

# THINGS ARE HEATING UP



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## Vision

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

## Mission

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

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

To establish best practises in the manufacture and distribution of environmentally friendly recycled products that are in harmony with ecological principles.

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## Corporate Profile

Founded in 1979, listed on SGX-SESDAQ in 2003 and upgraded to SGX Mainboard on 9 May 2008. ecoWise Group is a Singapore based renewable energy and integrated environmental solutions provider, which is principally involved in two major businesses namely, renewable energy and the recovery of industrial wastes. Besides these two major businesses, the Group also carries on recycling of organic materials and provision of integrated environmental management solutions.

## Recovery of Industrial Wastes

The Group is an appointed clearing contractor of used copper slag and general waste for certain major shipyards and fabrication yards in Singapore. The used copper slag is then processed and sold to contractors and companies largely dealing in abrasives and surface treatment. A large part of the off-take for recycled copper slag is sent to ready-mix concrete suppliers to be mixed into eco-concrete.

## Renewable Energy

The Group currently operates a biomass cogeneration plant which supplies heat energy to a number of industrial users. It became the first Singapore registered company to successfully secure the sale of Certified Emission Reduction certificates (or CERs, commonly referred to as Carbon Credits) on 5 November 2007. The CERs, which will be sold to Kansai Electric Co Inc, a leading electric power company in Japan, will be generated from ecoWise's Clean Development Mechanism ("CDM") project which involves recovery of waste steam generated from its biomass cogeneration plant for heating ISO tanks and drying of waste, such as spent grains from breweries. In November 2008, its wholly owned subsidiary, Bee Joo Industries Pte Ltd became the first Singapore registered company to successfully register its CDM project entitled, "Thermal Energy Recovery For New Applications" with the United Nations Framework Convention on Climate Change ("UNFCCC").

## Recycling of Organic Materials & Resources

Our patented composting technology, ecoACT™, employs the unique in-vessel thermophilic composting technology to manufacture quality organic compost in the shortest possible time. The pasteurisation process ensures that the manufactured product is free from pathogens and contaminants. Organic fertiliser manufactured at our horticultural recycling facility has been awarded the Singapore Green Label and externally certified by the Biological Farmers of Australia.

## Provision of Integrated Environmental Management Solutions

We provide resources management and integrated environmental engineering solutions for solid and liquid waste. We offer a suite of activities including process design and optimisation, engineering procurement and construction, fabrication, installation, commissioning and maintenance. Our team of specialists has experiences in offering industrial waste water treatment and management to local and regional companies using advanced water treatment technologies.

temperatures are **rising**





the world is getting **warmer**,  
so are the oceans







and the glaciers

A close-up, top-down view of a lush, dense field of bright green grass. The blades are long and narrow, creating a textured, repetitive pattern. The color is a vibrant, slightly yellowish-green, suggesting a healthy, sunlit environment. In the center of the image, the words "global warming" are written in a clean, white, sans-serif font. The text is centered horizontally and vertically, standing out clearly against the green background.

**global warming**

A top-down view of parched, cracked earth. The soil is a light brown color and is split into irregular, polygonal shapes by deep, dark cracks. Several small, green weeds with multiple leaves are growing out of the cracks, particularly in the upper right and lower center areas. The lighting is bright, casting soft shadows in the cracks.

is a reality

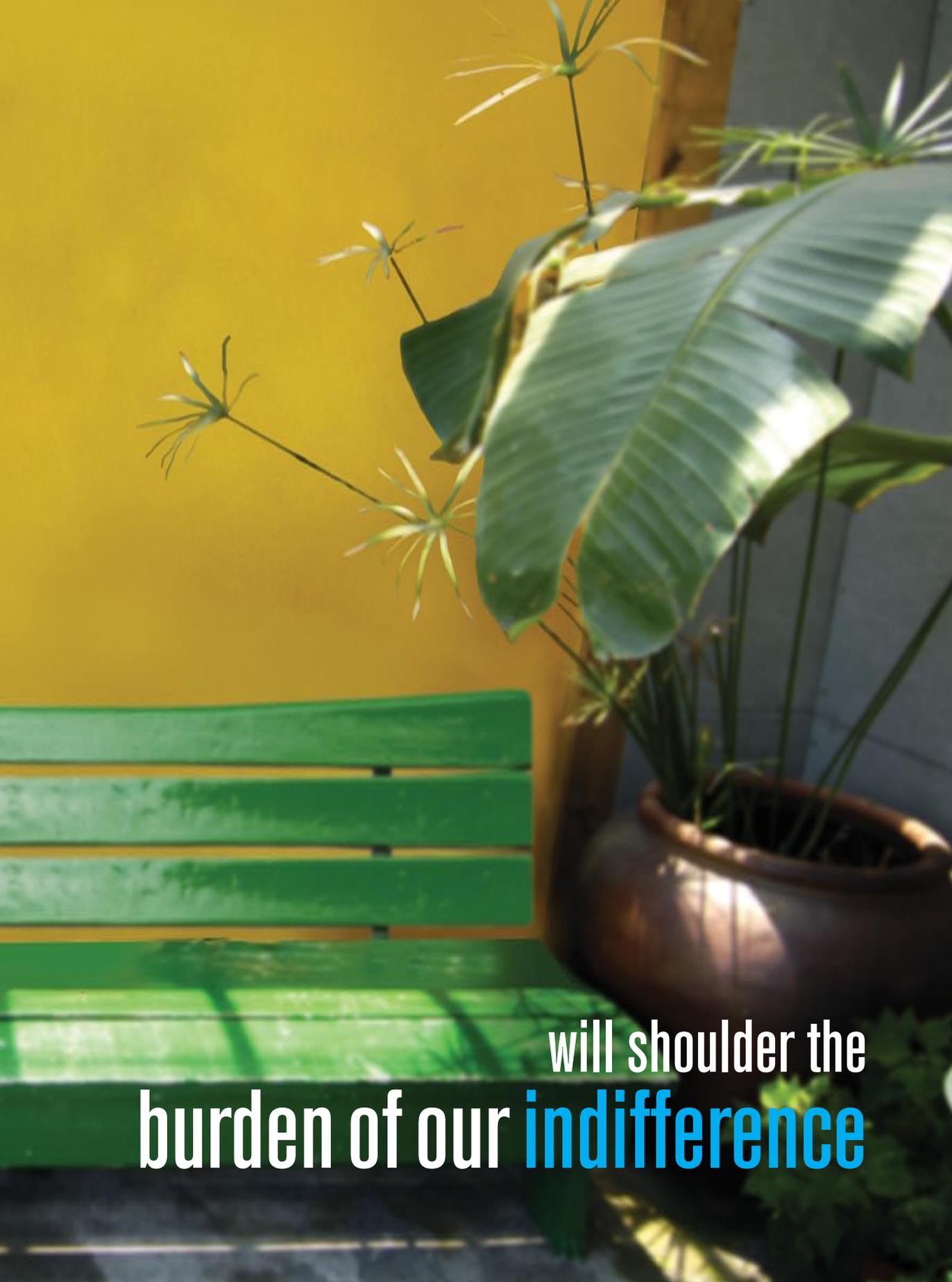


without **recycling** our resources



A pregnant woman is shown from the side, wearing a white sleeveless dress with large red and brown floral patterns. She is gently holding her belly with both hands. The background consists of a bright yellow wall and a green wooden bench. The text "the children of tomorrow" is overlaid on the right side of the image.

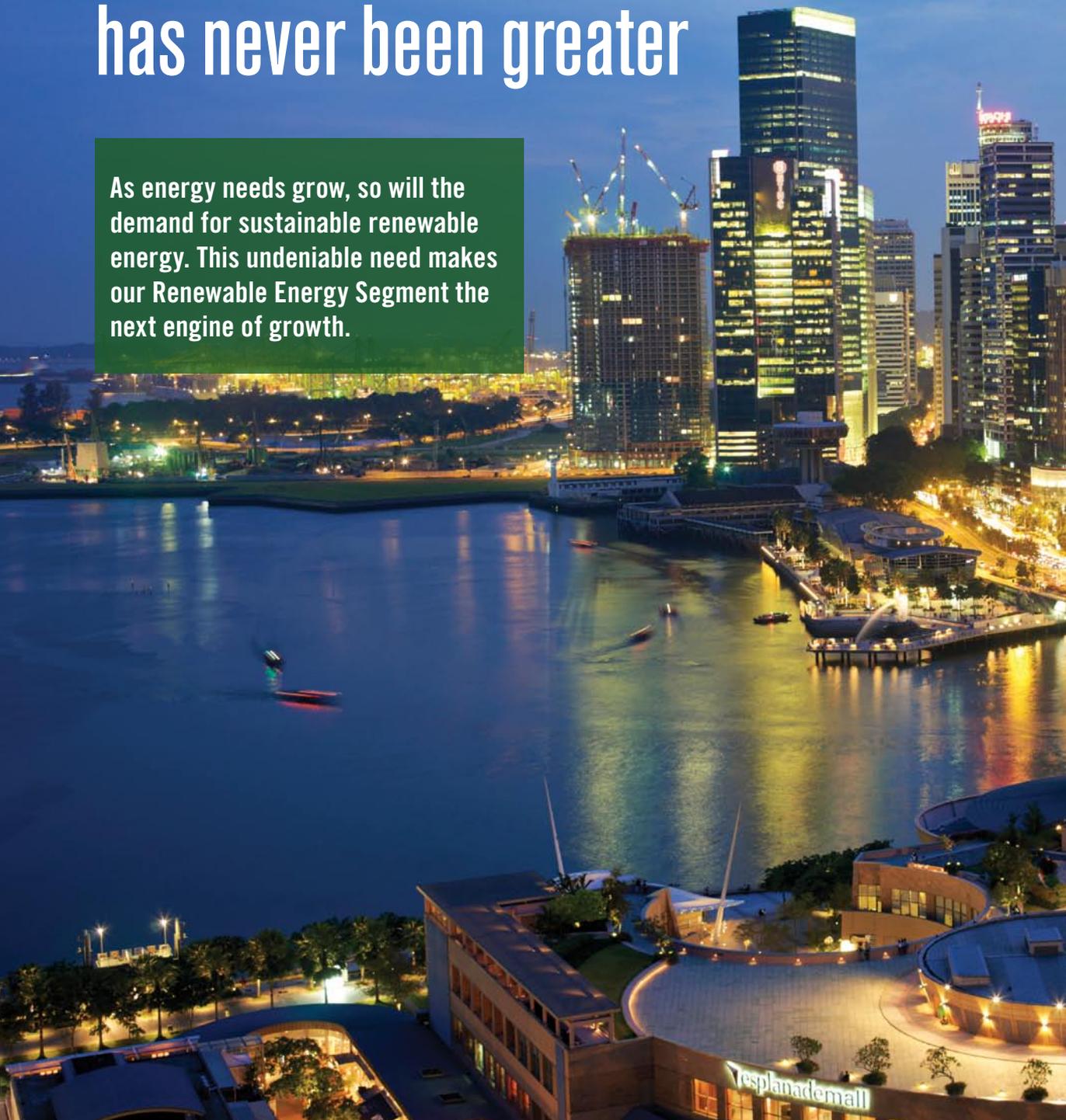
**the children of tomorrow**



will shoulder the  
burden of our **indifference**

# the need for **SUSTAINABLE DEVELOPMENT** has never been greater

As energy needs grow, so will the demand for sustainable renewable energy. This undeniable need makes our Renewable Energy Segment the next engine of growth.





# CHAIRMAN'S STATEMENT



## Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present to you our Annual Report for the financial year ended 31 October 2008 ("FY2008").

FY2008 has been a challenging year. However, the Group managed to post a modest 14.9% growth in net profit to S\$6.98 million. Revenue grew a modest 6.3% to S\$23.00 million for the current year under review.

Recovery of industrial materials segment, mainly used copper slag, continued to be the main contributor in FY2008. Following the completion of the JV agreement with Holcim (Singapore) Pte Ltd ("Holcim Singapore") in April 2008, Geocycle Singapore Pte Ltd, the JV company, proceeded to build the largest waste copper slag processing plant in Singapore. The plant was officially opened by Dr Mohamad Maliki Bin Osman, Parliamentary Secretary for National Development on 29 October 2008. Holcim Singapore is a wholly owned subsidiary of Holcim Ltd, one of the world's leading producer of cement and aggregates as well as manufacturer of ready-mix concrete and asphalt including a range of other services. Holcim Ltd is also the industry leader in the Dow Jones Sustainability Index.

On the renewable energy front, we are beginning to see results. Our wholly owned subsidiary, Bee Joo Industries Pte Ltd ("BJI") became the first Singapore registered company to sign an Emission Reductions Purchase Agreement ("ERPA") for a Singapore project to Kansai Electric Power Co Inc, a leading electric power company in Japan. BJI also became the first Singapore registered company to successfully register its Clean Development Mechanism (CDM) project entitled "Thermal Energy Recovery For New Applications", with the United Nations Framework Convention on Climate Change (UNFCCC). With this registration, the project is eligible for Certified Emission Reductions units (or CERs, commonly known as carbon credits), issued by the UNFCCC CDM Executive Board.

## Renewable Energy – Our New Engine For Growth

We have successfully operated and managed a biomass cogeneration plant for the past few years and expanded our applications, using the recovered waste steam from the cogen plant to heat ISO tanks and dry spent grains. This is the basis of our CDM Project application. Offsetting the use of fossil fuels allows the project to be eligible for CERs issued by the UNFCCC CDM Executive Board.

We are proud to announce that we became the first Singapore-registered company to successfully register our CDM Project with the UNFCCC.

## Recovery of Industrial Materials - Maintaining Our Leading Position

FY2008 has been a year of consolidation for our industrial waste recovery business. We continued to secure a major share of the used copper slag market in Singapore. With our stringent process and quality control over our recycling of copper slag together with the efforts from our JV partner, Holcim Singapore, our processed washed copper slag finally gained official recognition by the Building and Construction Authority (“BCA”) as an aggregate replacement in the production of eco-concrete and as a partial substitute for sand in the production of concrete for building structures.

To further strengthen our leadership position, through our JV company, Geocycle Singapore, we built the largest used copper slag processing facility in Singapore at our new site at Sungei Kadut. The facility is capable of processing up to 360,000 tonnes of used copper slag a year, which is approximately 90% of the used copper slag available in Singapore.

In addition to the setting up of the new plant, Geocycle Singapore is also undertaking joint R&D to seek new alternative sources of fuels and raw materials that can be used in the manufacture of cement, building and construction materials to be used by Holcim Singapore in its drive towards sustainable construction.

## Outlook For The Year Ahead

The outlook for the next twelve months will be challenging, taking into consideration the current global economic climate. However, we still see opportunities in the renewable energy and industrial waste recovery sectors.

We intend to leverage on our two major strengths for the coming year 2009.

First, in the renewable energy segment we see opportunities. The continuous development of economies and improvement in living standards are pushing the demand for energy to the limit. The depletion of fossil fuel urges human society to seek for ever more alternative energy. On the other hand, the greenhouse-gas emitted from the use of fossil fuels has caused significant global warming effect and impacted everyone's life. Economies around the world are emphasizing on sustainable development and started focusing on renewable energy development lately.

ecoWise started its development in biomass energy in 2004. Over the years, it has accumulated sufficient experience and know how in this sector. We will capitalize on our experiences in the operations and management of biomass cogen plant and CDM applications to expand into the renewable energy sector. ecoWise Energy Pte Ltd was incorporated to spearhead the Groups strategy into this sector regionally.

Second, our joint venture with Holcim Singapore will set a new frontier in our development and growth in industrial materials recovery. The joint venture will open new opportunities in the use of sustainable sources of alternative fuels and raw materials for the manufacture of cement, building and other construction materials.

In our attempt to venture overseas, our wholly owned subsidiary, ecoWise Solutions Pte Ltd recently signed a collaboration framework arrangement with Chongqing Renewable Resources Logistics Co. Ltd., (a subsidiary of Chongqing Port Logistics Group Co. Ltd., the biggest port and logistic operator on the upstream of Yangtze River) for the proposed development of a comprehensive eco-resource recovery park in Chongqing Municipality, China.

# CHAIRMAN'S STATEMENT 主席致辞

## Rewarding our Shareholders

In the current year under review, we completed the rights cum warrants issue exercise in November 2007 whereby a special cash dividend was declared to reward our Shareholders for their loyalty and support for the Company over the years. Shareholders were also given an option to re-invest their cash dividend by subscribing for the Rights Shares with Warrants. In July 2008, we called for another rights issue exercise whereby a special cash dividend was declared and Shareholders were again given the option to re-invest a portion of their cash dividend by subscribing for the Rights Shares. We completed this exercise in October 2008.

These two exercises had successfully strengthened the capital base of the Company by transforming a proportionate amount of the Company's retained earnings into paid-up capital of the Company. The exercises also improved market liquidity and broadened our shareholder base.

We are pleased to inform the Shareholders that our application to upgrade from Catalyst to the Mainboard had been approved by SGX and on 9 May 2008, the Company was officially upgraded to the Mainboard of the Singapore Exchange Securities Trading Limited.

## Acknowledgement

We would like to take this opportunity to express our heartfelt thanks to all our business associates, partners, customers and staff for their continual support, hard work and faith in us. With your support, we are confident that we can attain greater success in FY2009 and beyond.

**Lee Thiam Seng**  
Executive Chairman  
January 2009

## 尊敬的股东们，

在此我荣幸的代表董事会全体成员，向各位汇报公司2008年度的财务报告。

2008年是极富挑战性的一年。尽管如此，我们集团的净利仍然保持了14.9%的增长，为698万元。集团全年营业额为2300万元，增幅为6.3%。

以铜渣循环为主的工业原料再循环业务，仍然是集团2008年的主要营业动力。在2008年4月，集团与豪西蒙新加坡签订了合资协议，成立合资公司Geocycle Singapore，并成功建成了新加坡最大的铜渣处理基地，该基地于2008年10月29日正式启用，并由国家发展部政务次长孟理齐博士主持了开幕仪式。豪西蒙新加坡是世界顶级水泥和混凝土制造商，道琼斯可持续发展指数榜首得主豪西蒙有限公司的子公司。

在再生能源的研究开发方面，我们也开始取得成效。集团的独资子公司，美裕工业有限公司，成功地与日本领先的能源公司---关西电力，签署了CDM核证减排量销售协议，成为签订此类协议的首家新加坡注册公司。同时，美裕工业有限公司也是第一家在“联合国气候变化框架公约”成功注册“洁净发展机制”工程项目的注册新加坡公司，此项名为“热能回收新应用”工程的成功注册，标志着公司取得了联合国气候变化框架公约颁发的碳信用额出售资格。

## 再生能源 — 集团发展新动力

在过去几年，我们成功经营和管理了生物质能热电厂，并扩展了热电厂的应用范围，包括利用热电厂排放出的废蒸气来给罐式集装箱加温和烘干粮食废料如麦糟、酒糟等。这是我们“洁净发展机制”工程项目的部分，这种替代使用矿物质燃料的做法使我们获得了由“联合国气候变化框架公约”洁净发展机制执行委员会颁发的核定减排量认证。

让我们引以为豪的是我们是首家在“联合国气候变化框架公约”成功注册“洁净发展机制”工程项目的注册新加坡公司。

## 工业原料再循环 — 巩固集团的主导地位

集团的工业原料再循环业务在2008年继续得到巩固和加强,并持续占有新加坡大部分的铜渣处理市场。我们和合资伙伴豪西蒙新加坡一起,对铜渣的再循环处理进行了严格的进程控制和质量管理,最终,经我们处理过的铜渣获得了新加坡建设局的官方认可,在建筑工程中成为沙的替代品生产生态混凝土。

为了进一步的加强我们的行业主导地位,我们的合资公司,Geocycle Singapore,在双溪加株的新场地建立了新加坡最大的铜渣处理基地。该基地每年能处理高达36万吨的铜渣,大约占新加坡铜渣供应量的90%。

## 展望未来

面对目前全球性的金融危机,未来的12个月将更具挑战性。尽管如此,我们仍能在再生能源的开发和应用和工业废料循环方面看到机遇。

在2009年,我们将依靠集团的两大优势,继续发展。

首先,我们的再生能源业务仍有发展空间。经济的持续发展和人类生活品质的不断提升,对有限能源的需求也越来越大。矿物质燃料的不断消耗迫使人类社会必须寻求更多的替代能源;而另一方面,过度使用矿物质燃料引发的显著的温室效应也给人类生活带来了巨大的影响和冲击。全球经济都在强调可持续发展,近年来发展重心已经放到了再生能源的开发运用领域。

绿科集团从2004年已经开始进行生物质能领域的研究与开发。几年来,我们通过对此领域的运作已经积累了足够的经验。我们将利用我们在经营生物质能热电厂和“洁净发展机制”工程方面的经验,大力扩展再生能源领域的工作。绿科能源有限公司将充当集团的战略先锋,在本地和海外市场拓展新的再生能源项目。

其次,我们和豪西蒙新加坡的合作将揭开集团在工业材料再循环领域成长和发展的新篇章,也将为集团开

辟更多的途径,探讨开发能替代水泥和其它建筑材料的原料,为建筑行业的可持续性发展做出贡献。

在尝试海外投资方面,我们的独资子公司,ecoWise Solutions,不久前和重庆再生资源物流有限公司(是长江上游最大的水运和物流公司,重庆港务物流集团有限公司的全资子公司)签署了合作协议,将携手在中国重庆市建立发展一个生态资源回收园区——重庆静脉产业园。

## 回馈股东

为了酬谢股东们多年来对集团的衷心支持和爱护,集团于2007年11月分发了特别现金红利,并完成了附着凭单的配股活动,股东们可以用自己应得的现金红利认购公司股权和凭单。在2008年7月,我们再一次分发了特别现金红利及附加股,股东们同样可以用此现金红利再次认购公司股权,此次配股活动于2008年10月圆满完成。

以上两次资本重组,成功地将公司的部分留存利润转化为实收资本,巩固了公司的资本基础,也增强了公司股票的市场流动性,并扩大了公司的股东范围。

我们很荣幸的告知各位股东,新加坡证券交易所已经批准集团加入主板的申请,从2008年5月9日起,集团开始正式在新交所主板挂牌交易。

## 鸣谢

我们借此机会感谢所有的客户、厂商、商业合作伙伴和员工。衷心感谢大家一如既往的大力支持、辛勤工作和对我们的坚定信心。我们坚信,有了大家的支持,我们一定可以打造一个更精彩的2009年,一个更灿烂的绿科未来。

**李添胜**  
董事主席

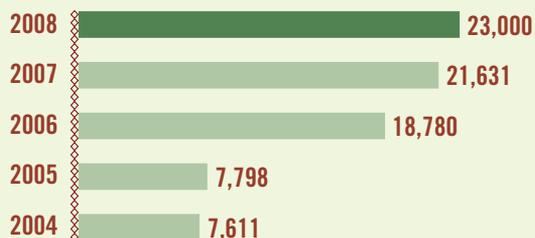


# FINANCIAL HIGHLIGHTS

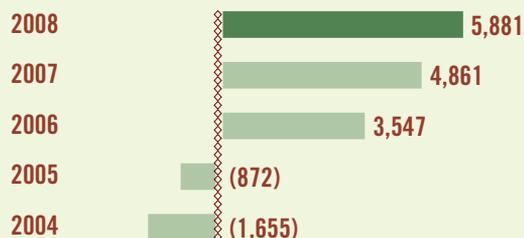
	FY2008	FY2007	FY2006	FY2005	FY2004
<b>Financial Results (\$'000)</b>					
Revenue	23,000	21,631	18,780	7,798	7,611
Gross Profit	9,770	12,141	10,013	2,677	1,429
Profit / (loss) before tax	6,979	6,076	4,598	(659)	(1,684)
Profit / (loss) after tax	5,831	5,247	3,913	(770)	(1,684)
Minority interest	(50)	386	366	102	29
Profit / (loss) attributable to shareholders	5,881	4,861	3,547	(872)	(1,655)
<b>Balance Sheet (\$'000)</b>					
Property, plant and equipment	7,022	7,167	6,659	6,607	5,418
Cash and cash equivalents	13,216	7,400	4,662	1,048	2,000
Current assets	23,978	14,847	11,015	4,069	5,893
Total assets	32,847	22,562	18,393	10,829	11,469
Current liabilities	7,575	7,632	5,794	2,850	2,988
Total liabilities	8,744	9,006	7,068	4,344	4,441
Working capital	15,234	7,215	5,221	1,219	2,905
Shareholders' funds	23,340	12,758	10,278	6,204	7,028
<b>Ratios</b>					
Current ratio (times)	3.17	1.95	1.90	1.43	1.97
Return on shareholders' funds (%)*	32.58	42.20	43.04	(13.18)	(23.92)
Return on assets (%)*	21.23	23.74	24.28	(7.82)	(16.89)
Basic earnings per shares (cents)	1.68	5.86	4.51	(1.12)	(2.17)
Net assets value per share (cents)	3.67	14.86	12.60	8.00	9.06
Debt / Equity ratio (net of cash) (times)	(0.20)	(0.42)	(0.25)	0.23	0.01

\* In calculating return on shareholders' funds and return on assets, the average basis has been used.

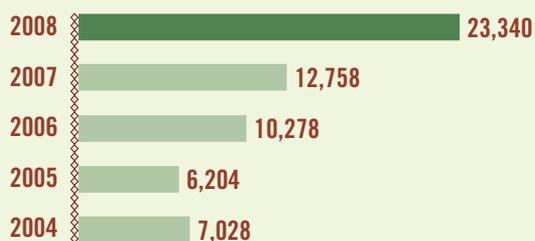
### GROUP REVENUE (\$'000)



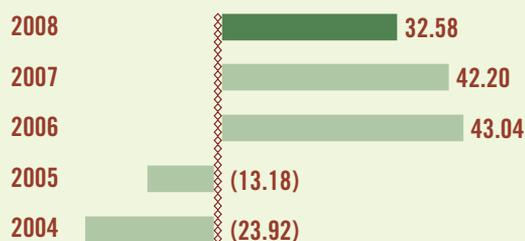
### PROFIT / (LOSS) ATTRIBUTABLE TO SHAREHOLDERS (\$'000)



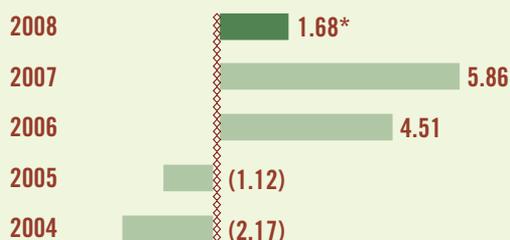
### SHAREHOLDERS' FUNDS (\$'000)



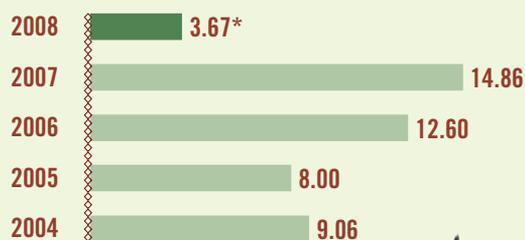
### RETURN ON SHAREHOLDERS' FUNDS (%)



### BASIC EARNINGS PER SHARE (CENTS)



### NET ASSETS VALUE PER SHARE (CENTS)



\* Due to rights cum warrants issue, rights issue, issue of performance shares and warrants exercised during the financial year.

# OPERATIONS REVIEW

## REVIEW OF FINANCIAL PERFORMANCE

### Income Statement

FY 2008 has been a challenging year for the Group. However, the Group managed to post a 6.3% growth from S\$21.63 million in FY 2007 to S\$23.00 million in FY 2008. This increase was due to the income from providing operating management services to our new associate company, increased recycling activities and income from biomass cogeneration plant.

Gross profit margin decreased from 56.1% to 42.5% mainly due to higher diesel cost, depreciation expenses and staff costs as well as non-consolidation of used copper slag processing activities which has now been transferred to an associate company.

Profit before income tax increased by S\$0.90 million or 14.8% from S\$6.08 million to S\$6.98 million mainly due to an exceptional gain on disposal of 50% in the shares of Geocycle Singapore Pte Ltd (“Geocycle Singapore”) to Holcim (Singapore) Pte Ltd (“Holcim Singapore”) partially offset by impairment provision and increased in indirect costs and administrative expenses.

The Group’s administrative expenses were 21.7% higher than that of the corresponding period mainly due to increased staff costs. Depreciation cost also increased due to acquisition of new assets.

### Balance Sheet

Total equity attributable to the shareholders of the Group grew 82.9% to S\$23.34 million as at 31 October 2008 as compared to S\$12.76 million as at 31 October 2007 mainly due to rights issue, warrants exercised and current year earnings partially offset by dividends paid during the year.

The Group’s current assets increased by S\$9.13 million from S\$14.85 million in 31 October 2007 to S\$23.98 million in 31 October 2008 mainly due to higher sales revenue and proceeds from disposal of 50% in the share capital of its subsidiary to joint venture partner and partial billing on plant constructed for associate company.

The Group’s non-current assets increased S\$1.15 million from S\$7.72 million in 31 October 2007 to \$8.87million in 31 October 2008 mainly due to increase investment in associate company, asset purchased for spent grain drying business and asset for sale to associate company.

Group’s current liabilities decreased slightly by S\$50,000 from S\$7.63 million in 31 October 2007 to S\$7.58 million in 31 October 2008 mainly due to payment of special dividend accrual in previous year and early settlement of borrowings, partially offset by increased trade payable from associate company.

Group’s non-current liabilities decreased by S\$0.20 million from S\$1.37 million to S\$1.17 million mainly due to decreased provision for deferred taxation.

### Cash Flow Statement

The cash and cash equivalents at the end of the reporting period was at S\$13.22 million, the increase of S\$5.82 million was mainly due to proceeds from disposal of 50% in the share capital of its subsidiary and proceeds from issue of shares partially offset by payment of the special dividends declared in the preceding and current financial years.

## OPERATIONS REVIEW

### Recovery of Industrial Materials

Copper slag is a by-product formed during the copper smelting process. The molten copper forms at the bottom of the furnace while molten slag is formed on top. The molten copper slag is then drained off and quenched with water or left in the air to cool.

The copper slag is further treated to be used by shipyards and fabrication yards as a blasting medium to prepare metal surfaces before coating or recoating. During the blasting process, the copper slag is contaminated with various impurities and contaminates and is disposed as used copper slag waste. The used copper slag has to be properly treated with the right technology to be further recycled.

The Group has over 25 years experience in the recovery of industrial materials, mainly recycling of used copper slag. We have successfully re-purposed recycled copper slag as an approved sand alternative in the construction industry. Currently, a large portion of the recycled copper slag is incorporated into ready-mix concrete for the production of eco-concrete.

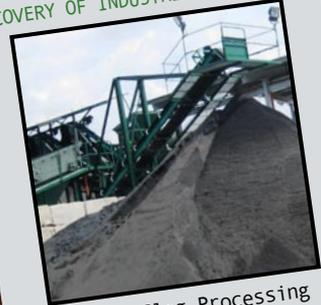
As part of the Group’s conscientious efforts in establishing our position as the leader in the collection and recovery of used copper slag market, the Group signed a joint venture agreement

with Holcim Singapore, a wholly owned subsidiary of Holcim Ltd on 14 January 2008. Holcim Ltd is one of the world's leading producer of cement and aggregates as well as manufacturer of ready-mix concrete and asphalt including a range of other services. Holcim Ltd is also the industry leader in the Dow Jones Sustainable Index. The joint venture which will add depth to our technical capabilities, broaden our revenue base and increase the range of industrial materials that we can recover and process. Holcim Singapore provided the exclusive uptake of all products arising from this joint venture which will drive our future growth and sustain a high level of performance.

On 29 October 2008, our joint venture company, Geocycle Singapore held the official opening ceremony for its new copper slag processing facilities, the largest waste copper slag processing plant in Singapore. The plant was officially opened by Dr Mohamad Maliki Bin Osman, Parliamentary Secretary for National Development.

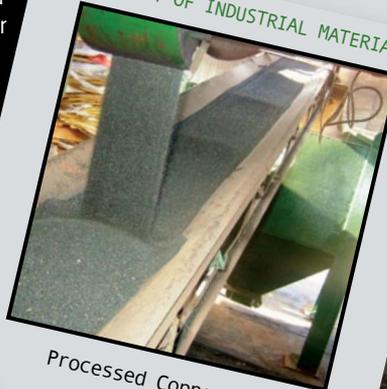
Our industrial materials recovery business which continues to be the main driver of the Group's growth and development accounted for 85% of the Group's revenue in FY2008.

RECOVERY OF INDUSTRIAL MATERIALS



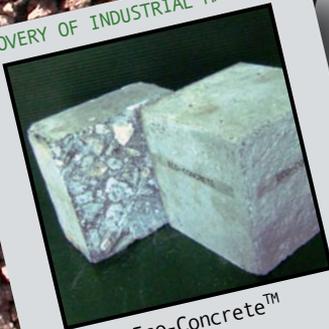
Copper Slag Processing

RECOVERY OF INDUSTRIAL MATERIALS



Processed Copper Slag

RECOVERY OF INDUSTRIAL MATERIALS



Eco-Concrete™



# OPERATIONS REVIEW

## Renewable Energy

Our biomass cogeneration (“cogen”) plant uses renewable fuels such as wood waste and horticulture waste to produce electricity and heat. The cogen plant is equipped with special designed boiler system and fully automatic control system to handle biomass fuel. It generates 15 tonnes of superheated steam per hour and 1 MW of electricity .

The Group provides ISO tanks heating services using waste steam generated from the biomass cogen plant. Since November 2008, the Group had started with the new business of using waste steam to dry waste products such as spent grains into raw materials for the production of animal feed.

We are very proud to announce that our wholly owned subsidiary, Bee Joo Industries Pte Ltd (“BJI”) is the first Singapore registered company to successfully register its Clean Development Mechanism (CDM) project entitled “Thermal Energy Recovery For New Applications” with the United Nations Framework Convention on Climate Change (UNFCCC). With this, the project is eligible for Certified Emission Reduction (CERs) units, commonly known as Carbon Credits, issued by the UNFCCC CDM Executive Board. BJI is also the first Singapore registered company to successfully secure the sale of CERs in November 2007.

## Recovery of Organic Waste

Our 15,000 m<sup>2</sup> composting facility at Sarimbun Recycling Park processes more than 24,000 metric tonnes of horticultural waste per annum. It produces quality compost which can be used as organic fertiliser and soil conditioner that improves nutrients level, soil aeration, water and nutrient retention capability, and prevents soil erosion.

The compost is produced through a proprietary in-vessel technology, ecoWise Active Composting Technology ecoACT™, which through an active thermophilic process destroys pathogens, quickens decomposition and ensures a consistent quality.

Our compost has been awarded the Singapore Green Label by the Singapore Environment Council for “100% Natural Organic Fertiliser” and certified by Biological Farmers of Australia (BFA).

RENEWABLE ENERGY



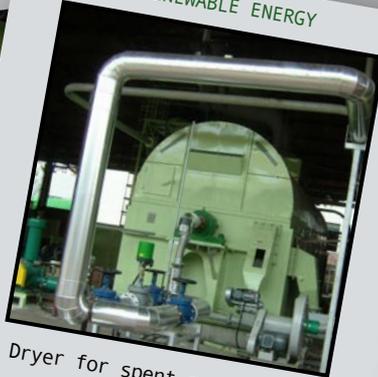
Biomass Cogeneration Plant

RENEWABLE ENERGY



ISO Tank Heating with waste steam from Biomass Cogeneration Plant

RENEWABLE ENERGY



Dryer for spent grain drying

RECOVERY OF ORGANIC WASTE



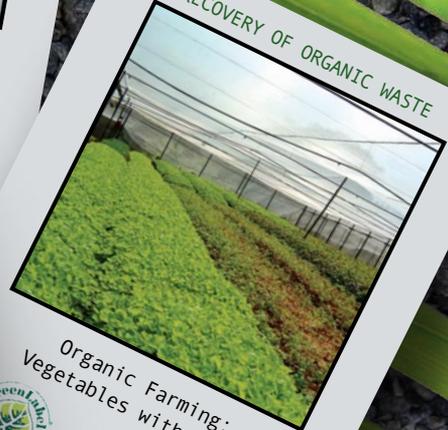
Crushing of Tree Prunings

RECOVERY OF ORGANIC WASTE



Organic Compost

RECOVERY OF ORGANIC WASTE



Organic Farming:  
Vegetables with Taste



# BOARD OF DIRECTORS



**Lee Thiam Seng**  
Executive Chairman and  
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. He is a member of the Nominating Committee.

Mr Lee holds a Diploma (Merit) in Electrical Engineering from Singapore Polytechnic. He is a Chartered Financial Consultant, accredited by the American College, USA. He is also an independent Director of Metax Engineering Corporation Limited.



**Teoh Teik Kee**  
Executive Director

Mr Teoh was appointed as an Executive Director in November 2004.

He holds a Bachelor of Science (Hons) in Managerial and Administrative Studies from Aston University, England and is a member of the Institute of Chartered Accountants in England and Wales as well as a Diploma holder in Corporate Treasury Management issued by The Association of Corporate Treasurers, United Kingdom.

Mr Teoh is also an Independent Director of City e-Solutions Ltd and Luzhou Bio-chem Technology Limited which are public companies listed in Hong Kong and Singapore respectively.



**Sunny Ong Keng Hua**  
Executive Director

Mr Sunny Ong was appointed as a Director in November 2002. He is the founder of the Group.

He began his career in the waste management business by forming Bee Joo Transport Co. in 1979 to undertake transportation services for the collection of used copper slag and copper slag recycling. In 1988 he formed Bee Joo Industries Pte Ltd to focus on the recycling businesses and later expanded the business to include the collection and processing of horticultural waste.





**Ng Cher Yan**  
Lead Independent Director

Mr Ng was appointed as an Independent Director in November 2004 and is the Chairman of the Audit Committee, a member of the Remuneration Committee and the Lead Independent Director.

He is a practicing public accountant and a fellow member of the Institute of Certified Public Accountants of Singapore and a member of the Institute of Chartered Accountants in Australia. Mr Ng holds a Bachelor degree in Accountancy from the National University of Singapore.

Mr Ng is also an Independent Director of Serial System Ltd, Kian Ann Engineering Ltd, Sinopipe Holdings Ltd, Sihuan Pharmaceutical Holdings Group Ltd Kinergy Ltd and Samko Timber Ltd.



**Ang Mong Seng**  
Independent Director

Mr Ang was appointed as an Independent Director in February 2004. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee respectively.

Mr Ang is the Member of Parliament for Hong Kah GRC (Bukit Gombak), Chairman of Hong Kah Town Council, Vice Chairman of South West Community Development Council and the Chief Operating Officer of EM Services Pte Ltd. Mr Ang has more than 31 years experience in estate management and holds a Bachelor of Arts from Nanyang University.

Mr Ang is currently serving as an Independent Director on the Boards of Vicplas International Ltd, United Fiber System Ltd, Chip Eng Seng Corporation Ltd, AnnAik Ltd and Hoe Leong Corporation Ltd.



**Ong Teck Ghee**  
Independent Director

Mr Ong was appointed as an Independent Director in March 2003 and is the managing partner of Ong & Lau, a firm of advocates and solicitors. His area of practice includes corporate, commercial, property and banking law. He is the Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee respectively.

Mr Ong holds a degree in law from the National University of Singapore in 1984 and is an advocate and solicitor of the Supreme Court of Singapore, a Commissioner for Oaths and a Notary Public.

Mr Ong is also an Independent Director of SP Corporation Ltd.



# MANAGEMENT TEAM

## **Lee Thiam Seng** Chief Executive Officer

Mr Lee is responsible for setting strategic direction, formulating business strategies and overall management of the Group in resources recovery, use of sustainable resources and environmental solutions. He has accumulated more than 12 years experience in the business of waste management and environmental engineering solutions in this region.

## **Sunny Ong Keng Hua** Executive Director

Mr Ong oversees daily running and operations of the Group. He is instrumental in propelling the growth of our Group in the waste management and environmental solutions industry.

With his experience in the copper slag recycling business of more than 22 years, he has strengthened our position as a leader in the copper slag recycling industry in Singapore.

## **Jacky Yang Jianguo** General Manager, Energy

Mr Yang is the General Manager of ecoWise Energy Pte Ltd. He is responsible for developing and managing the Group's renewable energy business. He has more than 21 years of both technical and business management experiences in petrochemical, oil and gas, and waste to energy industries. Mr Yang holds a Master In Business Administration from the University of Western Sydney (UWS), and a Bachelor Degree in Material Engineering from Shanghai Jiao Tong University (PRC).



LEE THIAM SENG



TEOH TEIK KEE



SUNNY ONG KENG HUA



ALOYSIUS CHAN BUANG HENG



JACKY YANG JIANGUO



FOO JIN KHOON

**Teoh Teik Kee****Executive Director**

Mr Teoh is responsible for overseeing the Group's corporate planning, mergers and acquisitions, as well as charting and implementing business strategies locally and regionally. He is a UK Chartered Accountant by training and had held senior management positions in bank and stock-broking companies in Singapore and Malaysia.

**Aloysius Chan Buang Heng****Financial Controller**

Mr Chan is responsible for the overall administration, accounting and financial management of the Group. He has more than 27 years experience covering auditing, accounting and financial management in the commercial, manufacturing sectors and public accounting. Mr Chan is a fellow member of the Association of Chartered Certified Accountants and a Certified Public Accountant with the Institute of Certified Public Accountants of Singapore. He holds a Master of Business Administration from the University of Hull (UK).

**Foo Jin Khoon****Senior Manager, Group Engineering**

Mr Foo is responsible for Group Engineering, supporting operations activities and spearheading new engineering businesses. He has more than 23 years of engineering experience in the chemical, electronics and assembly industries. Mr Foo holds a B.Sc. Degree with Honors in Mechanical Engineering, University of Aston, Birmingham (UK).



# CORPORATE INFORMATION

## Board of Directors

### Executive Directors

Lee Thiam Seng (Chairman)

Teoh Teik Kee

Sunny Ong Keng Hua

### Independent Directors

Ng Cher Yan (Lead Independent Director)

Ang Mong Seng

Ong Teck Ghee

## Audit Committee

Ng Cher Yan (Chairman)

Ang Mong Seng

Ong Teck Ghee

## Nominating Committee

Ong Teck Ghee (Chairman)

Ang Mong Seng

Lee Thiam Seng

## Remuneration Committee

Ang Mong Seng (Chairman)

Ng Cher Yan

Ong Teck Ghee

## Company Secretary

Yap Peck Khim

## Auditors

RSM Chio Lim LLP

8 Wilkie Road

#03-08 Wilkie Edge

Singapore 228095

## Share Registrar

Boardroom Corporate & Advisory Services Pte Ltd

3 Church Street

#08-01 Samsung Hub

Singapore 049483

## Principal Bankers

The Hongkong and Shanghai Banking Corporation

DBS Bank Ltd

United Overseas Bank Limited

Overseas-Chinese Banking Corporation Limited

## Registered Office / Contact Details

17 Kallang Junction #04-03

Singapore 339274

Tel: 65 - 6536 2489

Fax: 65 - 6536 7672

Website: [www.ecowise.com.sg](http://www.ecowise.com.sg)

# CORPORATE GOVERNANCE

The Board of Directors (the “Board”) is committed to maintaining a high standard of corporate governance within ecoWise Holdings Limited and its subsidiaries (“the Group”). The Board recognises the importance of practicing good corporate governance as a fundamental part of its responsibilities to protect and enhance shareholders’ value and the financial performance of the Group.

This Report describes the Group’s corporate governance practices with specific reference to the Code of Corporate Governance 2005 (“Code”). Where there are deviations from the Code, appropriate explanations are provided.

## The Code

The Code is divided into four main sections, namely:

- Board Matters
- Remuneration Matters
- Accountability and Audit
- Communication with Shareholders

## Board Matters

### Principle 1: Board’s Conduct of its Affairs

*Every company should be headed by an effective board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.*

The principal functions of the Board are:

- Reviewing and approving corporate strategies, annual budgets and financial plans and monitoring the organisational performance towards them;
- Reviewing the adequacy and integrity of the Group’s internal controls, risk management system, and financial reporting systems;
- Ensuring the Group’s compliance with law, regulations, policies, directives, guideline and internal code of conduct;
- Approving the nominations to the Board of Directors by Nominating Committee, and endorsing the appointment of the management team and / or external and internal auditors;
- Approving the policies and guidelines for Board and Management remuneration packages;
- Ensuring accurate, adequate and timely reporting to, and communication with shareholders; and
- Assuming the responsibility for the satisfactory fulfillment of social responsibilities of the Group.

The Board has delegated specific responsibilities to 3 committees namely, the Audit Committee (“AC”), the Nominating Committee (“NC”) and the Remuneration Committee (“RC”) to assist in the execution of its responsibilities. Each committee has its own written mandate and operating procedures, which are reviewed periodically.

The Board holds scheduled regular meetings to review, consider and approve strategic, operational and financial matters. Important matters concerning the Group are put before the Board for their decisions and approvals. Ad-hoc meeting will be held when circumstances required.

# CORPORATE GOVERNANCE

The attendance of the Directors at Board and Committee meetings since the date of the last annual report and up to the date of this statement is tabulated below:

## Attendance at Meetings

No. of meetings held	Board Committees			
	Board	Audit	Nominating	Remuneration
	4	3	1	3
Board Members	No. of Meetings Attended			
Lee Thiam Seng	4		1	
Teoh Teik Kee	4			
Sunny Ong Keng Hua	4			
Ng Cher Yan	4	3		3
Ang Mong Seng	4	3	1	3
Ong Teck Ghee	3	3	1	3

Newly appointed Directors will be given briefings and orientations by the Management on the business activities and governance practices of the Group.

The approval of the Board is required for material transactions such as mergers and acquisitions, major investments, divestments, and disposals, and the release of the financial result of the Group.

## Principal 2: Board Composition and Guidance

*There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management. No individual or small group individuals should be allowed to dominate the Board's decision making.*

Currently, the Board comprises three Executive Directors and three Independent Directors:

Name of Directors	Board of Directors	Date of Appointment	Audit Committee	Nominating Committee	Remuneration Committee
Lee Thiam Seng	Executive Director (Chairman)	12 November 2002		Member	
Teoh Teik Kee	Executive Director	19 November 2004			
Sunny Ong Keng Hua	Executive Director	12 November 2002			
Ng Cher Yan	Independent Director	19 November 2004	Chairman		Member
Ang Mong Seng	Independent Director	16 February 2004	Member	Member	Chairman
Ong Teck Ghee	Independent Director	3 March 2003	Member	Chairman	Member

The Board comprises of high caliber individuals who are suitably qualified with the necessary mix of expertise, experience and knowledge.

The Board's composition, size, and balance and independence of each Non-Executive Director are reviewed annually by the NC.

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

**Principle 3: Chairman and Chief Executive Officer (“CEO”)**

*There should be a clear division of responsibilities at the top of the company – the working of the Board and executive responsibility of the company’s business – which will ensure a balanced of power and authority, such that no one individual represents a considerable concentration of power.*

Mr Lee Thiam Seng (“Mr Lee”) is currently the Chairman of the Board and the CEO of the Company. The Board is of the view that, given the scope and nature of the operations of the Group and the strong element of independence of the Board, it is not necessary to separate the functions of the Chairman and CEO.

As Chairman, Mr Lee is responsible in ensuring that Board meetings are held when necessary, scheduling and preparing agendas and exercising controls over the information flow between the Board and Management.

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

In addition, as recommended by the Code, the Board has appointed Independent Non-Executive Director, Mr Ng Cher Yan, as our Lead Independent Director. Employees of the Company with serious concerns that could have a large impact on the Group, which contact through the normal channels have failed to resolve or for which such contact is inappropriate shall be able to contact Mr Ng Cher Yan or the Audit Committee Members of the Group.

**Principle 4: Board Membership**

*There should be a formal and transparent process for appointment of new Directors to the Board.*

The NC comprises of 3 Directors, majority of whom, are Independent Directors. The NC shall meet at least once a year.

The Board, through the delegation of its authorities to the NC, has used its best efforts to ensure that Directors appointed to the Board possesses the particular skill, experience and knowledge, business, finance and management skills necessary to the Group’s businesses and each Director, through his contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The NC also has at its disposal, search companies, personal contacts and recommendations in its search and nomination process for the right candidates for appointment of new Directors.

The NC is responsible for:

- Re-nomination of our Directors having regard to the Director’s contribution and performance;
- Determining on an annual basis whether or not a Director is independent;
- Deciding whether a Director, who has multiple board representation, is able to and has adequately carried out his duties as Director; and
- Making recommendations to the Board on all Board appointments and reappointments including making recommendations on the composition of the Board and the balance between Executive and Non-Executive Directors appointed to the board.

All Directors shall submit themselves for re-nomination and re-election at regular intervals and at least every 3 years.

# CORPORATE GOVERNANCE

## **Principle 5: Board Performance**

*There should be a formal assessment of the effectiveness of the Board as a whole and the contributions by each Director towards Board's effectiveness.*

The NC is also responsible for deciding how the Board's performance may be evaluated and proposed objective performance criteria for the Board's approval and implementing corporate governance measures to achieve good stewardship of the Group.

In assessing the performance of the Directors, the NC evaluates each Director based on the following review parameters, which among others, include:

- Attendance at board/committee meetings;
- Participation at meetings;
- Involvement in management;
- Availability for consultation and advice, when required
- Independence of the directors; and
- Appropriate skill, experience and expertise.

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

In addition to the above, the NC also evaluates the performance and effectiveness of the Board as a whole taking into account of the Board balance and mix.

As an integral element of the process of appointing new Directors, the NC may act on the performance evaluation result and where appropriate, proposes new members to be appointed to the Board or seeks resignation of Directors.

The Directors also participate in seminars and discussions to keep themselves updated on the latest changes and developments concerning the Group and keep abreast of the latest regulatory changes.

## **Principle 6: Access to Information**

*In order to fulfill their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.*

Directors have unrestricted access to the Group's records and information, all Board and Board's committees' minutes, and shall receive management accounts so as to enable them to carry out their duties. Directors may also liaise with senior executives and other employees to seek additional information if required.

Detailed board papers and agenda are send out to the Directors before meetings so that all the members may better understand the issue beforehand, allowing for more time at such meeting for questions that the members may have.

Should Directors, whether as a group or individually, requires professional advice, the Group, upon direction by the Board, shall appoint a professional advisor selected by the group or the individual, approved by the Chairman, to render the advice. The cost of such service shall be borne by the Group.

The Company Secretary attends all Board meetings and is responsible to the Board for advising on the implementation of the Group's compliance requirements pursuant to the relevant statutes and regulations. All Directors have separate and independent access to advice and services of the Company Secretary. The appointment and removal of the Company Secretary is subject to approval of the Board.

## Remuneration Matters

### Principle 7: Procedures for Developing Remuneration Policies

*There should be a formal and transparent procedure for developing policy on executive remuneration and fixing remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.*

The Group has established a RC for determining the remuneration of Directors and key executives of the Group. The RC comprises 3 Non-Executive Independent Directors.

The responsibilities of the RC are:

- Recommend to the Board all matters relating to remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, Performance Shares and benefits-in-kind, of the Directors and key executives;
- Review and recommend to the Board the terms of the service agreements of the Directors;
- Determine the appropriateness of the remuneration of the Directors;
- Consider the disclosure requirements for Directors' and key executives' remuneration as required by the SGX-ST; and
- Administer the ecoWise Performance Share Plan ("PSP").

The Executive Directors' remuneration packages are based on service contracts. These include a profit sharing scheme that is performance related to align their interest with those of the shareholders. Independent Directors are paid yearly Directors' fees of an agreed amount and these fees are subject to shareholders' approval at Annual General Meeting ("AGM").

The RC is given the right to seek professional advice internally and externally pertaining to remuneration of all Directors.

### Principle 8: Level and Mix of Remuneration

*The level of remuneration for Directors should be appropriate to attract, retain and motivate the Directors needed to run the company successfully but companies should avoid paying more than necessary for this purpose. A significant proportion of executive remuneration should be structured so as to link rewards to the corporate and individual.*

The remuneration policy of the Group is to provide compensation packages at market rates, which reward successful performance and attract, retain and motivate managers and Directors.

The Group's remuneration policy comprises of fixed component and variable component; fixed component is in the form of fixed monthly salary whereas variable component is linked to the performance of the Group and individual.

In setting remuneration package, the RC ensures the Directors are adequately but not excessively remunerated as compared to the industry and in comparable companies.

# CORPORATE GOVERNANCE

## Principal 9: Disclosure on Remuneration

The Group should provide clear disclosure of remuneration policy, level and mix of remuneration, and the procedure for setting remuneration.

Details of the Directors' remuneration for FY 2008 are set out below:

Participant	Directors' Fees %	Base/Fixed Salary %	Variable or Performance Related Income/Bonus %	Benefits in kind %	ecoWise PSP %	Total %
<b>Executive Directors</b>						
<b>\$750,000 to \$999,999</b>						
Lee Thiam Seng	-	38.0	38.6	1.4	22.0	100.0
Teoh Teik Kee	-	35.8	46.5	-	17.7	100.0
<b>\$500,000 to \$749,999</b>						
Sunny Ong Keng Hua	-	29.8	42.9	-	27.3	100.0
<b>Independent Directors</b>						
<b>Below \$250,000</b>						
Ng Cher Yan	58.4	-	-	-	41.6	100.0
Ang Mong Seng	63.7	-	-	-	36.3	100.0
Ong Teck Ghee	63.7	-	-	-	36.3	100.0

The remuneration of the top 5 key executives (who are not directors) is not disclosed in this report. The Board believes that disclosure of the remuneration of individual executives is disadvantageous to the business interests of the Group, in view of the shortage of talented and experienced personnel in renewable energy and recycling services industries.

For the period under review, the RC had recommended to the Board total Directors fees of \$80,000 for the Independent Directors, which will be tabled by the Board at the forthcoming AGM for the shareholders' approval.

The Board is of the opinion that details of remuneration for individual Directors and key executives are confidential, and disclosure of such information would not be in the interest of the Group.

There is an employee who is related to a Director whose remuneration exceeded \$150,000 in the Group's employment for the financial year ended 31 October 2008.

There is no material contracts and loan of the Group involving the interest of any Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

8,360,000 (2007: 5,450,000) shares have been granted under the Share Plan as of the date the financial statements were approved for issue by the Board of Directors.

Participant	Balance as at 1.11.2007 '000	Performance Shares granted during financial year 2008 '000	Shares lapsed during financial year '000	Performance Shares vested during financial year '000	Balance as at 31.10.2008 '000
<b>Directors</b>					
Lee Thiam Seng	750	1,500	-	750	1,500
Teoh Teik Kee	500	1,500	-	500	1,500
Sunny Ong Keng Hua	500	1,500	-	500	1,500
Ng Cher Yan	75	100	-	75	100
Ang Mong Seng	50	80	-	50	80
Ong Teck Ghee	50	80	-	50	80
	1,925	4,760	-	1,925	4,760
<b>Other Staff</b>	975	3,600	400	575	3,600
	<b>2,900</b>	<b>8,360</b>	<b>400</b>	<b>2,500</b>	<b>8,360</b>

	Number of Participants	
	2008	2007
<b>Directors</b>	6	6
<b>Other Staff</b>	11	8
	<b>17</b>	<b>14</b>

*The above performance shares granted are subjected to adjustments for rights cum warrants issues and/or rights issues. At at 30.10.2008, 2,500,000 performance shares were vested but not issued.*

# CORPORATE GOVERNANCE

## Accountability and Audit

### Principle 10: Accountability and audit

*The Board should present a balanced and understandable assessment of the Group's performance, position and prospects.*

The Board is accountable to the shareholders while the Management is accountable to the Board.

The Management will provide the Board with detailed management accounts of the Group's performance, position and prospects on a quarterly basis.

The Management also presents to the Board the half yearly and full year accounts and the Audit Committee reports to the Board on the results for review and approval. The Board approves the results after review and authorises the release of the results to the SGX-ST and the public via SGXNET.

### Principle 11: Audit Committee

*The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.*

The AC consists of 3 Directors, including the Chairman, all of whom are Independent Directors. The committee has specific terms of reference and has met 3 times since the date of the last annual report and up to the date of this statement.

The AC assists the Board to maintain a high standard of corporate governance, particularly by providing an independent review of the effectiveness of the financial reporting, management of financial and control risks, and monitoring of the internal control systems. In performing its functions, the AC:

- Reviews the audit plans of the external auditors and ensure the adequacy of the Group's system of accounting controls and the co-operation given by the management to the external auditors;
- Reviews the financial statements of the Group before their submission to the Board, and before their announcement;
- Reviews 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;
- Reviews the cost effectiveness and the independence and objectivity of the external auditors;
- Reviews the nature and extent of non-audit services provided by the external auditors;
- Reviews the assistance given by the Group's officer to the auditors;
- Nominates external auditors for re-appointment;
- Reviews the Group's compliance with such functions and duties as may be required under the relevant statutes or the Listing Manual, and by such amendments made thereto from time to time;
- Reviews interested person transactions in accordance with the requirements of the Listing Rules of the SGX-ST; and
- Reviews the adequacy of the Group's internal controls.

The Board is of the view that the members of the AC are appropriately qualified to discharge their responsibilities and they have the requisite accounting or related financial management expertise or experience, as the Board exercises in its business judgment.

The AC has power to conduct or authorize investigations into any matters within the AC's scope of responsibility.

For the year ended 31 October 2008, the AC has reviewed all non-audit services provided by the external auditors and confirmed that these non-audit services would not affect the independence and objectivity of the external auditors. The AC recommends to the Board the reappointment of Messrs RSM Chio Lim LLP as the external auditors of the Group at the forthcoming AGM.

The Group had implemented the whistle blowing policy. The policy aims to provide avenue for employees to raise concerns about misconducts in the Group and at the same time assure them that they will be protected from victimization for whistle blowing in good faith. Cases that are significant are reviewed by the AC for adequacy and independence of investigation actions and resolutions. Contact details of the AC have been made available to all employees.

#### **Principal 12: Internal Controls**

*The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investment and Group's assets.*

The Board acknowledges that it is responsible for maintaining a sound system of internal control framework, but recognizes that no cost effective internal control system will preclude all errors and irregularities. Internal control can provide only reasonable and not absolute assurance against material misstatement or loss.

During the financial year, the Group's external and internal auditors had conducted annual review of the effectiveness of the Group's internal controls. Any non-compliance and recommendation for improvement were reported to the AC.

Based on external and internal auditors' report and various controls implemented by the management, the AC is satisfied the internal controls in place meet the needs of the Group in its current business environment.

#### **Principle 13: Internal Audit**

*The Group should establish an independent internal audit function.*

The Board recognizes its responsibilities for maintaining a system of internal control processes to safeguard shareholders' investments and the Group's assets and business.

Currently, the Chairman of the AC enquires and relies on reports from the Management, internal and external auditors on any material non-compliance and internal control weaknesses. The AC oversees and monitors the implementation of any improvements thereto. The AC has reviewed with the internal and external auditors their findings of the existence and adequacy of material accounting controls procedures as part of its audit for the financial year under review. The AC is of the view that the works carried out by the external auditors are adequate.

Mazars Moores Rowland LLP, a professional accounting firm has been appointed and will perform the internal audit function and report directly to the AC which assists the Board in monitoring and managing risks and internal controls of the Group.

# CORPORATE GOVERNANCE

## Communication with Shareholders

**Principle 14: Regular, effective and fair communication with shareholders**

**Principle 15: Shareholders' participation at AGM**

The Group 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 our shareholders. In line with continuous disclosure obligations of the Group pursuant to the Corporate Disclosure Policy of the SGX-ST, the Group's policy is that all shareholders should be equally and timely informed of all major developments that impact the Group.

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

- Annual reports. 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 Companies Act, and Financial Reporting Standards;
- SGXNET and news releases;
- Press releases on major developments of the Group;
- Disclosures to the SGX-ST; and
- The Group's website at [www.ecowise.com.sg](http://www.ecowise.com.sg) on which shareholders can access information relating to the Group.

The AGM is the principal forum for dialogue with our shareholders. Our Group encourages our shareholders to attend the AGM to ensure a high level of accountability and to be kept informed of the Group's strategy and goals.

In general, separate resolutions are proposed for substantially separate issue and for items of special business, where appropriate an explanation for proposed resolution.

The Board welcomes questions and views of shareholders on matters affecting the Group raised either informally or formally before or at the AGM. Internal Code on Dealings in Securities

The Group has put in place an internal code on dealings with securities ("Internal Code"). This Internal Code has been issued to all Directors and employees setting up the implications on insider trading.

The Internal Code prohibits the dealing in securities of the Company by Directors and employees while in possession of price-sensitive information, and during the period beginning one month before the announcements of the half yearly and annual results, and ending on the date of the announcement. Directors are required to report securities dealings to the company secretary who will assist to make the necessary announcements.

In addition, Directors and employees are cautioned to observe insider trading laws at all times.

## Risk Management

As the Group does not have a risk management committee, the AC and Management assume the responsibility of the risk management function. Management reviews regularly the Group's business and operational activities to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. Management reviews all significant policies and procedures and highlights all significant matters to the Board and the AC.

## Interested Party Transactions

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





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