diluted loss per share are calculated by dividing 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 loss per share for the reporting years are computed using the same basis as basic loss per share as the dilutive effect of performance shares is not significant.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 15 Property, plant and equipment

| Group | Construction-in-progress $'000 | Leasehold land $'000 | Leasehold properties and improvements $'000 | Plant and equipment $'000 | Total $'000 |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 1 November 2020 | 18,420 | 1,358 | 18,405 | 44,894 | 83,077 |
| Foreign exchange adjustments | 731 | (18) | (109) | (283) | 321 |
| Additions | 137 | 1,767 | 1,151 | 1,531 | 4,586 |
| Disposal of subsidiary | – | (440) | (1,337) | (4,284) | (6,061) |
| Acquisition of subsidiary | – | – | – | 4,646 | 4,646 |
| Disposals | – | – | (1,645) | (2,135) | (3,780) |
| At 31 October 2021 | 19,288 | 2,667 | 16,465 | 44,369 | 82,789 |
| Foreign exchange adjustments | (241) | (131) | (677) | (1,218) | (2,267) |
| Additions | – | – | 18 | 776 | 794 |
| Disposals | – | (2,536) | (4,146) | (3,500) | (10,182) |
| Reclassification | (83) | – | 393 | (310) | – |
| Reclassification to assets held for sale | (18,964) | – | – | (9,670) | (28,634) |
| At 30 April 2023 | **–** | **–** | **12,053** | **30,447** | **42,500** |
| | | | | | |
| **Accumulated depreciation and impairment loss** | | | | | |
| At 1 November 2020 | 15,913 | 198 | 5,328 | 32,323 | 53,762 |
| Foreign exchange adjustments | 714 | (3) | (19) | (140) | 552 |
| Depreciation for the year | – | 106 | 428 | 2,373 | 2,907 |
| Disposals | – | – | (159) | (1,636) | (1,795) |
| Disposal of subsidiary | – | (76) | (363) | (2,652) | (3,091) |
| Acquisition of subsidiary | – | – | – | 2,827 | 2,827 |
| Impairment loss for the year | 59 | – | 239 | 69 | 367 |
| At 31 October 2021 | 16,686 | 225 | 5,454 | 33,164 | 55,529 |
| Foreign exchange adjustments | – | (10) | (79) | (758) | (847) |
| Depreciation for the period | – | – | 669 | 2,809 | 3,478 |
| Disposals | – | (215) | (1,150) | (2,499) | (3,864) |
| Reclassification | 20 | – | 232 | (252) | – |
| Impairment loss for the period | 2,258 | – | – | 2,420 | 4,678 |
| Reclassification to assets held for sale | (18,964) | – | – | (9,650) | (28,614) |
| At 30 April 2023 | **–** | **–** | **5,126** | **25,234** | **30,360** |
| | | | | | |
| **Carrying value** | | | | | |
| At 31 October 2021 | 2,602 | 2,442 | 11,011 | 11,205 | 27,260 |
| At 30 April 2023 | **–** | **–** | **6,927** | **5,213** | **12,140** |

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 15 Property, plant and equipment (cont'd)

| **Company** | **Plant and equipment $'000** |
|---|---|
| **Cost** | |
| At 1 November 2020 | 587 |
| Additions | 285 |
| Disposal | (256) |
| At 31 October 2021 | 616 |
| Additions | 1 |
| Disposal | (285) |
| At 30 April 2023 | **332** |
| | |
| **Accumulated depreciation** | |
| At 1 November 2020 | 276 |
| Depreciation for the year | 60 |
| Disposal | (92) |
| At 31 October 2021 | 244 |
| Depreciation for the period | 59 |
| Disposal | (61) |
| At 30 April 2023 | **242** |
| | |
| **Carrying value** | |
| At 31 October 2021 | 372 |
| At 30 April 2023 | **90** |

The depreciation expense is charged as follows:

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 | **1.11.2021 to 30.4.2023 $'000** | 1.11.2020 to 31.10.2021 $'000 |
| Cost of sales | **2,406** | 1,852 | **–** | – |
| Administrative expenses | **1,014** | 943 | **59** | 60 |
| Marketing and distribution expenses | **58** | 112 | **–** | – |
| Total | **3,478** | 2,907 | **59** | 60 |

Fully depreciated property, plant and equipment of the Group still in use have a cost of $22,064,750 (31.10.2021: $22,064,750).

In the prior financial year, the Group acquired property, plant and equipment using bank loans and finance leases amounting to $2,338,000 and $202,000 respectively.

In the prior financial year, there was addition of reinstatement costs amounting to $170,000.

In the prior financial year, Chongqing ecoWise Investment Management Co., Ltd. ("CQEIM"), a Company registered in the People's Republic of China ("PRC") and a wholly-owned subsidiary of the Group, entered into two service agreements with Hong Kong ChenBang Investments Ltd ("HKCB"), a Company incorporated in Hong Kong, on 24 November 2020 and 24 December 2020. Under the service agreements, CQEIM appointed HKCB to manage and sell an office unit and a factory building for a minimum sum of RMB3,477,650 (approximately $713,000) and RMB4,620,660 (approximately $947,000) within 18 months and 12 months respectively. HKCB is also obligated to pay CQEIM the respective minimum sums in the event no buyer(s) can be found within the agreed periods.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

**15 Property, plant and equipment (cont'd)**

During the financial year, the Group conducted a review of the useful life of leasehold properties and improvement following the negotiation of the office units lease renewal with the landlord prior to the end of the current lease term. The Group revised the estimated useful life of leasehold properties and improvement from five to between one to three years, based on the shorter of the remaining lease term. The revision in estimate has been applied on a prospective basis from 1 November 2021. The effect of the above revision on depreciation charge in current and future periods is as follows:

| | 2023<br>$'000 | 2024<br>$'000 | 2025<br>$'000 |
|---|---|---|---|
| Increase/(decrease) in depreciation expense | **67** | **49** | **25** |

**a) 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 | |
|---|---|---|---|---|
| | **30.4.2023<br>$'000** | 31.10.2021<br>$'000 | **30.4.2023<br>$'000** | 31.10.202<br>1<br>$'000 |
| Plant and equipment | **–** | 202 | **–** | 165 |

**b) 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 33) are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **30.4.2023<br>$'000** | 31.10.2021<br>$'000 | **30.4.2023<br>$'000** | 31.10.2021<br>$'000 |
| Leasehold land | **–** | 2,440 | **–** | – |
| Leasehold properties and improvements | **6,352** | 5,956 | **–** | – |
| Plant and equipment | **3,463** | 3,194 | **–** | 365 |
| | **9,815** | 11,590 | **–** | 365 |

See Note 40 on legal case relating to the CEBEC Plant.

At the end of the reporting period, the carrying value of the Group's property, plant and equipment in Malaysia was approximately $9,465,000 (31.10.2021: $16,800,000). The impairment assessment was performed for $50,000 (31.10.2021: $502,000). The recoverable amount is assessed at the higher of fair value less cost to sell. It is based on scrap value which computed using equivalent price index at the balance sheet date.

The fair value is based on level 2 fair value hierarchy.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 16 Right-of-use assets

| Group | Leasehold Lands $'000 | Plant and Machinery $'000 | Motor Vehicles $'000 | Office Equipment $'000 | Total $'000 |
|---|---|---|---|---|---|
| **Costs** | | | | | |
| At 1 November 2020 | 1,857 | – | – | – | 1,857 |
| Addition | 336 | – | – | – | 336 |
| At 31 October 2021 | 2,193 | – | – | – | 2,193 |
| Addition | 5,714 | 385 | 971 | 133 | 7,203 |
| Effects of movements in exchange rates | (127) | (9) | (22) | (3) | (161) |
| Disposal | (444) | (89) | (528) | (130) | (1,191) |
| At 30 April 2023 | **7,336** | **287** | **421** | – | **8,044** |
| | | | | | |
| **Accumulated depreciation** | | | | | |
| At 1 November 2020 | 416 | – | – | – | 416 |
| Depreciation for the year | 468 | – | – | – | 468 |
| At 31 October 2021 | 884 | – | – | – | 884 |
| Effects of movements in exchange rates | (6) | (2) | (13) | – | (21) |
| Depreciation for the period | 1,131 | 159 | 662 | 16 | 1,968 |
| Disposal | (10) | (13) | (306) | (16) | (345) |
| At 30 April 2023 | **1,999** | **144** | **343** | **–** | **2,486** |
| | | | | | |
| **Carrying value** | | | | | |
| At 31 October 2021 | 1,309 | – | – | – | 1,309 |
| At 30 April 2023 | **5,337** | **143** | **78** | **–** | **5,558** |

The depreciation expense is charged to cost of sales.

As at the end of the reporting year, the carrying values of the Group's right-of-use assets that are pledged as securities to secure loans and borrowings (Notes 33) is S$4,771,000.

The leases are for leasehold lands, plant and machinery, motor vehicles and office equipment 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.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 17 Investment properties

| | Group | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| **Cost** | | |
| At beginning of the period | **3,780** | 3,590 |
| Additions | **–** | 190 |
| At end of the period | **3,780** | 3,780 |
| | | |
| **Accumulated depreciation and impairment loss** | | |
| At beginning of the period | **2,102** | 1,573 |
| Depreciation for the period | **149** | 246 |
| Impairment loss for the period | **43** | 283 |
| At end of the period | **2,294** | 2,102 |
| | | |
| **Carrying value** | | |
| At beginning of the period | **1,678** | 2,017 |
| At end of the period | **1,486** | 1,678 |
| | | |
| Rental and service income from investment properties | **227** | 957 |
| | | |
| Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the year | **19** | 366 |
| | | |
| Allocation of the depreciation expense: | | |
| Administrative expenses | **84** | 246 |

Included within additions in prior financial year are reinstatement costs amounting to $190,000.

As at the end of the reporting year, the carrying value of investment properties in two office unit amount to $868,000 (2021: $1,180,000) are pledged as securities to secure loans and borrowings disclosed in Note 33.

Management estimated the fair value using the valuation method as described below. The 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 |
| Gross floor area: | 87,402 square feet |
| Fair value: | $1,311,000 (2021: $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. |

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

**17 Investment properties (cont'd)**

Management estimated the fair value using the valuation method as described below. The 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 (cont'd):

| | |
|---|---|
| Asset: | 2 office units at 1 Commonwealth Lane, One Commonwealth, Singapore 149544 |
| Gross floor area: | 2,864 square feet |
| Fair value: | $1,000,000 (2021: $1,180,000) |
| 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 - $349 (2021: $412) |
| Relationship of unobservable inputs to fair value: | N.A. |
| Sensitivity on management's estimates - 10% variation from estimate | Impact - lower by $100,000; higher by $118,000 |

**18 Intangible assets**

| **Group** | **Trademarks $'000** | **Customer relationships $'000** | **Goodwill $'000** | **Total $'000** |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 November 2020 | 1,529 | 44 | 229 | 1,802 |
| Foreign exchange adjustments | (21) | (1) | (4) | (26) |
| At 31 October 2021 | 1,508 | 43 | 225 | 1,776 |
| Foreign exchange adjustments | (117) | (3) | (17) | (137) |
| At 30 April 2023 | **1,391** | **40** | **208** | **1,639** |
| | | | | |
| **Accumulated amortisation and impairment losses** | | | | |
| At 1 November 2020 | 802 | 44 | 112 | 958 |
| Foreign exchange adjustments | (12) | (1) | (2) | (15) |
| Amortisation for the year | 73 | – | – | 73 |
| Impairment loss for the year | 645 | – | 115 | 760 |
| At 31 October 2021 | 1,508 | 43 | 225 | 1,776 |
| Foreign exchange adjustments | (117) | (3) | (17) | (137) |
| At 30 April 2023 | **1,391** | **40** | **208** | **1,639** |
| | | | | |
| **Carrying value** | | | | |
| At 31 October 2021 | – | – | – | – |
| At 30 April 2023 | **–** | **–** | **–** | **–** |

The amortisation is included in marketing and distribution expenses.

During prior year, trademarks and goodwill were impaired due to weaker performance. This arose from review by management of the recoverable amounts.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 19 Land use rights

| | Group | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| **Cost** | | |
| At beginning of the period | **2,301** | 2,424 |
| Foreign exchange adjustments | **–** | 107 |
| Write-off | **–** | (230) |
| Transfer to Disposal group assets classified as held for sale | **(2,301)** | – |
| At end of the period | **–** | 2,301 |
| | | |
| **Accumulated amortisation** | | |
| At beginning of the period | **1,161** | 1,118 |
| Foreign exchange adjustments | **–** | 51 |
| Amortisation for the year included in administrative expenses | **84** | 56 |
| Transfer to Disposal group assets classified as held for sale | **(1,245)** | – |
| Write down | **–** | (64) |
| At end of the period | **–** | 1,161 |
| | | |
| **Carrying value** | | |
| At beginning of the period | **1,140** | 1,306 |
| At end of the period | **–** | 1,140 |

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.

### 20 Investments in subsidiaries

| | Company | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| Unquoted equity shares at cost | **28,724** | 28,724 |
| Allowance for impairment | **(11,786)** | (7,861) |
| Subtotal | **16,938** | 20,863 |
| Loans due from subsidiaries | **16,136** | 16,136 |
| Estimated credit allowance | **(11,636)** | (10,529) |
| Subtotal | **4,500** | 5,607 |
| Total carrying amount | **21,438** | 26,470 |
| | | |
| Analysis of amounts denominated in non-functional currency | | |
| Malaysia Ringgit | **12,168** | 12,168 |
| | | |
| Movements in unquoted equity shares during the period/year: | | |
| Balance at beginning and end of the period | **28,724** | 28,724 |
| | | |
| Movements in loans due from subsidiaries during the period/year: | | |
| Balance at beginning and end of the period | **16,136** | 16,136 |
| | | |
| Movements in above allowance for impairment: | | |
| Balance at beginning of the period/year | **7,861** | 3,810 |
| Charge to profit or loss included in other losses | **3,925** | 4,051 |
| Balance at end of the period/year | **11,786** | 7,861 |
| | | |
| Movements in above allowance for loans due from subsidiaries: | | |
| Balance at beginning of the period/year | **10,529** | 9,217 |
| Charge to profit or loss included in other losses | **1,107** | 1,312 |
| Balance at end of the period/year | **11,636** | 10,529 |

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 estimated credit allowance.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 20 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 | |
|---|---|---|---|---|---|
| | | **30.4.2023** | 31.10.2021 | **30.4.2023** | 31.10.2021 |
| | | **$'000** | $'000 | **$'000** | $'000 |
| Held by the Company | | | | | |
| 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 |
| Ecowise New Energy Pte. Ltd. [(c)] Investment holding | Singapore | ***** | * | **100** | 100 |
| Sunrich Resources Sdn. Bhd. [(b)] Investment holding | Malaysia | **12,168** | 12,168 | **100** | 100 |

* Less than $1,000

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 20 Investments in subsidiaries (cont'd)

The subsidiaries held by the Group and the Company are as follows (cont'd):

| Name of subsidiary | Country of incorporation/ place of operation | Principal activities | Effective equity interests held by the Group | |
|---|---|---|---|---|
| | | | **30.4.2023** | 31.10.2021 |
| | | | **%** | % |
| 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. [(a)] | Singapore | Processing and recycling of used copper slag | **100** | 100 |
| Sunrich Integrated Sdn. Bhd. [(b)] | Malaysia | Investment holding | **100** | 100 |
| Autoways Industries Sdn. Bhd. [(b)] | Malaysia | Trading of re-tread tyres and related rubberised products | **100** | 100 |
| Ecogreen Products and Services Sdn. Bhd. [(b)] | Malaysia | Production, trading and consultancy services related to biomass products | **100** | 100 |
| Sun Tyre (Sabah) Sdn. Bhd. [(b)] | Malaysia | Re-treading of tyres, dealing in rubberised products and investment holding | **100** | 100 |
| Sunrich Marketing (Sabah) Sdn. Bhd. [(b)] | Malaysia | Trading of re-tread tyres and related rubberised products | **100** | 100 |
| 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 |

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

**20 Investments in subsidiaries (cont'd)**

The subsidiaries held by the Group and the Company are as follows (cont'd):

| Name of subsidiary | Country of incorporation/ place of operation | Principal activities | Effective equity interests held by the Group 30.4.2023 % | 31.10.2021 % |
|---|---|---|---|---|
| Held by subsidiaries (cont'd) | | | | |
| Sun Tyre & Auto Products Sdn. Bhd. [(b)] | Malaysia | Trading of new and re-tread tyres and related rubberised products | **100** | 100 |
| Sun Tyre Sdn. Bhd.[(b)] | Malaysia | Re-treading of tyres, dealing in rubberised products and investment holding | **100** | 100 |
| Sunrich Marketing Sdn. Bhd.[(b)] | Malaysia | Trading of re-tread tyres and related rubberised products | **100** | 100 |
| Trakar Suntex Sdn. Bhd.[(b)] | Malaysia | Trading of re-tread tyres and related rubberised products | **60** | 60 |
| Winner Suntex Sdn. Bhd.[(b)] | Malaysia | Trading of re-tread tyres and related rubberised products | **100** | 100 |
| Chongqing eco-CTIG Rubber Technology Co., Ltd.[(d)] | People's Republic of China | Re-treading of tyres and dealing in rubberised products | **100** | 100 |
| Chongqing ecoWise Investment Management Co., Ltd. [(c)(d)] | People's Republic of China | Service provider for project and investment consultancy and management | **100** | 100 |
| Changyi Enersave Biomass to Energy Co., Ltd. [(d)] | People's Republic of China | Generation and sale of electricity and heat | **100** | 100 |

(a) Audited by Baker Tilly TFW LLP.

(b) Audited by Baker Tilly Malaysia, member firm of Baker Tilly Network.

(c) For the purpose of consolidation, the unaudited management financial statements for the reporting year ended 30 April 2023 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.

(d) Classified as asset held for sale at the financial period.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 20 Investments in subsidiaries (cont'd)

#### (a) Acquisition of remaining 35% equity interest of Chongqing eco-CTIG Rubber Technology Co., Ltd. ("CECRT")

On 28 May 2021, the Group acquired the remaining 35% equity interest of CECRT, previously classified as jointly-controlled entity (Note 19), for a cash consideration of RMB3,497,000 (approximately $727,000).

Management assessed and concluded that the acquisition is not a business combination under SFRS(I) 3, *Business Combinations*. Among the factors considered by management were (i) the two production lines of CECRT were relocated to the Group's factories in Malaysia after the acquisition; (ii) the factory building occupied by CECRT previously were disposed by a related Company during the reporting year and (iii) there are no substantial business activities in CECRT after the production lines were relocated to Malaysia.

The assets of CECRT consisted mainly its two production lines of machines and equipment for retread of tyres. As the machines and equipment are specialised assets, management assessed and determined that the carrying amounts of the identifiable assets and liabilities at the acquisition approximate their fair values.

| **Group** | 2021<br>$'000 |
|---|---|
| Inventories | 624 |
| Trade and other receivables | 1,124 |
| Other assets | 109 |
| Cash and bank balances | 330 |
| Property, plant and equipment | 1,819 |
| Other assets (non-current) | 324 |
| Trade and other payables | (1,898) |
| Net identifiable assets | 2,432 |
| Satisfied by: | |
| Cash consideration transferred | 727 |
| Deemed disposal of a jointly-controlled entity | 1,705 |
| | 2,432 |
| | |
| Net cash outflow on acquisition: | |
| Cash consideration | (727) |
| Less: Cash and cash equivalents transferred | 330 |
| Cash outflow on acquisition | (397) |

#### (b) Acquisitions of non-controlling interests without a change in control

During prior reporting year, the Group acquired additional equity interests in the following subsidiaries from the non-controlling interests:

- Acquired remaining 4% equity interest in Autoways Industries Sdn. Bhd. ("AIW") at a consideration of RM20,835 (approximately $6,600). After the acquisition, AIW became a wholly-owned subsidiary in the Group.

- Acquired additional 3% equity interest in Trakar Suntex Sdn. Bhd. ("TS") at a consideration of RM8,210 (approximately $2,600). After the acquisition, TS became a 60% owned subsidiary in the Group.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 20 Investments in subsidiaries (cont'd)

#### (b) Acquisitions of non-controlling interests without a change in control (cont'd)

During prior reporting year, the Group acquired additional equity interests in the following subsidiaries from the non-controlling interests (cont'd):

- Acquired remaining 3% equity interest in Sun Tyre (Sabah) Sdn Bhd ("ST Sabah") at a consideration of RM1. After the acquisition, ST Sabah became a wholly-owned subsidiary in the Group.
- Acquired remaining 3% equity interest in Sunrich Marketing (Sabah) Sdn Bhd ("SM Sabah") at a consideration of RM1. After the acquisition, SM Sabah became a wholly-owned subsidiary in the Group.

### 21 Investment in an associate

| | Group | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| Unquoted equity interest at cost | **1,513** | 1,846 |
| Share of post-acquisition loss, net of dividends received | – | (333) |
| Transfer to financial assets at fair value through profit or loss | **(1,513)** | – |
| | **–** | 1,513 |

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 | |
|---|---|---|---|---|
| | | | **30.4.2023** | 31.10.2021 |
| | | | **%** | % |
| Held by a subsidiary | | | | |
| China-UK Low Carbon Enterprise Co., Ltd ("CULCEC') | People's Republic of China | Investment holding. In the process of liquidation | **–** | 20 |

In March 2020, the business license of China-UK Low Carbon Enterprise Co., Ltd ("CULCEC") expired and the Group applied to the court in China for the liquidation of CULCEC so that residual assets of this associate CULCEC could be distributed to its shareholders. On 21 December 2020, the court in China approved the commencement of liquidation process of CULCEC. This asset has been reclassified to fair value through profit or loss, refer to Note 26.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 22 Trade and other receivables

| | Group | | Company | |
|---|---|---|---|---|
| | **30.4.2023** | 31.10.2021 | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Trade receivables | | | | |
| Outside parties | **7,962** | 6,505 | **37** | 25 |
| Less: allowance for impairment | **(1,014)** | (1,214) | **(25)** | (25) |
| Net | **6,948** | 5,291 | **12** | – |
| Subsidiaries | **–** | – | **2,016** | 737 |
| Subtotal | **6,948** | 5,291 | **2,028** | 737 |
| | | | | |
| Other receivables | | | | |
| Outside parties | **306** | 2,609 | **–** | 2 |
| Less: allowance for impairment | **(66)** | (19) | **–** | – |
| Net | **240** | 2,590 | **–** | 2 |
| Subsidiaries | **–** | – | **4,146** | 623 |
| Subtotal | **240** | 2,590 | **4,146** | 625 |
| Total trade and other receivables | **7,188** | 7,881 | **6,174** | 1,362 |

| | Group | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| Movements in above allowance for trade receivables: | | |
| Balance at beginning of the period | **1,214** | 1,187 |
| Foreign exchange adjustments | **(78)** | (103) |
| Charge to profit or loss | **498** | 130 |
| Utilised during the period | **(620)** | – |
| Balance at end of the period | **1,014** | 1,214 |
| | | |
| Movements in above allowance for other receivables: | | |
| Balance at beginning of the period | **19** | 19 |
| Foreign exchange adjustments | **(3)** | – |
| Charge to profit or loss | **2,212** | – |
| Utilised during the period | **(2,162)** | – |
| Balance at end of the period | **66** | 19 |

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 12 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.

The credit terms granted to customers are generally between 14 to 90 days (2021: 14 to 90 days).

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

**22 Trade and other receivables (cont'd)**

(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** | |
|---|---|---|---|---|
| | **30.4.2023** | 31.10.2021 | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Current | **6,222** | 3,537 | **–** | – |
| Past due less than 60 days | **552** | 435 | **–** | – |
| Past due 61 to 90 days | **248** | 182 | **(74)** | – |
| Past due 91 to 180 days | **58** | 622 | **(58)** | – |
| Past due over 180 days | **882** | 1,729 | **(882)** | (1,214) |
| | **7,962** | 6,505 | **(1,014)** | (1,214) |

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

| | **Group** | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| Past due over 180 days | **1,014** | 1,214 |

The above estimated credit loss allowance for trade receivables is based on individual accounts at the end of the reporting year.

As at 30 April 2023, the Group write off the trade and other receivable amount to $200,000 and $1,690,00 for the China subsidiaries in Note 3.

There are no collateral held as security an 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 69% (31.10.2021: 31%) of trade receivables are due from three customers as follows:

| | **Group** | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| Top 1 customer | **4,320** | 1,225 |
| Top 2 customers | **4,795** | 1,794 |
| Top 3 customers | **4,979** | 1,992 |

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.

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.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 23 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 | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| Minimum lease payments receivable: | | |
| Not later than one year | **1,938** | 1,932 |
| Between 1 and 2 years | **1,932** | 1,932 |
| Between 2 and 3 years | **1,932** | 1,938 |
| Between 3 and 4 years | **1,335** | 1,932 |
| Between 4 and 5 years | **–** | 1,932 |
| Receivable after 5 years | **–** | 487 |
| Total | **7,137** | 10,153 |
| Unearned finance income | **(1,294)** | (2,427) |
| Net investment in the leases | **5,843** | 7,726 |
| | | |
| Presented in statements of financial position as: | | |
| Non-current | **4,474** | 6,472 |
| Current | **1,369** | 1,254 |
| | **5,843** | 7,726 |

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% (31.10.2021: 10.6%) per annum.

The finance lease income is disclosed in Note 6.

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.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 24 Other non-financial assets

| | Group | | Company | |
|---|---|---|---|---|
| | **30.4.2023** | 31.10.2021 | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Income tax receivables | **224** | 154 | **–** | – |
| Prepayments | **246** | 420 | **39** | 9 |
| Deposits to secure services | **435** | 859 | **165** | 164 |
| Less: Allowance for impairment | **(114)** | (114) | **(114)** | (114) |
| Net | **321** | 745 | **51** | 50 |
| | **791** | 1,319 | **90** | 59 |
| Presented as: | | | | |
| Non-current assets | **–** | 293 | **–** | – |
| Current assets | **791** | 1,026 | **90** | 59 |
| | **791** | 1,319 | **90** | 59 |

| | Group and Company | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| Movements in above allowance: | | |
| Balance at beginning of the year | **114** | – |
| Charge to profit or loss included in other losses | **–** | 114 |
| Balance at end of the year | **114** | 114 |

### 25 Inventories

| | Group | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| Raw materials | **1,525** | 2,319 |
| Work-in-progress | **284** | 405 |
| Finished goods | **755** | 1,275 |
| Consumables | **368** | 505 |
| Goods in transits | **614** | 372 |
| | **3,546** | 4,876 |

Inventories are stated after allowance for obsolescence as follows:

| | | |
|---|---|---|
| Balance at beginning of the year | **240** | 204 |
| Charge to profit or loss included in cost of sales | **208** | 36 |
| Utilisation | **(132)** | – |
| Balance at end of the year | **316** | 240 |

Raw materials, consumables and changes in finished goods and work-in-progress recognised as cost of sales during the reporting year amounted to $21,909,000 (31.10.2021: $18,843,000).

A floating charge amounting to $3,047,000 (31.10.2021: $3,946,000) has been created over certain inventories of the Group as security to secure loans and borrowings (Note 33C).

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 26 Financial assets at fair value through profit or loss

| | Group | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| Unquoted investments | **1,513** | – |

As disclosed in the Note 21, the unquoted investments represent investment in CULCEC which was classified as investment in an associate in previous financial period. In March 2020, the business license of China-UK Low Carbon Enterprise Co., Ltd ("CULCEC") expired and the Group applied to the court in China for the liquidation of CULCEC so that residual assets of this associate CULCEC could be distributed to its shareholders.

As of the date of approval of these consolidated financial statements by the board of directors for issue, the liquidation has not been completed.

### 27 Derivative financial instruments

| | Group | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| Current assets: | | |
| *Derivative financial instruments with positive fair values* | | |
| Forward foreign exchange contracts - cash flow hedges | **16** | 9 |
| | | |
| Current liabilities: | | |
| *Derivative financial instruments with negative fair values* | | |
| Forward foreign exchange contracts - cash flow hedges | **–** | (2) |

The movements during the reporting year are as follows:

| | | |
|---|---|---|
| Balance at beginning of the year | **7** | 138 |
| Foreign exchange adjustments | **–** | (2) |
| Loss recognised in profit or loss | **–** | – |
| (Loss)/gain recognised in other comprehensive income | **9** | (129) |
| Balance at end of the year | **16** | 7 |

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 | |
|---|---|---|---|---|---|
| **Group** | **Reference currency** | **30.4.2023 $'000** | 31.10.2021 $'000 | **30.4.2023 $'000** | 31.10.2021 $'000 |
| Forward currency contracts | AUD/MYR | **3,583** | 2,723 | **16** | 7 |

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.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 28 Cash and cash equivalents

| | Group | | Company | |
|---|---|---|---|---|
| | **30.4.2023** | 31.10.2021 | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Not restricted in use | **779** | 1,772 | **141** | 12 |
| Restricted in use | **129** | 128 | – | – |
| | **908** | 1,900 | **141** | 12 |
| Interest earning balances | **129** | 128 | **141** | – |

Details of restricted cash balances are as follows:

| | Group | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| *Under operating activities:* | | |
| Fixed deposits held by banks as security for performance bonds | **92** | 92 |
| *Under financing activities:* | | |
| Fixed deposits held by banks as security for loans and borrowings | **37** | 36 |
| | **129** | 128 |

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% and 3.84% (31.10.2021: 0.05% and 2.75%) per annum.

#### (a) Cash and cash equivalents in the consolidated statement of cash flows

| | Group | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| Cash and cash equivalents in the statements of financial position | **908** | 1,900 |
| Cash and cash equivalents restricted in use | **(129)** | (128) |
| | **779** | 1,772 |

#### (b) Reconciliation of liabilities arising from financing activity

| | | | Non-cash | | |
|---|---|---|---|---|---|
| | **At beginning of the year** | **Cash flows** | **Transaction cost** | **Interest expense** | **At end of the year** |
| | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| **30.4.2023** | | | | | |
| Loans and borrowings # | **11,545** | **(1,775)** | **136** | **830** | **10,736** |
| Gross lease liabilities | **2,303** | **(1,568)** | **–** | **81** | **816** |
| 31.10.2021 | | | | | |
| Loans and borrowings # | 13,715 | (4,354) | – | 2,184 | 11,545 |
| Gross lease liabilities | 3,501 | (1,714) | – | 516 | 2,303 |

\# Excluded bank overdrafts

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 29 Share capital

| Group and Company | Number of ordinary shares with no par value | | Share capital | |
|---|---|---|---|---|
| | **30.4.2023** | 31.10.2021 | **30.4.2023** | 31.10.2021 |
| | | | **$'000** | $'000 |
| Balance at beginning of the year | **948,846** | 957,483 | **47,890** | 48,170 |
| Treasury shares purchased | – | (8,637) | – | (280) |
| Balance at end of the year | **948,846** | 948,846 | **47,890** | 47,890 |

*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 apart from the listing requirement highlighted in the note below.

*Treasury shares*

| | Number of treasury shares | | Fair value | |
|---|---|---|---|---|
| | **30.4.2023** | 31.10.2021 | **30.4.2023** | 31.10.2021 |
| | | | **$'000** | $'000 |
| Balance at beginning of the year | **(8,637)** | (2,667) | **(280)** | (80) |
| Treasury shares purchased | – | (5,970) | – | (200) |
| Balance at end of the year | **(8,637)** | (8,637) | **(280)** | (280) |

The Company has not acquired any shares through purchases in the Singapore Exchange during the financial period ended 30 April 2023, and in prior year, 5,970,000 of treasury shares were acquired on 31 October 2021 with a consideration of $200,000.

*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.

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.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 29 Share capital (cont'd)

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

| | Group | | Company | |
|---|---|---|---|---|
| | **30.4.2023** | 31.10.2021 | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 | **$'000** | $'000 |
| Loans and borrowings (Note 33) | **10,736** | 11,545 | **–** | – |
| Lease liabilities (Note 34) | **816** | 2,303 | **9** | 186 |
| Less: Cash and cash equivalents (Note 28) | **(908)** | (1,900) | **(141)** | (12) |
| Net debt | **10,644** | 11,948 | **(132)** | 174 |
| Adjusted capital: | | | | |
| Total equity | **16,756** | 31,703 | **14,043** | 20,384 |
| Less: Amount accumulated in equity in relation to cash flow hedge | **15** | 7 | – | – |
| Adjusted capital | **16,741** | 31,696 | **14,043** | 20.384 |
| Debt-to-adjusted capital ratio | **63.60%** | 37.7% | **-0.9%** | 0.8% |

The unfavourable change as shown by the increase in the debt-to-adjusted capital ratio for the reporting year resulted primarily from the unfavourable change with increased in accumulated losses and lower cash and cash equivalents balance.

### 30 Foreign currency translation reserve

| | Group | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| At beginning of the period | **(5,025)** | (5,018) |
| Exchange differences on translating foreign operations | **(827)** | (7) |
| At end of the year | **(5,852)** | (5,025) |

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.

### 31 Other reserves

| | Group | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| Hedging reserve (Note 31(a)) | **15** | 7 |
| Other reserve (Note 31(b)) | **2,213** | 2,213 |
| Defined benefit plan (Note 31(c)) | **(46)** | – |
| | **2,182** | 2,220 |

Other reserves are not available for cash dividends unless realised.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

**31 Other reserves (cont'd)**

**(a) 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.

**(b) Other reserve**

| | Group | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| At beginning of the year | **2,213** | 2,270 |
| Acquisition of interest in a subsidiary from non-controlling interest without a change in control | **–** | (24) |
| Foreign exchange adjustments | **–** | (33) |
| At end of the year | **2,213** | 2,213 |

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.

**(c) Defined benefit plan**

Defined benefit plan relates to changes in the actuarial assumptions or the actual performance in the defined pension plan, resulting in gains or losses from the expected and actual returns on plan assets and changes in actuarial assumptions.

**32 Provisions**

| | Group | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| Provision for retirement benefit obligations (Note 32(a)) | **386** | 411 |
| Provision for reinstatement cost (Note 32(b)) | **710** | 710 |
| | **1,096** | 1,121 |

**(a) 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.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 32 Provisions

#### (a) 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 | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| At beginning of the year | **411** | 790 |
| Foreign exchange adjustments | **(31)** | (13) |
| Current service cost | **30** | 23 |
| Interest expense on retirement benefit obligations | **22** | 54 |
| Defined benefit plan actuarial gains | **(46)** | (79) |
| Reclassified to other payables | **–** | (232) |
| Disposal of subsidiary | **–** | (126) |
| Retirement benefit obligations paid | **–** | (6) |
| At end of the year | **386** | 411 |

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

| | Group | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| 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.

#### (b) Provision for reinstatement cost

| | Group | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| Balance at beginning of the year | **710** | 350 |
| Addition | **–** | 360 |
| Balance at end of the year | **710** | 710 |

The provision is based on estimated costs to be incurred to reinstate leasehold properties and an investment property to their original condition at the end of the lease. The estimate is based on a quotation from an external contractor.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 33 Loans and borrowings

| | Group | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| Non-current liabilities | | |
| *Loans and borrowings with floating interest rate* | | |
| Bank loan B (Note 33B) | **1,216** | 1,392 |
| Bank loan D | **2,232** | 2,992 |
| Total non-current portion | **3,448** | 4,384 |
| Current liabilities | | |
| *Loans and borrowings with floating interest rate* | | |
| Bank loan A (Note 33A) | **574** | 674 |
| Bank loan B (Note 33B) | **117** | 116 |
| Bank loan C (Note 33C) | **1,652** | 2,141 |
| Bank loan D (Note 33D) | **1,115** | 385 |
| Bank loan E (Note 33E) | **2,982** | – |
| Bankers' acceptances A (Note 33D) | **299** | 442 |
| Bankers' acceptances B (Note 33E) | – | 2,394 |
| Bankers' acceptances C (Note 33C) | – | 229 |
| Revolving credit | **549** | 780 |
| Total current portion | **7,288** | 7,161 |
| Total non-current and current loans and borrowings | **10,736** | 11,545 |

The non-current portion is repayable as follows:

| | | |
|---|---|---|
| Due within 2 to 5 years | **3,488** | 1,506 |
| Due after 5 years | – | 2,878 |
| Total non-current portion | **3,488** | 4,384 |

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

The range of interest rates per annum paid were as follows:

| | Group | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | % | % |
| Fixed rate interest: | | |
| Bank loans | **–** | 3% |
| Floating interest rates: | | |
| Bank loans | **6.81% to 10.15%** | 3.87% to 5.56% |
| Bankers' acceptances | **6.81%** | 3.01% to 4.03% |
| Bank overdrafts | **–** | 6.40% to 6.65% |

**(a) Bank loan A**

Bank loan A bears floating interest rates. The loan is secured by a charge over two office units classified under investment properties (Note 17) and guaranteed by the Company. It is repayable in monthly instalments over 10 years commencing from February 2020.

The Group did not comply with one of the covenants in the loan facility agreement that requires the total loan not to exceed 50% of the fair market value of the properties held as security.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 33 Loans and borrowings (cont'd)

#### (b) Bank loans B

Bank loan B bears floating interest rates. The loan is secured by a charge over three office units classified under property, plant and equipment (Note 15B) and guaranteed by the Company and a related company. It is repayable in monthly instalments over 15 years commencing from January 2018.

#### (c) Bank loans C and bankers' acceptances C

*Borrowings from Al Rajhi Banking & Investment Corporation (Malaysia) Bhd*

On 7 March 2022, the Group received a letter of demand from Al Rajhi Banking & Investment Corporation (Malaysia) Bhd ("Al Rajhi") for the repayment of outstanding amounts of RM407,841 under its Structured Commodity Financing i-2 facility (the "Al Rajhi Outstanding Amount") within three (3) days from the date of the letter of demand.

In the event that the Al Rajhi Outstanding Amount is not settled within three (3) days, Al Rajhi will foreclose and dispose two units of detached light industrial warehouse owned by the Group, which is located in Kota Kinabalu, Sabah, Malaysia.

On 18 March 2022, the Group received two (2) letters from the solicitors representing Al Rajhi (the "Letters") for the full repayment of the amounts of RM78,881 (approximately $25,000) and RM407,841 (approximately $132,000) respectively (collectively, the "Overdue Amounts") within fourteen (14) days from the date of the Letters (the "Repayment Due Date"). In the event that the Overdue Amounts are not paid by the Repayment Due Date, Al Rajhi shall proceed to commence legal action against the subsidiaries to recover the total amount due to Al Rajhi in which event all legal costs and expenses shall be borne by the subsidiaries.

There was a breach of loan agreement terms at the end of last reporting year. The required gearing ratio of 1.5 and debt service coverage ratio of 1.35 for the credit facilities under Al Rajhi are not maintained.

In addition, the Group did not comply with one of the specific conditions in the loan facility agreements that requires two executive directors of the Company to maintain their executive position in the subsidiaries throughout the tenures of the facilities as one of the executive directors has resigned.

On 20 June 2022, the Group received a supplemental letter of offer from Al Rajhi in regards to the revision of terms and condition as per the first Letter of Offer. The revisions were made on the maturity date from up to 150 days to 90 days and the interest rate capped at 10% per annum was revised to Bank's ECOF plus 3.00% per annum. On 13 December 2022, the limit of the offered facilities have been revised from RM5,000,000 to RM3,165,000 and Al Rajhi agreed to renew the facilities for another 12 months, which expire on 6 December 2023.

#### (d) Bank loans D and bankers' acceptances A

*Borrowings from Affin Bank Berhad*

On 5 February 2022, the Group received a reminder letter for overdue payment from Affin Bank Berhad which requested the subsidiary to repay an overdue amount of RM155,708 (approximately $50,000) within seven (7) days from date of the letter. The bank has also reminded the Group to ensure there are sufficient amount for settlement of bills upon their respective maturity date in the next few months.

On 1 June 2022, the Group received a letter of offer from Affin Bank Berhad in regards of the restructuring the existing outstanding and matured tradebills as at 31 October 2022 totalling RM2,725,386 into a new term loan with tenure of 72 months to be repaid via step-up repayment. The loan bears a floating interest rate.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 33 Loans and borrowings (cont'd)

#### (e) Bank loans E and bankers' acceptances B

*Borrowings from Malayan Banking Berhad*

On 7 March 2022, the Group received a letter of demand (the "First MBB Letter") from Malayan Banking Berhad ("MBB") for the repayment of an amount of RM883,572 (the "MBB Overdue Amount") within seven (7) days from the receipt of the First MBB Letter.

On 9 March 2022, the Group received a letter of demand (the "Second MBB Letter") from MBB for the repayment of an amount of RM1,242,813 (the "MBB Amount") within seven (7) days from the receipt of the Second MBB Letter, which also highlighted other amounts (in aggregate of approximately RM8.6 million) that would mature and/or are due and payable in the months of March to May 2022 and the Group is to ensure that these amounts are settled on the maturity/due date. As of the date of these financial statements, the Group has not made repayment of these amounts.

On 3 November 2022, the Group received a restructuring letter from Malayan Banking Berhad to convert all outstanding of existing bankers' acceptance into new term loans of RM8,664,398 with tenure of 38 months and RM2,579,099 with tenure of 18 months. The loan bears a floating intrest rate.

These borrowings are secured by a charge over the Group's leasehold land, leasehold properties and improvements, plant and equipment and pledges of inventories and fixed deposits as disclosed in Notes 15(b), 16, 17 and 24.

Breached of bank covernant

The Group discovered that it had technically breached some specific bank loan covenants under Bank loans A, C, D and E at 30 April 2023 and therefore, in accordance with the accounting requirements, the corresponding loan facility has been classified as current in the financial statements as of 30 April 2023.

The Group breached the requirements of Bank loans D and E to maintain minimum tangible worth of RM30 million and RM20 million respectively. The Group breached the requirements of Bank loans C to meet minimum debt service coverage ratio of 1.35 times.

Included in Bank loan D, one of the bank facilities does not impose any loan covenant, the non-current portion of the loan of RM7,461,445 (approximately $2,232,000) is still classified as non-current.

### 34 Lease liabilities

| | Group | | Company | |
|---|---|---|---|---|
| | **30.4.2023 $'000** | 31.10.2021 $'000 | **30.4.2023 $'000** | 31.10.2021 $'000 |
| Current | **475** | 915 | **9** | 48 |
| Non-current | **341** | 1,388 | **–** | 138 |
| | **816** | 2,303 | **9** | 186 |

A summary of the maturity analysis of lease liabilities is disclosed in Note 38(b). Total cash outflows from leases are shown in the consolidated statement of cash flows. The related right-of-use-assets are disclosed in Note 16.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

**34 Lease liabilities (cont'd)**

The range of interest rates per annum paid were as follows:

| | Group | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **%** | % |
| Finance lease liabilities | **2.28% to 6.50%** | 2.28% to 4.15% |

Total cash outflows for leases for the year ended 30 April 2023 are shown in the statement of cash flows.

There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

Apart from the disclosures made in other notes to the financial statements, amounts relating to leases include the following:

| | Group | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| Expense relating to short-term leases and leases of low-value assets included in administrative expenses | **12** | 74 |
| Total commitments on short-term leases at year end date | **–** | 12 |

**35 Trade and other payables**

| | Group | | Company | |
|---|---|---|---|---|
| | **30.4.2023** | 31.10.2021 | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 | **$'000** | $'000 |
| <u>Trade payables</u> | | | | |
| Outside parties and accrued liabilities | **5,578** | 5,348 | **1,058** | 1,162 |
| Subsidiaries | – | – | **2,143** | 1,022 |
| Subtotal | **5,578** | 5,348 | **3,201** | 2,184 |
| <u>Other payables</u> | | | | |
| Outside parties | **1,262** | 3,235 | **3** | 3 |
| Director | **621** | – | **650** | – |
| Subsidiaries | **–** | – | **9,962** | 5,474 |
| Subtotal | **1,883** | 3,235 | **10,615** | 5,477 |
| Total trade and other payables | **7,461** | 8,583 | **13,816** | 7,661 |

Other payables to subsidiaries and jointly-controlled entity are unsecured, interest free and repayable on demand.

Amount payable to a director represents loan from the director during the year, and its unsecured, interest rate at 6.3% and repayable on demand.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 35 Trade and other payables (cont'd)

In the prior financial year, included in accrued liabilities are accrued property and land use taxes of Changyi Enersave Biomass to Energy Co., Ltd. ("CEBEC"), a wholly-owned subsidiary of the Group, amounting to $690,000. Under the regulations in the People's Republic of China ("PRC"), CEBEC is obliged to pay property and land use taxes on properties that it owns. The local regulations also provide that CEBEC can apply to the local tax authority for waiver of these taxes if certain conditions are met. Management has previously been submitting applications to local tax authority for waiver to pay land use rights tax and property tax in prior years in accordance with local regulations. Management has taken the view that the local tax authority would grant the waiver for payment of these taxes as they believe CEBEC met the conditions for the waiver and there was neither a response from nor enforcement by the local tax authority previously. Additionally, during the financial period, CEBEC received a tax reminder letter dated 23 July 2021 from the local tax authority demanding payments of taxes in arrears. In prior year, CEBEC paid a total sum of RMB2,611,864 (approximately $544,000) for these taxes in July, August and September 2021, and has submitted new applications to the local tax authority for waiver of these taxes subsequently. The Group recorded the total estimated tax payable as at 31 October 2021 in these financial statements by recognising an additional accrual of $732,000 which is charged to the statement of profit or loss under administrative expenses (see Note 7A).

Included in other payables to outside parties is a long outstanding payable of CEBEC amounting to RMB3,560,000 (approximately $729,000), which arose in 2013 (see Note 3).

All the liabilities from CEBEC are classified as disposal group assets classified as held for sale in Note 11.

### 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 | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| Commitments to purchase of property, plant and equipment | **–** | 101 |

### 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 | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 |
| Not later than 1 year | **112** | 129 |
| Later than 1 year and not later than 5 years | **75** | 18 |
| | **187** | 147 |

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 38 Financial instruments

**Financial risk management**

***Credit risk on financial assets***

For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standards 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.

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 28 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.

***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):

| Group | Less than 1 year $'000 | Due within 2 to 5 years $'000 | Due after 5 years $'000 | Total $'000 |
|---|---|---|---|---|
| **30.4.2023** | | | | |
| Loans and borrowings | **4,712** | **3,006** | **3,980** | **11,698** |
| Lease liabilities | **524** | **284** | **–** | **808** |
| Trade and other payables | **7,461** | **–** | **–** | **7,461** |
| | **12,697** | **3,290** | **3,980** | **19,967** |
| 31.10.2021 | | | | |
| Loans and borrowings | 7,571 | 1,426 | 2,951 | 11,948 |
| Lease liabilities | 1,027 | 1,475 | 5 | 2,507 |
| Trade and other payables | 8,583 | – | – | 8,583 |
| | 17,181 | 2,901 | 2,951 | 23,038 |

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 38 Financial instruments (cont'd)

**Financial risk management (cont'd)**

***Liquidity risk - financial liabilities maturity analysis (cont'd)***

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows) (cont'd):

| Company | Less than 1 year $'000 | Due within 2 to 5 years $'000 | Due after 5 years $'000 | Total $'000 |
|---|---|---|---|---|
| **30.4.2023** | | | | |
| Lease liabilities | **13** | **–** | **–** | **13** |
| Trade and other payables | **13,816** | **–** | **–** | **13,816** |
| | **13,829** | **–** | **–** | **13,829** |
| 31.10.2021 | | | | |
| Lease liabilities | 57 | 146 | 5 | 208 |
| Trade and other payables | 7,661 | – | – | 7,661 |
| | 7,718 | 146 | 5 | 7,869 |

The following table analyses the derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows) at the end of the reporting year:

| Group | Less than 1 year $'000 | Due within 2 to 5 years $'000 | More than 5 years $'000 | Total $'000 |
|---|---|---|---|---|
| **30.4.2023** | | | | |
| Financial guarantee contracts | **–** | **–** | **–** | **–** |
| 31.10.2021 | | | | |
| Financial guarantee contracts | 2 | – | – | 2 |

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 period.

The average credit period taken to settle trade payables is approximately 99 (2021: 99) days. The other payables are with short-term durations.

See Notes 1 for material uncertainties over going concern and demand letters received from financial institutions after the end of the reporting year respectively.

***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.

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:

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 38 Financial instruments (cont'd)

**Financial risk management (cont'd)**

***Interest rate risk (cont'd)***

| | Group | | Company | |
|---|---|---|---|---|
| | **30.4.2023** | 31.10.2021 | **30.4.2023** | 31.10.2021 |
| | **$'000** | $'000 | **$'000** | $'000 |
| *Financial assets* | | | | |
| Fixed rates | **5,972** | 7,854 | **–** | – |
| *Financial liabilities* | | | | |
| Floating rates | **10,736** | 11,545 | **–** | – |
| Fixed rates | **816** | 2,303 | **9** | 186 |
| | **11,552** | 13,848 | **9** | 186 |

| *Sensitivity analysis* | Group | |
|---|---|---|
| | **30.4.2023** | 31.10.2021 |
| | **$'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 | **107** | 115 |

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).

***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 $'000** | **Chinese Renminbi $'000** | **United States Dollar $'000** | **Euro $'000** | **Total $'000** |
|---|---|---|---|---|---|
| **30.4.2023** | | | | | |
| *Financial assets* | | | | | |
| Cash and cash equivalents | **2** | **–** | **25** | **–** | **27** |
| Trade and other receivables | **5,565** | **1** | **639** | **138** | **6,343** |
| Total financial assets | **5,566** | **1** | **664** | **138** | **6,369** |
| *Financial liabilities* | | | | | |
| Trade and other payables | **(465)** | **(5)** | **(1,843)** | **–** | **(2,312)** |
| Net financial assets | **5,101** | **(3)** | **(1,179)** | **138** | **4,057** |

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 38 Financial instruments (cont'd)

**Financial risk management (cont'd)**

***Foreign currency risk (cont'd)***

| Group | Australian Dollar $'000 | Chinese Renminbi $'000 | United States Dollar $'000 | Euro $'000 | Total $'000 |
|---|---|---|---|---|---|
| 31.10.2021 | | | | | |
| *Financial assets* | | | | | |
| Cash and cash equivalents | 2 | – | 1 | – | 3 |
| Trade and other receivables | 1,759 | 1 | 1,304 | 147 | 3,211 |
| Total financial assets | 1,761 | 1 | 1,305 | 147 | 3,214 |
| *Financial liabilities* | | | | | |
| Trade and other payables | – | (6) | (426) | (1) | (433) |
| Net financial assets | 1,761 | (5) | 879 | 146 | 2,781 |

| **Company** | **Malaysia Ringgit** | |
|---|---|---|
| | **30.4.2023 $'000** | 31.10.2021 $'000 |
| *Financial assets* | | |
| Trade and other receivables | **9** | 136 |

*Sensitivity analysis:*

A hypothetical 10% (31.10.2021: 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% (31.10.2021: 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** | | **Company** | |
|---|---|---|---|---|
| | **30.4.2023 $'000** | 31.10.2021 $'000 | **30.4.2023 $'000** | 31.10.2021 $'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 | **510** | 176 | **–** | – |
| 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 | **(104)** | 102 | **–** | 14 |

The hypothetical sensitivity rate used in the above table is the reasonably possible change in foreign exchange rates.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 39 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.

### 40 Legal case

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 15B.

On 23 December 2017, the decisions of the arbitral tribunal (the "2017 arbitration award") were as follows:

(i) Hua Dian is to abide by the 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 (approximately $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 (approximately $3,860,000) is awarded to CEBEC for failure to perform the EPC contract, which shall be set-off against the Remainder Amount.

On 26 July 2018, CEBEC applied to the Beijing Court to enforce the 2017 arbitration award as Hua Dian failed to deliver a plant in accordance to the technical specifications within 6 months from 23 December 2017. On 24 May 2019, the Beijing Court rejected CEBEC's application due to unclear enforcement criteria, especially the different understanding about delivering a up to standard biomass power plant. Subsequently, management appealed to Beijing High Court. On 24 December 2019, the Beijing High Court rejected the appeal for the same reason as Beijing Court.

During the reporting year 2020, CEBEC commenced a second arbitration proceeding against Hua Dian in Weifang Arbitration Commission in Shandong, People's Republic of China. CEBEC sought for the dispute to be resolved at the Weifang Arbitration Commission despite obtaining an earlier arbitration award due to Hua Dian's insistence for payments of the remaining contract sum before carrying out any rectification work at the plant and the lack of specific definition in the EPC contract of a up to standard biomass power plant. The claims were as follows:

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

(b) Hua Dian was 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;

(c) Hua Dian was 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;

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

(e) Hua Dian was required to bear the cost of arbitration.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 40 Legal case (cont'd)

On 3 March 2021, Weifang Arbitration Commission rejected the second arbitration application by CEBEC and rejected Hua Dian's counterclaim to dismiss the arbitration.

In a legal opinion dated 9 February 2022 obtained by management, the Group's external legal counsel in the PRC stated that the Weifang Arbitration Commission's adjudication does not affect the validity of the 2017 arbitral award disclosed above.

No further legal actions were taken since 3 March 2021.

### 41 Notice of Compliance and Extraordinary General Meeting

*Suspension of trading and receipt of Notice of Compliance ("NOC")*

On 18 June 2021, the trading of the Company's shares was suspended from trading on SGX.

On 25 June 2021, the Company received a Notice of Compliance from Singapore Exchange Regulation Pte Ltd ("SGX Regco"). On 28 June 2021, the Company received SGX Regco's directives in relation to the Notice of Compliance.

*Extraordinary general meeting*

On 19 May 2021, the Company received a Requisition Notice from three (3) of the shareholders to convene an extraordinary general meeting ("EGM") for the purposes of considering and voting on the following resolutions:

- That Cao Shixuan be removed from his office as a Director of the Company with effect from the date of the EGM;
- That Damien Seah Yang Hwee be appointed as a Director of the Company with effect from the date of the EGM;
- That Yeo Lai Hock, Nichol be appointed as a Director of the Company with effect from the date of the EGM;
- That Tan Siok Sing Calvin be appointed as a Director of the Company with effect from the date of the EGM;
- That any directors of the Company who may be appointed between the date of this Notice and the date of the EGM be removed; and
- To transact any other business.

On 10 August 2021, the Company had been served with (i) a writ of summons ("Writ of Summons") as the 4th Defendant, and (ii) an application for immediate interim injunctions dated 10 August 2021 filed by solicitors for Mr Cao Shixuan (Deputy Chief Executive Officer and Executive Director) ("Plaintiff") in the High Court of Singapore. The other defendants are Mr Lee Thiam Seng (Executive Chairman and Chief Executive Officer) ("1st Defendant") and the remaining Requisitionists, being Mr Tan Jin Beng Winston ("2nd Defendant") and Mr Tan Swee Boon ("3rd Defendant") (collectively, the "1st to 3rd Defendants"). The Plaintiff's lawyers have stated that the Company is a nominee defendant and the Plaintiff is not seeking any remedies against the Company.

The application for the interim injunctions, in response to the requisitioning of the first EGM that the Company received on 19 May 2021, was heard on 12 August 2021 by the High Court of Singapore. After hearing lawyers for the parties, the High Court granted an interim injunction in favour of the Plaintiff ("Injunction Order"), prohibiting the 1st to 3rd Defendants from convening the EGM on 13 August 2021. On 24 February 2022, the Company received a notice of discontinuance of the Writ of Summons ("Notice of Discontinuance") from the lawyers acting for Mr Cao Shixuan ("Mr Cao") to inform that Mr Cao has wholly discontinued any action against all four Defendants, including the Company and Mr Lee Thiam Seng, pursuant to the Writ of Summons. The Notice of Discontinuance was filed with the Court on 23 February 2022.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 41 Notice of Compliance and Extraordinary General Meeting (cont'd)

*Extraordinary general meeting (cont'd)*

On 22 October 2021, the Company received a letter (the "Special Notice") from Lee Thiam Seng (Chief Executive Officer and Executive Director), Tan Swee Boon, Tan Jin Beng Winston, Cheong Hwei Keng, Ang Boon Meng, Poh Yuan Rui, Mok Tang Heng, Zhang Fan, Liu Bin, Heng Choon Cher, Teo Boon Ling, Yang Shuqin, Tan Kok Huat and Tan Chee Chew (collectively, the "Relevant Shareholders"), constituting a special notice under Section 152(2)1 read with Section 185 of the Companies Act 1967 ("Companies Act") of the intention of the Relevant Shareholders to convene an extraordinary general meeting of the Company ("EGM") pursuant to Section 177 of the Companies Act. A notice of the EGM dated 22 October 2021 was issued by the Relevant Shareholders, to convene an EGM pursuant to Section 177 of the Companies Act ("Notice of EGM"). The EGM was to be held by way of electronic means at 2 pm on 26 November 2021, for the purposes of considering the resolutions set out in the Notice of EGM.

On 12 November 2021, Mr Cao had applied for injunction filed by the solicitors for Mr Cao in the High Court of Singapore, against the convening of the EGM by Mr Lee Thiam Seng, Mr Tan Jin Beng Winston and Mr Tan Swee Boon.

On 26 November 2021, the Company has been informed by Mr Lee Thiam Seng, for and on behalf of the Relevant Shareholders, that the Relevant Shareholders have voluntarily postponed the EGM. The Relevant Shareholders will inform the Company of the new date and time of the EGM. Accordingly, the Relevant Shareholders did not convene the EGM on 26 November 2021.

On 16 March 2022, the Company received an email (the "Special Notice 2") from Tan Swee Boon, Tan Jin Beng Winston, Liu Bin, Poh Yuan Rui, Heng Choon Cher, Teo Boon Ling, Yang Shuqin and Tan Kok Huat (collectively, the "Relevant Shareholders of Special Notice 2"), constituting a special notice under Section 152(2)1 read with Section 185 of the Companies Act 1967 ("Companies Act") of the intention of the Relevant Shareholders of Special Notice 2 to convene an extraordinary general meeting of the Company ("EGM 2022") pursuant to Section 177 of the Companies Act. A notice of the EGM 2022 dated 15 March 2022 was issued by the Relevant Shareholders of Special Notice 2, to convene an EGM 2022 pursuant to Section 177 of the Companies Act ("Notice of EGM 14 April 2022"). The EGM 2022 was to be held by way of electronic means at 2.30 pm on 14 April 2022, for the purposes of considering the resolutions set out in the Notice of EGM 14 April 2022.

On 13 April 2022, Mr Cao Shixuan and Mr Er Kwong Wah, Executive Director and Lead Independent Director, resigned as directors of the Company.

On 14 April 2022, the Company received the scrutineers' report on the results of the EGM 2022 from the Relevant Shareholders of Special Notice 2. The scrutineers' report showed that resolutions set out in the Notice of EGM 14 April 2022 were approved by majority shareholders who voted at EGM 2022. Following the conclusion of EGM 2022, Dr Danny Oh Beng Teck, Mr Gan Fong Jek and Mr Tan Poh Chye Allan were appointed as Non-Executive Independent Directors of the Company with effect from 14 April 2022.

*Extension of internal audit scope under NOC*

On 11 May 2022, the audit of the interim financial statements of the Group for the six-month period ended 30 April 2021 as required under the NOC disclosed in Note 39 was completed.

On 11 May 2022, SGX RegCo directed the internal auditor, who is commissioned by the Company under the NOC disclosed in Note 39, to expand the scope of the internal audit to include, *inter alia*, the following: (a) the service agreements entered by Chongqing ecoWise Investment Management Co., Ltd.; (b) disclosures of related party relationships, transactions and balances; (c) the unconsolidated entities; (d) recoverability of assets in a jointly controlled entity; and (e) potential breaches of the Listing Manual Section B: Rules of Catalist. The audit is still on going as at the date of the report.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 42 Changes and adoption of financial reporting standards

For the current reporting period new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the Group are listed below.

| SFRS (I) No. | Title |
|---|---|
| SFRS (I) 3 | Definition of a Business - Amendments |
| SFRS (I) 1-1 and 1-8 | Definition of Material - Amendments to |
| SFRS (I) PS 2 | SFRS(I) Practice Statement 2 Making Materiality Judgements |
| SFRS (I) 1-39; 7 and 9 | Interest Rate Benchmark Reform - Amendments to<br>The Conceptual Framework for Financial Reporting |
| SFRS (I) 16 | Covid-19 Related Rent Concessions - Amendment to (effective from 30 June 2020) |

Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

### 43 Basis for disclaimer of opinion on the financial statement for the financial year ended 31 October 2021

The independent auditor's report dated 14 May 2022 contained a disclaimer of opinion on the financial statements for the financial year ended 31 October 2021. The extract of the basis for disclaimer of opinion, which should be read in conjunction with the Group's 2021 Annual Report as all figures and references are in respect of the financial statements for the financial year ended 30 October 2022, is as follows:

**Basis for Disclaimer of Opinion**

The matters described in the basis for disclaimer of opinion section in our 1HFY2021 Auditor's Report were:

1. Service agreements entered by Chongqing ecoWise Investment Management Co., Ltd.
2. Disclosures of related party relationships, transactions and balances
3. Unconsolidated entities
4. Bank confirmation reply not received
5. Recoverability of assets in a jointly-controlled entity
6. Accounting of long outstanding payable
7. Documents required for review of subsequent events
8. Internal audit under NOC
9. Going concern

Other than Item 5, our opinion on the above matters in relation to the audit of the accompanying financial statements of the Group and of the Company for the reporting year ended 31 October 2021 remained unchanged as there were no facts and circumstances that provide new audit evidence. Please refer to A, B, C, D, E, F, G and J in the Basis of Disclaimer of Opinion section of our report below.

In respect of Item 5 – recoverability of assets in a jointly-controlled entity, the Group acquired the remaining 35% equity interest in the jointly-controlled entity in the second half of the reporting year ended 31 October 2021 (see Notes 18B and 19). After the acquisition, the joint-controlled entity became a wholly-owned subsidiary in the Group. As at 31 October 2021, the carrying amounts of inventories and trade receivables of the subsidiary were approximately $88,000 and $200,000 respectively. The carrying amount of inventories is not material and the carrying amount of trade receivables is included in H below.

A. Service agreements entered by Chongqing ecoWise Investment Management Co., Ltd. Chongqing ecoWise Investment Management Co., Ltd. ("CQEIM") is a Company registered in the People's Republic of China ("PRC") and a wholly-owned subsidiary of the Group.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 43 Basis for disclaimer of opinion on the financial statement for the financial year end

**Basis for Disclaimer of Opinion (cont'd)**

A. Service agreements entered by Chongqing ecoWise Investment Management Co., Ltd. (cont'd)

CQEIM entered into two service agreements with Hong Kong ChenBang Investments Ltd ("HKCB"), a Company incorporated in Hong Kong, on 24 November 2020 and 24 December 2020 (the "service agreements"). Based on searches of publicly available information, HKCB's sole shareholder and director is Mr Chen Chen-Chen ("Mr Chen").

Under the service agreements, CQEIM appointed HKCB to manage and sell an office unit and a factory building for a minimum sum of RMB3,477,650 (approximately $713,000) and RMB4,620,660 (approximately $947,000) within 18 months and 12 months respectively (the "CQEIM Transactions"). HKCB is also obligated to pay CQEIM the respective minimum sums in the event no buyer(s) can be found within the agreed periods.

Management provided us a scanned copy of the title certificates dated 27 November 2020 and 6 January 2021 for the office unit and factory building respectively to substantiate the transfer of the ownerships of the two properties. The names of the owners on these certificates provided to us were concealed. Management clarified that they were advised by HKCB that the buyers of the properties requested privacy and not to disclose their full names to others. As the name(s) of new owner(s) on the title certificates were concealed, we are unable to determine whether the titles of the properties have been transferred and if transferred, whether the new owner(s) is an independent third party or otherwise.

The service agreement for the office unit also provided for CQEIM to pay a monthly rental of RMB25,000 (approximately $5,100) to HKCB for the period from 24 November 2020 to 23 May 2023 amounting to a total rental of RMB750,000 (approximately $154,000). Management informed us that CQEIM did not enter into a lease agreement with the new owner(s). In addition, HKCB is obligated under the service agreement for the factory building to ensure that the buyer of the factory building allows CQEIM to lease the factory building for one year. We were provided with a copy of the lease agreement dated 6 January 2021 and this lease agreement was entered between CQEIM and HKCB. The lease agreement for the factory building provided for CQEIM to pay a monthly rental of RMB35,000 (approximately $7,000) to HKCB for the period from 6 January 2021 until CQEIM relocated the equipment and machineries in the factory building. The total rental of the factory building from 6 January 2021 to 30 April 2021 was RMB105,000 (approximately $21,000). The leases for both the office unit and the factory building appear to be with HKCB and not the new owner(s), whose identities have not been disclosed to us as mentioned in the preceding paragraph.

Management advised that the minimum sums for the sale of the office unit and factory building stated in the two service agreements amounting to RMB3,477,650 (approximately $713,000) and RMB4,620,660 (approximately $947,000) were determined based on the valuation reports prepared by third-party valuers.

We were previously provided with valuation reports dated 7 January 2021 for the office unit and factory building in connection with our audit of the financial statements of the Group for the reporting year ended 31 October 2020 ("Valuation Reports A"). Based on Valuation Reports A, the estimated market values of the office unit and factory building as at 4 January 2021 were approximately RMB3.97 million (approximately $814,000) and RMB5.04 million (approximately $1,033,000) respectively.

We were also provided with another set of valuation reports for the office unit and factory building in connection with the audit of the interim financial statements of the Group for the six months ended 30 April 2021 ("Valuation Reports B"). The dates of Valuation Reports B for the office unit and factory building are 4 January 2021 and 27 January 2021 respectively. Based on Valuation Reports B, the estimated market values of the office unit and factory building were approximately RMB3.48 million (approximately $713,000) as at 20 November 2020 and RMB4.62 million (approximately $947,000) as at 27 January 2021 respectively.

CQEIM was stated in all four valuation reports as the owner of the two properties.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 43 Basis for disclaimer of opinion on the financial statement for the financial year end

**Basis for Disclaimer of Opinion (cont'd)**

A. Service agreements entered by Chongqing ecoWise Investment Management Co., Ltd. (cont'd)

We are not able to conclude how management had determined the minimum sums as (i) the valuation reports were dated after the date of the service agreements which specified the minimum sums; and (ii) there is no available documentation, for example, board minutes/resolution of the rationale for using the minimum sums based on the lower valuation of the properties per Valuation Reports B compared to the higher valuation per Valuation Reports A.

CQEIM collected the proceeds from the disposal of the two properties, net of rental expense and service fees, amounting to RMB6,808,310 (approximately $1.40 million) between 31 December 2020 and 22 November 2021. On 27 November 2020, which is the date of the title certificate of the office unit substantiating the transfer of ownership mentioned above, CQEIM had yet to receive any proceeds from the disposal of the property. On 6 January 2021, which is the date of the title of the factory building substantiating the transfer of ownership mentioned above, CQEIM received approximately RMB2,000,000 (approximately $410,000) of the total net proceeds. It would appear that ownership of the two properties was transferred without CQEIM receiving the full net proceeds arising from the disposal of the properties concerned.

Based on documents and information provided to us, the net proceeds were received from four individuals and a Company (collectively, the "5 Payers"). Based on searches of publicly available information, this Company was registered in the PRC on 12 November 2021 and it is an indirect subsidiary of HKCB. Management provided us authorisation letters from HKCB dated between 24 November 2020 and 16 November 2021 and supplementary agreements entered between CQEIM and HKCB dated 10 February 2022 to support management's explanation that the 5 Payers had made payments on behalf of HKCB. However, we are unable to determine whether the 5 Payers had indeed made payments on behalf of HKCB or the new owner(s) of the properties as the authorisation letters or supplementary agreements did not include any acknowledgement by the 5 Payers concerned.

The CQEIM Transactions have been accounted by the Group as disposals of property, plant and equipment based on sale prices of RMB3,477,650 (approximately $713,000) and RMB4,620,660 (approximately $947,000) for the office unit and factory building respectively. A gain on disposal of the office unit amounting to RMB220,000 (approximately $45,000) and a loss on disposal of the factory building of RMB91,000 (approximately $19,000) have been recorded in the consolidated statement of profit or loss.

We were not provided with the following documents:

(a) a Company directors' minutes or resolution in writing to approve CQEIM entering into the two service agreements with HKCB and the rationale for the determination of minimum sums for the disposal of the properties as set out in the service agreements concerned;

(b) the sale and purchase agreements entered between the buyer(s) and CQEIM that would have included the selling prices of the office unit and factory building, so as to ensure that the properties were sold at or lower than the minimum sums mentioned in the service agreements, and not at higher selling prices which CQEIM could have been entitled to; and

(c) title transfer receipts issued by the local land bureau relating to the CQEIM Transactions, which are documents that provide support for the accounting and disclosures of the CQEIM Transactions as disposal of property, plant and equipment.

Management explained that HKCB handled and kept all the documents relating to the CQEIM Transactions and while management has requested HKCB to provide these documents, the documents have not been provided by HKCB.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 43 Basis for disclaimer of opinion on the financial statement for the financial year end

**Basis for Disclaimer of Opinion (cont'd)**

A. Service agreements entered by Chongqing ecoWise Investment Management Co., Ltd. (cont'd)

In addition, in an audit committee meeting held on 20 December 2021, an executive director of the Company asserted that he was not aware that the Group had acquired the office unit in Chongqing, PRC (that has now been disposed as one of the CQEIM Transactions) and he was the beneficial owner of an office unit in Chongqing which he had allowed CQEIM to occupy at no rental charge. The director furnished to us a photocopy of a property title certification dated in 2011. The address of the property on this title certificate was the same as the address stated on the service agreement for office unit in the CQEIM Transactions. On 25 March 2022, the executive director concerned updated us that a law firm in the PRC engaged by him had undertaken a search at the land bureau office in Chongqing and reported that the said office unit had been sold to CQEIM in 2017 by an individual on behalf of the executive director in accordance with a notarised letter of authorisation signed by the executive director concerned. The executive director advised us that he was neither aware of the sale nor receive any sale proceeds.

Although management provided responses and explanations relating to our inquiries about the CQEIM Transactions, we were unable to obtain sufficient appropriate audit evidence on the commercial substance of the transactions. We were also not provided with sufficient and appropriate evidence to determine that the CQEIM Transactions have been properly and accurately accounted for as a disposal of property, plant and equipment as well as with regards to the rental of the office unit and factory building and the relevant and appropriate disclosures applicable to the CQEIM Transactions have been made in the financial statements. Please also refer to Item B below relating to disclosures of related party transactions.

B. Disclosures of related party relationships, transactions and balances

As mentioned in A above, CQEIM entered into the CQEIM Transactions with HKCB during the reporting year.

HKCB owns 100% of the issued and paid up capital of Chen Bang Energy Pte Ltd ("CBE"), a Company incorporated in Singapore. CBE was previously known as ecoWise Energy Pte Ltd and was previously a subsidiary of the Group. HKCB acquired CBE from the Group in July 2019. We noted that an executive director and a senior management member of the Company were the director and Company secretary of CBE respectively at the dates of the CQEIM Transactions. On 26 January 2021, the senior management member was also appointed as a director of CBE. On 16 February 2022, the senior management member resigned as a director and Company secretary of CBE. On 14 March 2022, the executive director resigned as a director of CBE.

Based on searches of publicly available information, we noted that the executive director mentioned in relation to CBE above and two other senior management members of the Group were legal representative and directors of two entities registered in the PRC that appear to be related to HKCB at the dates of the CQEIM Transactions. The executive director concerned resigned as the legal representative of these two entities on 18 October 2021 and 7 January 2022. A senior management member resigned as a director of one of these entities on 7 January 2022.

Although management provided responses and explanations relating to our inquiries in relation to the CQEIM Transactions and the relationships between the executive director and certain senior management of the Group and HKCB, we are unable to obtain sufficient appropriate audit evidence to establish whether HKCB is a related party of the Group or otherwise. Consequently, we were unable to establish whether the financial statements have appropriately accounted for and disclosed the nature of all the related party relationships as well as information about those transactions and balances arising, in accordance with the requirements of Singapore Financial Reporting Standards (International).

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 43 Basis for disclaimer of opinion on the financial statement for the financial year end

**Basis for Disclaimer of Opinion (cont'd)**

B. Disclosures of related party relationships, transactions and balances

The executive director mentioned in the preceding paragraphs resigned as a director of the Company on 13 April 2022. The senior management member mentioned in relation to CBE above resigned from the Company on 25 March 2022. We understand that the two senior management members mentioned in relation to two PRC entities that appear to be related to HKCB had resigned from their positions in the Group as of the date of this report.

C. Unconsolidated entities

It was brought to our attention during the audit that the Group appeared to have owned 100% equity interest in two companies, namely, 武汉富邦企业管理有限公司 ("Wuhan LK") and 重庆邦辰企业管理咨询有限公司 ("CQBC") during the period from July 2017 to January 2019.

Based on publicly available information, Wuhan LK was registered in the PRC by ecoWise Solutions Pte Ltd ("EWS") on 27 July 2017. The equity interest in CQBC, a Company registered in 'the People's Republic of China on 23 September 2015, was transferred by two individuals to CQEIM on 11 July 2017. EWS and CQEIM are wholly-owned owned subsidiaries of the Group.

On 17 October 2017, EWS transferred its equity interest in Wuhan LK to CBE, a wholly-owned subsidiary of the Company on that date. On 27 November 2017, CQEIM transferred its equity interest in CQBC to Wuhan LK. On 24 January 2019, CBE transferred its equity interest in Wuhan LK and CQBC to Mr Chen. On 8 November 2017, the Company announced the disposal of its 100% equity interest in CBE to HKCB. The disposal was completed on 15 July 2019.

We noted that Wuhan LK was a subsidiary of the Group from 27 July 2017 to 24 January 2019 and CQBC was a subsidiary of the Group from 11 July 2017 to 24 January 2019. Wuhan LK and CQBC were also not disclosed as subsidiaries of the Group in the financial statements for the reporting years ended 31 October 2017, 31 October 2018 and 31 October 2019.

In addition, there were no directors' resolutions in writing that specifically approved the registration of Wuhan LK, the transfer of CQBC to CQEIM and the subsequent transfers of Wuhan LK and CQBC to Mr Chen.

Management explained that the Group did not invest in or incur any expense on the registration of Wuhan LK and the transfer of CQBC to CQEIM. Management also explained that the original intention was for Wuhan LK and CQBC to carry out carbon trading business. Since the plan did not materialise, Wuhan LK and CQBC were transferred to Mr Chen. Management advised that there are no management accounts for Wuhan LK and CQBC as the Group did not invest in or incur any expense in relation to these two companies. Based on publicly available information, spacCQBC was deregistered on 2 December 2020.

Although management provided responses and explanations relating to our inquiries about Wuhan LK and CQBC, we were unable to obtain sufficient appropriate audit evidence to determine whether any adjustments to and/or disclosures that may be necessary in the financial statements.

D. Internal audit under NOC

On 25 June 2021, Singapore Exchange Regulation Pte Ltd ("SGX RegCo") issued a notice of compliance ("NOC") which required the Company to commission an internal audit.

On 28 August 2021, the Company announced the appointment of an internal auditor in accordance with the NOC. Pursuant to the NOC, the Company commissioned the internal auditor to test the adequacy and effectiveness of internal controls in relation to the Group's financial reporting, release of announcements, escalation and information flow to the board of directors, and safeguarding of assets of the Group.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 43 Basis for disclaimer of opinion on the financial statement for the financial year end

**Basis for Disclaimer of Opinion (cont'd)**

D. Internal audit under NOC (cont'd)

On 11 May 2022, the SGX RegCo directed the internal auditor to expand the scope of the internal audit to include, inter alia, the following: (a) the service agreements entered by Chongqing ecoWise Investment Management Co., Ltd.; (b) disclosures of related party relationships, transactions and balances; (c) the unconsolidated entities; (d) recoverability of assets in a jointly controlled entity; and (e) potential breaches of the Listing Manual Section B: Rules of Catalist.

We are required by Singapore Standards on Auditing to consider the findings of the internal auditor and carry out additional procedures where necessary. As of the date of this report, the internal audit is in progress. Accordingly, we are unable to determine whether any additional audit procedures or any adjustments arising thereon may be required, and whether there will be any significant impact on the financial statements.

E. Accounting of long outstanding payable

Included in other payables to outside parties in Note 34 is a long outstanding payable of Changyi Enersave Biomass to Energy Co., Ltd., a wholly-owned subsidiary of the Group, amounting to RMB3,560,000 (approximately $729,000), which arose in 2013. The external law firm engaged by the Group as management's expert advised on 2 March 2022 that the subsidiary is not liable to repay the amount in the event there has been no request for repayment from the creditor concerned within the statutory time bar period and the statutory time bar period has been met. The two executive directors of the Company (one of whom has since resigned as of the date of this report) have provided different representations on whether the creditor has been requesting for repayment of this said amount, and hence whether the statutory time bar period has indeed been met. The amount is recorded as a liability in the financial statements. Consequently, we were unable satisfy ourselves as to whether any adjustment to the said payable is necessary.

F. Bank confirmation replies not received A bank did not respond to the request for confirmation of bank balances, assets held as security, guarantees, commitments, contingencies and other arrangements, if any, of a subsidiary in the People's Republic of China as of 30 April 2021. The cash balance recorded by the subsidiary amounted to RMB200 (approximately $42) as at 30 April 2021.

Three banks did not respond to the requests for confirmations of bank balances, assets held as security, guarantees, commitments, contingencies and other arrangements, if any, of subsidiaries in Malaysia as of 31 October 2021. The cash balances and borrowings recorded by the subsidiaries amounted to RM1,290,000 (approximately $418,000) and RM17,134,000 (approximately $5,558,000) respectively as at 31 October 2021.

There are no other satisfactory audit procedures that we could perform to obtain sufficient appropriate evidence regarding the carrying amounts of the bank balances, any assets held as security, guarantees, commitments and contingencies, and the completeness of bank accounts and any loans or other banking facilities held by the subsidiaries. Consequently, we are unable to quantify possible adjustments, if any, and related information that may require disclosure in the accompanying financial statements.

G. Documents required for review of subsequent events We and the Malaysia component auditors have not been provided with the confirmation of directors' resolutions in writing and minutes of board of directors' meetings that enable us to determine the completeness of such resolutions and minutes up to the date of this report. We have also not been provided with bank statements of subsidiaries in the People's Republic of China from December 2021 up to the date of this report. Consequently, we were unable to determine if any adjustments to or disclosures are required to the financial statements from subsequent events.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 43 Basis for disclaimer of opinion on the financial statement for the financial year end

**Basis for Disclaimer of Opinion (cont'd)**

A. Recoverability of receivables as disclosed in Note 21, management determined there are uncertainties over the recoverability of certain trade and other receivables amounting to $200,000 and $1,690,000 respectively for which no allowance for impairment is made. Consequently, we were unable to determine whether adjustments to these receivables may be necessary.

B. Impairment assessment of property, plant and equipment in Malaysia

As at 31 October 2021, the carrying value of the Group's property, plant and equipment in Malaysia was approximately $16,800,000. Management carried out an impairment assessment of the Group's property, plant and equipment using the value in use method in the determination of the recoverable amounts as at the end of the reporting year. Management's assessment was provided to the component auditor in Malaysia on 12 May 2022. As disclosed in Note 1 to the financial statements, the Group's operations in Malaysia have been significantly affected by the Covid-19 pandemic, in particular, the Movement Control Order implemented by the Malaysian government caused production activities to be suspended for about two months in the second half of the reporting year. There are also uncertainties as to the timing when the Group's factories in Malaysia will resume full operations and continue to receive new orders from the customers as of the date of these financial statements. In addition, the Group received letters of demands from the Group's bankers on overdue payments. These events have caused significant uncertainties over the assumptions and basis used in the value in use calculation. Consequently, we were unable to obtain sufficient appropriate evidence to ascertain whether any impairment is required as at the end of the reporting year.

C. Going concern

As is more fully disclosed in Notes 1 and 31E to the financial statements:

• There are material uncertainties on the ability of the Group and the Company to continue as going concerns due to reasons more fully disclosed in Note 1.

• The subsidiaries in Malaysia received letters of demand from banks on overdue payments. As at 25 March 2022, total overdue payments to banks amounted to RM9,096,000 (approximately $3,000,000). These banks have also suspended the subsidiaries' trade financing facilities. See Note 31E for details.

The abovementioned events indicate the existence of material uncertainties which may cast significant doubt on the ability of the Group and of the Company to continue as going concerns.

The board of directors has appointed independent financial advisers to perform an independent business review and position assessments as well as to advise the directors on the longer-term viability of various aspects of the Group's business. The financial advisers will assist the Group in discussions with the banks on the overdue payments and payments coming due.

The Company is exploring avenues to generate additional funds for working capital purposes either via loans from third parties or existing shareholders.

Management has prepared the financial statements using the going concern assumption on the basis that the actions that it has taken and will take, together with the input of the independent financial advisers, are sufficient to mitigate the going concern uncertainty. As at the date the financial statements were authorised for issue, the directors are of the opinion that the ability of the Group and of the Company to pay their debts as and when they fall due is dependent on the successful outcome of the above efforts.

The ability of the Group and of the Company to meet their liabilities as and when they fall due depends on the successful conclusion of the above course of actions taken and to be taken by management.

# Notes to the Financial Statements
## For the financial period from 1 November 2021 to 30 April 2023

### 43 Basis for disclaimer of opinion on the financial statement for the financial year end

**Basis for Disclaimer of Opinion (cont'd)**

J. Going concern

We were not provided with sufficient appropriate audit evidence to conclude on the appropriateness of management's use of the going concern basis of accounting. If the Group and Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets (such as property, plant and equipment, right-of use-assets, land use rights, and investment in associate and subsidiaries) may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded on the statements of financial positions of the Group and the Company . In addition, the Group and Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to the financial statements.

### 44 Comparative figures

The financial statements for the current financial period cover the financial period from 1 November 2021 to 30 April 2023 whereas the financial statements for the previous financial year covered the financial period from 1 November 2020 to 31 October 2021. As such, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows of the Group and the statement of changes in equity of the Company and related notes for the current financial period and previous financial year are not comparable.

### 45 Authorisation of financial statements for issue

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the reporting period from 1 November 2021 to 30 April 2023 were authorised for issue in accordance with a resolution of the board of directors of the Company on 28 September 2023.

# Statistics of Shareholdings
## As at 26 September 2023

| | | |
|---|---|---|
| Class of Shares | : | Ordinary Share |
| Number of Issued Shares (excluding treasury shares and subsidiary holdings) | : | 948,845,729 |
| 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 | : | 8,637,300 (0.91%) |
| 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 | 19 | 1.04 | 912 | 0.00 |
| 100 - 1,000 | 60 | 3.29 | 41,417 | 0.00 |
| 1,001 - 10,000 | 260 | 14.26 | 1,913,033 | 0.20 |
| 10,001 - 1,000,000 | 1,421 | 77.95 | 163,816,919 | 17.27 |
| 1,000,001 AND ABOVE | 63 | 3.46 | 783,073,448 | 82.53 |
| **TOTAL** | **1,823** | **100.00** | **948,845,729** | **100.00** |

### PERCENTAGE OF SHAREHOLDING IN PUBLIC HANDS

Based on the information available to the Company as at 26 September 2023, approximately 57.19% 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 Catalist Rules 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 | 303,866,487 | 32.02 |
| 2 | MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD | 88,015,500 | 9.28 |
| 3 | TAN JIN BENG WINSTON | 64,566,833 | 6.80 |
| 4 | CAO SHIXUAN | 42,535,114 | 4.48 |
| 5 | SOLIGNY BRUNO LUDOVIC | 27,898,700 | 2.94 |
| 6 | TAN SWEE BOON | 25,950,000 | 2.73 |
| 7 | SUNNY ONG KENG HUA | 25,000,000 | 2.63 |
| 8 | PHILLIP SECURITIES PTE LTD | 20,924,315 | 2.21 |
| 9 | CHING WEE LING (ZHONG HUILING) | 12,148,000 | 1.28 |
| 10 | KWOK HOI SUI | 10,538,200 | 1.11 |
| 11 | LEE THIAM SENG | 10,009,388 | 1.05 |
| 12 | CHAN BUANG HENG | 8,119,850 | 0.86 |
| 13 | NG CHEOW BOO | 7,094,000 | 0.75 |
| 14 | KOH YEW CHOO | 5,783,000 | 0.61 |
| 15 | TEO BOON LING | 5,732,950 | 0.60 |
| 16 | JENNY KWOK | 5,650,000 | 0.60 |
| 17 | KNG CHIN KAIT | 5,094,000 | 0.54 |
| 18 | ANG CHIAN SHOW | 5,009,000 | 0.53 |
| 19 | DBS NOMINEES (PRIVATE) LIMITED | 4,830,700 | 0.51 |
| 20 | GAN CHIN CHYE EDMUND (YAN JINCAI) | 4,764,300 | 0.50 |
| | **TOTAL** | **683,530,337** | **72.03** |

# Statistics of Shareholdings
## As at 26 September 2023

**SUBSTANTIAL SHAREHOLDERS AS AT 26 SEPTEMBER 2023**
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 | 23.00 | - | - |
| Ma Ong Kee | 88,000,000[1] | 9.27 | - | - |
| Tan Jin Beng Winston | 64,566,833 | 6.80 | - | - |
| Lee Thiam Seng | 35,509,388[2] | 3.74 | 218,229,375[3] | 23.00 |

**Notes:**

(1) Mr Ma Ong Kee holds 88,000,000 shares through his nominee account with Morgan Stanley Asia (Singapore) Securities Pte Ltd, representing 9.27% of the issued share capital of the Company.

(2) Mr Lee Thiam Seng holds 25,500,000 shares through his nominee account with Citibank Nominees Singapore Pte Ltd. and 10,009,388 shares with CDP.

(3) 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). Accordingly, Lee Thiam Seng has a deemed interest in the 218,229,375 shares held by ecoHub Pte. Ltd.

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting ("**AGM**") of ecoWise Holdings Limited (the "**Company**") will be held at Devan Nair Institute for Employment and Employability, 80 Jurong East St 21, #01-06 Singapore 609607 on Saturday, 14 October 2023 at 9.30 a.m., to transact the business set out below. This Notice has been made available on SGXNet and the Company's website at the URL https://www.ecowise.com.sg/en/investor-relations/announcements.

**AS ORDINARY BUSINESS**

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and the Group for the financial period from 1 November 2021 to 30 April 2023, together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors, who are retiring pursuant to Regulation 107 of the Constitution of the Company:

   i. Dr Danny Oh Beng Teck **(Resolution 2)**
   ii. Mr Gan Fong Jek **(Resolution 3)**

   ***[See Explanatory Note (i)]***

3. To approve the payment of additional Directors' fees of S$6,000 for the financial period from 1 November 2022 to 30 April 2023. **(Resolution 4)**

   ***[See Explanatory Note (ii)]***

4. To approve the payment of Directors' fees of up to S$180,000 for the financial year ending 30 April 2024, to be paid monthly in arrears [18-month financial period ended 30 April 2023: S$329,000]. **(Resolution 5)**

5. To re-appoint Messrs Baker Tilly TFW LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

**AS SPECIAL BUSINESS**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

7. **Authority to allot and issue shares**

   That pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**") and the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Catalist Rules**"), authority be and is hereby given to the Directors of the Company 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, "**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) 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 that this authority may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this authority was in force,

   provided that:-

# Notice of Annual General Meeting

(1) the aggregate number of Shares to be issued pursuant to this authority (including Shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below) ("**Issued Shares**"), 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 Instruments made or granted pursuant to this authority) does not exceed fifty per cent (50%) of the total number of Issued Shares;

(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 that may be issued under sub-paragraph (1) above, the percentage of Issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this authority is given, after adjusting for:-

(i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and outstanding or subsisting at the time this authority is given, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(ii) any subsequent bonus issue, consolidation or sub-division of Shares;

(3) in exercising the authority conferred by this Resolution, the Directors 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 otherwise, and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) such authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier. **(Resolution 7)**

***[See Explanatory Note (iii)]***

**8. 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 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.

**(Resolution 8)**

***[See Explanatory Note (iv)]***

By Order of the Board

Siau Kuei Lian
Secretary
Singapore, 29 September 2023

# Notice of Annual General Meeting

**Explanatory Notes:**

(i) Dr Danny Oh Beng Teck will, upon re-election as a Director, remain as Independent Non-Executive Director, Chairman of the Remuneration and Sustainability Reporting Committees and a member of the Nominating and Audit Committees. Dr Danny Oh Beng Teck 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. Detailed information on Dr Danny Oh Beng Teck can be found under the sections entitled "**Board of Directors**", and "**Additional Information on Directors Nominated for Re-Election**" of the Company's Annual Report 2023. Dr Danny Oh Beng Teck has no relationship with the Company, its related corporations, its substantial shareholders or its officers, which may affect his independence.

Mr Gan Fong Jek will, upon re-election as a Director, remain as Independent Non-Executive Director, Chairman of the Audit Committee, and a member of the Sustainability Reporting, Nominating and Remuneration Committees. Mr Gan Fong Jek is considered by the Board to be independent for the purpose of Rule 704(7) of the Catalist Rules. Detailed information on Mr Gan Fong Jek can be found under the sections entitled "**Board of Directors**", and "**Additional Information on Directors Nominated for Re-Election**" of the Company's Annual Report 2023. Mr Gan Fong Jek has no relationship with the Company, its related corporations, its substantial shareholders or its officers, which may affect his independence.

(ii) The total amount of Directors' fees proposed for the 18-month financial period from 1 November 2021 to 30 April 2023 is S$329,000, of which S$323,000 was approved by Shareholders at the Company's AGM held on 30 May 2022.

(iii) Ordinary Resolution 7 proposed in item 7 above is to empower the directors of the Company to issue Shares and to 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, in total, 100% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which not exceeding 50% may be issued other than on a *pro rata* basis to existing Shareholders. For determining the aggregate number of shares that may be issued, the percentage of Issued Shares shall be based on the total number of Issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new Shares arising from the conversion or exercise of convertible securities or share options or 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.

(iv) Ordinary Resolution 8 proposed in item 8 above is to empower the directors of the Company 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 (excluding treasury shares and subsidiary holdings) from time to time.

**Notes:**

(1) The AGM of the Company will be held, in a wholly physical format at Devan Nair Institute for Employment and Employability, 80 Jurong East St 21, #01-06 Singapore 609607, on Saturday, 14 October 2023 at 9.30 a.m.. **There will be no option for members to participate virtually.** Printed copies of the Notice of AGM and Proxy Form will be despatched to Shareholders. These documents together with the Company's Annual Report 2023 are available on the Company's website at the URL: https://www.ecowise.com.sg/en/investor-relations/announcements, and the SGXNet at the URL: https://www.sgx.com/securities/company-announcements.

(2) A Shareholder who wishes to request a printed copy of the Company's Annual Report may do so by completing and returning the Request / Confirmation Form which is despatched to him or her, by 8 October 2023:

# Notice of Annual General Meeting

(a) by post to the registered office of the Company's Share Registrar at Boardroom Corporate & Advisory Services Pte Ltd at 1 Harbourfront Ave, #14-07 Keppel Bay Tower, Singapore 098632; or

(b) by email to the Company's Share Registrar at srs.teamd@boardroomlimited.com.

(3) If a member wishes to submit questions related to the resolutions tabled for approval at the AGM prior to the AGM, all questions must be submitted no later than 9:30 a.m. on 6 October 2023 through email to investorrelation@ecowise.com.sg and provide the following particulars, for verification purpose:

- full name as it appears on his/her/its CDP records;
- NRIC/Passport/UEN number;
- contact number and email address; and
- the manner in which the shares are held in the Company (e.g. via CDP).

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

Investors who hold shares through Relevant Intermediaries*, including under the Central Provident Fund Investment Scheme ("**CPF Investors**") or the Supplementary Retirement Scheme ("**SRS Investors**") should approach their CPF Agent Banks/SRS Operators to submit their questions based on the abovementioned instructions.

Alternatively, members may also ask questions during the AGM.

(4) The Company will endeavour to address all substantial and relevant questions received from shareholders by 9 October 2023, 9.30 a.m., being not less than forty-eight (48) hours before the closing date and time for the lodgement of the Proxy Form, via SGXNet and the Company's website. The Company will also address any subsequent clarifications sought or follow-up questions during the AGM in respect of substantial and relevant matters. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions will be individually addressed. The minutes of the AGM shall thereafter be published within one (1) month after the conclusion of the AGM on (i) the SGXNet at the URL https://www.sgx.com/securities/company-announcements; and (ii) the Company's website at the URL https://www.ecowise.com.sg/en/investor-relations/announcements.The minutes will include the responses to substantial and relevant questions received from shareholders which are addressed during the AGM.

(5) A member of the Company (other than a Relevant Intermediary*) entitled to attend, speak and vote at the AGM of the Company is entitled to appoint not more than two (2) proxies or Chairman to attend, speak and vote in his/her/its stead at the AGM of the Company. A proxy need not be a member of the Company.

(6) Where a member appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second proxy as an alternate to the first named.

If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies (except where the Chairman of the AGM is appointed as the member's proxy) will vote or abstain from voting at his/her/their discretion. In the absence of specific direction as to the voting given by a member, the appointment of the Chairman of the AGM as the member's proxy for the relevant resolutions will be treated as invalid.

(7) A member who is a Relevant Intermediary* may appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her/it (which number and class of shares shall be specified). Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

# Notice of Annual General Meeting

(8) The instrument appointing a proxy or proxies or the Chairman of the AGM as proxy must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, falling which the instrument may be treated as invalid.

(9) The completed Proxy Form must be submitted to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, personally or by post, be deposited at the registered office of the Company's Share Registrar at 1 Harbourfront Ave, #14-07 Keppel Bay Tower, Singapore 098632 by 9:30 a.m. on 11 October 2023 (being not less than seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof)) and in default- the Proxy Form for the AGM shall not- be treated as valid.

(10) Investors who hold shares through Relevant Intermediaries*, including CPF Investors or the SRS Investors, and who wish to appoint the Chairman of the AGM as their proxy should approach their respective Relevant Intermediaries*, including CPF Agent Banks or SRS Operators, to submit their votes at least seven (7) working days before the AGM (i.e. by 9:30 a.m. on 4 October 2023).

(11) The Company shall be entitled to reject the instrument appointing the proxy, proxies or the Chairman of the AGM as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy, proxies or the Chairman of the AGM as proxy.

(12) In the case of a member whose Shares entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any instrument appointing the proxy, proxies or the Chairman of the AGM as proxy lodged if such member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

# Notice of Annual General Meeting

**PERSONAL DATA PRIVACY**

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM of the Company in accordance with this Notice, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions, (iv) 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, and (v) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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This notice has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This notice has not been examined or approved by the Singapore Exchange Securities Trading Limited (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. Lee Khai Yinn (Telephone: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

**ECOWISE HOLDINGS LIMITED**
Company Registration No. 200209835C
(Incorporated In the Republic of Singapore)

**IMPORTANT:**
1. The AGM of the Company will be held, in a wholly physical format at Devan Nair Institute for Employment and Employability, 80 Jurong East St 21, #01-06 Singapore 609607, on Saturday, 14 October 2023 at 9.30 a.m.. **There will be no option for members to participate virtually.**
2. Investors who hold shares through Relevant Intermediaries*, including under the Central Provident Fund Investment Scheme ("**CPF Investors**") or the Supplementary Retirement Scheme ("**SRS Investors**"), and who wish to appoint the Chairman of the AGM as their proxy should approach their respective Relevant Intermediaries*, including CPF Agent Banks or SRS Operators, to submit their votes at least seven (7) working days before the AGM (i.e. by 9:30 a.m. on 4 October 2023).
3. This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. Please read the notes to the Proxy Form.

**PROXY FORM**
**FOR ANNUAL GENERAL MEETING**
*(Please see notes overleaf before completing this Form)*

I/We* ______________________ (Name) ______________ (*NRIC/Passport/Company Registration No.) of

______________________________________ (Address)

being a *member/members of ecoWise Holdings Limited (the "**Company**"), hereby appoint:-

| **Name** | **NRIC/Passport No.** | **Proportion of Shareholdings** | |
|---|---|---|---|
| | | **No. of Shares** | **%** |
| **Address** | | | |

*and/or (delete as appropriate)

| **Name** | **NRIC/Passport No.** | **Proportion of Shareholdings** | |
|---|---|---|---|
| | | **No. of Shares** | **%** |
| **Address** | | | |

or failing *him/her/them, the Chairman of the Annual General Meeting of the Company (the "**AGM**" or "**Meeting**") as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the Meeting to be held at Devan Nair Institute for Employment and Employability, 80 Jurong East St 21, #01-06 Singapore 609607, on Saturday, 14 October 2023 at 9.30 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against, or abstain from voting on the 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 period from 1 November 2021 to 30 April 2023, together with the Auditors' Report thereon | | | |
| 2 | Re-election of Mr Danny Oh Beng Teck as a Director of the Company | | | |
| 3 | Re-election of Mr Gan Fong Jek as a Director of the Company | | | |
| 4 | Approval of additional Directors' fees amounting to S$6,000 for the financial period from 1 November 2022 to 30 April 2023 | | | |
| 5 | Approval of Directors' fees amounting to S$180,000 for the financial year ending 30 April 2024, to be paid monthly in arrears | | | |
| 6 | Re-appointment of Messrs Baker Tilly TFW LLP as the independent auditors of the Company and to authorise the Directors to fix their remuneration | | | |
| 7 | Authority to allot and issue Shares | | | |
| 8 | Authority to grant awards, allot and issue shares under the ecoWise Performance Share Plan | | | |

**Notes:**
* Delete accordingly
** If you wish 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 as appropriate. If you mark the abstain box for a particular resolution, you are directing the proxy/Chairman of the AGM not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this __________ day of ________________ 2023

| 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 in the capital of the Company ("**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 2001 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 a proxy or proxies shall be deemed to relate to all the shares held by you.

2. A member of the Company (other than a Relevant Intermediary*) entitled to attend, speak and vote at the AGM of the Company is entitled to appoint not more than two (2) proxies or Chairman to attend, speak and vote in his/her/its stead at the AGM of the Company. A proxy need not be a member of the Company.

3. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second proxy as an alternate to the first named.

   If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies (except where the Chairman of the AGM is appointed as the member's proxy) will vote or abstain from voting at his/her/their discretion. In the absence of specific direction as to the voting given by a member, the appointment of the Chairman of the AGM as the member's proxy for the relevant resolutions will be treated as invalid.

4. A member who is a Relevant Intermediary* may appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her/it (which number and class of shares shall be specified). Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

6. The completed Proxy Form must be submitted to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, personally or by post, be deposited at the registered office of the Company's Share Registrar at 1 Harbourfront Ave, #14-07 Keppel Bay Tower, Singapore 098632, no later than 9:30 a.m. on 11 October 2023 (being not less than seventy-hours (72) hours before the time appointed for holding the AGM (or at any adjournment thereof) and in default the Proxy Form for the AGM shall not be treated as valid.

7. Investors who hold shares through Relevant Intermediaries*, including under the Central Provident Fund Investment Scheme ("**CPF Investors**") or the Supplementary Retirement Scheme ("**SRS Investors**"), and who wish to appoint the Chairman of the AGM as a proxy should approach their respective Relevant Intermediaries*, including CPF Agent Banks or SRS Operators, to submit their votes at least seven (7) working days before the AGM (i.e. by 9:30 a.m. on 4 October 2023).

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

**General:**

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Privacy**

By submitting an instrument appointing a proxy or proxies, the member is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of AGM dated 29 September 2023.

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