



**XMH**

**XMH HOLDINGS LTD.**

(Incorporated in the Republic of Singapore)  
(Company Registration No: 201010562M)

**UNAUDITED SECOND QUARTER (“2QFY2019”) AND FIRST HALF YEAR (1HFY2019) FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2018**

**1(a)(i) A consolidated statement of comprehensive income (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

(In S\$'000) Description	Group					
	Actual 2QFY2019	Actual 2QFY2018 (Restated*)	Change %	Actual 1HFY2019	Actual 1HFY2018 (Restated*)	Change %
<b>Revenue</b>	15,979	22,013	(27.4)	30,552	40,910	(25.3)
Cost of sales	(12,043)	(16,484)	(26.9)	(22,218)	(30,366)	(26.8)
<b>Gross profit</b>	3,936	5,529	(28.8)	8,334	10,544	(21.0)
Other income	554	551	0.5	1,061	1,042	1.8
Distribution expenses	(1,355)	(1,437)	(5.7)	(2,568)	(2,637)	(2.6)
Administrative expenses	(4,574)	(4,962)	(7.8)	(8,623)	(9,001)	(4.2)
<b>Results from operating activities</b>	(1,439)	(319)	NM	(1,796)	(52)	NM
Finance income	134	854	(84.3)	465	984	(52.7)
Finance costs	(437)	(343)	27.4	(771)	(631)	22.2
<b>Net finance (costs)/income</b>	(303)	511	NM	(306)	353	NM
<b>(Loss)/profit before share of results of an associated company</b>	(1,742)	192	NM	(2,102)	301	NM
Share of results of an associated company	-	-	NM	-	(2)	NM
<b>(Loss)/profit before tax</b>	(1,742)	192	NM	(2,102)	299	NM
Tax credit/(expense)	10	(77)	NM	8	(120)	NM
<b>(Loss)/profit after tax</b>	<b>(1,732)</b>	<b>115</b>	<b>NM</b>	<b>(2,094)</b>	<b>179</b>	<b>NM</b>
Items that may be reclassified subsequently to profit or loss						
<i>Exchange differences arising from translation of the financial statements of the subsidiary corporations</i>	40	(455)	NM	207	(1,129)	NM
<i>Net changes in the fair value of available-for-sale financial assets</i>	(58)	12	NM	(133)	17	NM
<i>Deferred tax arising from available-for-sale financial assets</i>	10	(2)	NM	23	(3)	NM
<i>Other comprehensive (expense)/income for the period, net of tax</i>	(8)	(445)	(98.2)	97	(1,115)	NM
<b>Total comprehensive expense for the period</b>	<b>(1,740)</b>	<b>(330)</b>	<b>NM</b>	<b>(1,997)</b>	<b>(936)</b>	<b>NM</b>

\* The comparative figures have been restated to take into account the full retrospective adjustment on the impact of the adoption of Singapore Financial Reporting Standard International (SFRS(I)) 15 'Revenue from contracts with customers' as set out in section 5.

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS  
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2018**

(In S\$'000) Description	Group					
	Actual 2QFY2019	Actual 2QFY2018 (Restated*)	Change %	Actual 1HFY2019	Actual 1HFY2018 (Restated*)	Change %
<b>(Loss)/profit attributable to:</b>						
Owners of the Company	(1,609)	194	NM	(1,838)	307	NM
Non-controlling interests	(123)	(79)	55.7	(256)	(128)	100.0
	<b>(1,732)</b>	<b>115</b>	<b>NM</b>	<b>(2,094)</b>	<b>179</b>	<b>NM</b>
<b>Total comprehensive expenses attributable to:</b>						
Owners of the Company	(1,617)	(251)	NM	(1,741)	(808)	NM
Non-controlling interests	(123)	(79)	55.7	(256)	(128)	100.0
	<b>(1,740)</b>	<b>330</b>	<b>NM</b>	<b>(1,997)</b>	<b>(936)</b>	<b>NM</b>

*Note:*

*NM denotes not meaningful where there is no comparative or the fluctuation is more than 100%*

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS  
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2018**

**1(a)(ii) The statement of comprehensive income is arrived after crediting /(charging) the following:**

(In S\$'000) Description	Group					
	Actual 2QFY2019	Actual 2QFY2018	Change %	Actual 1HFY2019	Actual 1HFY2018	Change %
Loss on disposal of property, plant and equipment	-	(3)	NM	-	(3)	NM
Other miscellaneous income	114	59	93.2	205	147	39.5
Rental income	360	484	(25.6)	710	888	(20.0)
Dividend income	20	7	NM	20	7	NM
Allowance for impairment loss on trade receivables	(6)	(19)	(68.4)	(6)	(45)	(86.7)
Interest income	80	74	8.1	155	132	17.4
Interest expense	(437)	(343)	27.4	(771)	(631)	22.2
Net foreign exchange gain	54	773	(93.0)	310	845	(63.3)
Depreciation of property, plant and equipment	(1,314)	(1,331)	(1.3)	(2,639)	(2,668)	(1.1)
Amortisation of intangible assets	(224)	(211)	6.2	(445)	(424)	5.0
Write-back of allowance for trade and other receivables	60	1	NM	126	10	NM
Bad debts written-off	(13)	(6)	NM	(13)	(6)	NM
Share-based payment expenses	(23)	(35)	(34.3)	(56)	(67)	(16.4)
Adjustment for under provision of tax in respect of prior year	(20)	-	NM	(21)	-	NM

*Note:*

*NM denotes not meaningful where there is no comparative or the fluctuation is more than 100%*

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS  
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2018**

**1(b) A statement of financial position (for the Company and Group), together with a comparative statement as at the end of the immediately preceding financial year.**

(In S\$'000) Description	Group		Company	
	31 Oct 2018	30 Apr 2018 (Restated)	31 Oct 2018	30 Apr 2018
<b>ASSETS</b>				
<u>Non-current assets</u>				
Property, plant and equipment	61,539	64,142	56,385	58,210
Intangible assets	10,672	11,094	-	-
Other financial assets	643	752	-	-
Investment in subsidiary corporations	-	-	25,540	25,540
Trade receivables	-	382	-	-
Club memberships	207	206	-	-
Deferred tax assets	303	304	-	-
<b>Total non-current assets</b>	<b>73,364</b>	<b>76,880</b>	<b>81,925</b>	<b>83,750</b>
<u>Current assets</u>				
Inventories	28,014	33,270	-	-
Trade and other receivables	17,893	14,069	1,495	3,222
Prepayment	484	318	56	47
Contract assets	6,936	7,293	-	-
Cash and short-term fixed deposits	19,775	24,001	779	365
Tax recoverable	103	105	-	-
<b>Total current assets</b>	<b>73,205</b>	<b>79,056</b>	<b>2,330</b>	<b>3,634</b>
<b>TOTAL ASSETS</b>	<b>146,569</b>	<b>155,936</b>	<b>84,255</b>	<b>87,384</b>
<b>LIABILITIES AND EQUITY</b>				
<u>Current liabilities</u>				
Trade and other payables	16,633	18,819	8,482	9,559
Loans and borrowings	24,376	34,348	2,005	2,340
Current tax payables	-	-	-	-
<b>Total current liabilities</b>	<b>41,009</b>	<b>53,167</b>	<b>10,487</b>	<b>11,899</b>
<u>Non-current liabilities</u>				
Other payables	146	142	458	453
Loans and borrowings	44,695	39,504	38,063	38,619
Deferred tax liabilities	317	383	-	-
<b>Total non-current liabilities</b>	<b>45,158</b>	<b>40,029</b>	<b>38,521</b>	<b>39,072</b>
<b>TOTAL LIABILITIES</b>	<b>86,167</b>	<b>93,196</b>	<b>49,008</b>	<b>50,971</b>
<b>NET ASSETS</b>	<b>60,402</b>	<b>62,740</b>	<b>35,247</b>	<b>36,413</b>
<b>EQUITY</b>				
<b>Equity attributable to owners of the Company</b>				
Share capital	39,780	39,780	39,780	39,780
Reserve for own shares	(3,292)	(2,791)	(3,292)	(2,791)
Other reserves	(6,834)	(6,987)	2,231	2,175
Accumulated profits/(losses)	29,598	31,436	(3,472)	(2,751)
	<b>59,252</b>	<b>61,438</b>	<b>35,247</b>	<b>36,413</b>
Non-controlling interests	1,150	1,302	-	-
<b>Total equity</b>	<b>60,402</b>	<b>62,740</b>	<b>35,247</b>	<b>36,413</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>146,569</b>	<b>155,936</b>	<b>84,255</b>	<b>87,384</b>

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS  
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2018**

**1(c) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the financial period reported on with comparative figures as at the end of the immediately preceding financial year:**

Description (in S\$'000)	Group	
	31 Oct 2018	30 Apr 2018
Amount repayable in one year or less, or on demand		
- Secured <sup>(1)</sup>	24,376	34,348
Amount repayable after one year		
- Secured	44,695	39,504
<b>Total</b>	<b>69,071</b>	<b>73,852</b>

The Group has certain banking facilities which are secured by the following: -

- (a) Legal mortgage on factory buildings of the Group; and
- (b) Corporate guarantee by the Company.

Note:

(1) The type of secured loans payable in one year or less, or on demand consists of the following;

Description (in S\$'000)	Group	
	31 Oct 2018	30 Apr 2018
Bills payables	5,907	10,352
Revolving credit facility	15,956	21,510
Finance leases	107	105
Term loans	2,337	2,378
Bank overdrafts	69	3
<b>Total</b>	<b>24,376</b>	<b>34,348</b>

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS  
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2018**

1(d) **A consolidated statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

(In S\$'000) Description	3 months ended		6 months ended	
	2QFY2019	2QFY2018 (Restated)	1HFY2019	1HFY2018 (Restated)
<b><u>Cash flows from operating activities</u></b>				
(Loss)/profit before tax	(1,742)	192	(2,102)	299
<b>Adjustments for:</b>				
Amortisation of intangible assets	224	211	445	424
Depreciation of property, plant and equipment	1,314	1,331	2,639	2,668
Loss on disposal of property, plant and equipment	-	3	-	3
Share-based payment expenses	23	35	56	67
Interest income	(80)	(74)	(155)	(132)
Interest expense	437	343	771	631
Dividend income from quoted equity securities	(20)	(7)	(20)	(7)
Bad debts written-off	13	6	13	6
Write-back of allowance for trade and other receivables	(60)	(1)	(126)	(10)
Allowance for impairment loss on trade receivables	6	19	6	45
Share of results of an associated company	-	-	-	2
Net effect of exchange rate changes in consolidating subsidiaries	(74)	(175)	111	(1,597)
	41	1,883	1,638	2,399
Changes in inventories	4,498	(2,256)	5,256	2,985
Changes in trade and other receivables	(3,866)	(2,368)	(3,335)	5,884
Changes in prepayment	(88)	(153)	(166)	(197)
Changes in contract in work-in-progress	(713)	2,875	356	(13)
Changes in trade and other payables	(1,581)	722	(2,182)	(7,671)
<b>Cash generated from operations</b>	<b>(1,709)</b>	<b>703</b>	<b>1,567</b>	<b>3,387</b>
Income tax paid, net	(27)	(170)	(55)	(204)
<b>Net cash (used in)/generated from operating activities</b>	<b>(1,736)</b>	<b>533</b>	<b>1,512</b>	<b>3,183</b>
<b><u>Cash flows from investing activities</u></b>				
Interest received	80	74	155	132
Dividend received	20	7	20	7
Acquisition of property, plant and equipment	(71)	(145)	(98)	(393)
Acquisition of intangible assets	(22)	-	(22)	(10)
Capital injection from non-controlling interest	-	-	102	-
<b>Net cash generated from/(used in) investing activities</b>	<b>7</b>	<b>(64)</b>	<b>157</b>	<b>(264)</b>
<b><u>Cash flows from financing activities</u></b>				
Proceeds from borrowings	6,128	2,533	6,128	2,533
Repayment of borrowings	(331)	(589)	(896)	(1,384)
Proceeds from revolving credit facility	3,965	4,136	5,915	8,194
Repayment of revolving credit facility	(7,590)	(2,269)	(11,576)	(6,211)
Dividend paid	-	(556)	-	(556)
Proceeds from trust receipts	12,460	9,204	20,513	21,584
Repayment of trust receipts	(14,819)	(12,513)	(24,880)	(24,867)
Repayment of finance lease liabilities	(26)	(25)	(52)	(50)
Interest paid	(437)	(343)	(771)	(631)
Purchase of treasury shares	(268)	-	(501)	-
<b>Net cash used in financing activities</b>	<b>(918)</b>	<b>(422)</b>	<b>(6,120)</b>	<b>(1,388)</b>

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS  
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2018**

(In S\$'000) Description	3 months ended		6 months ended	
	2QFY2019	2QFY2018 (Restated)	1HFY2019	1HFY2018 (Restated)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,647)</b>	<b>47</b>	<b>(4,451)</b>	<b>1,531</b>
Cash and cash equivalents at beginning of the period	22,312	26,614	23,959	24,587
Effects of exchange rate fluctuations on cash held	1	(492)	158	51
<b>Cash and cash equivalents at end of financial period</b>	<b>19,666</b>	<b>26,169</b>	<b>19,666</b>	<b>26,169</b>
<b>Represented by:</b>				
Cash at bank and on hand	5,890	18,405	5,890	18,405
Short-term fixed deposits	13,885	7,887	13,885	7,887
	<b>19,775</b>	<b>26,292</b>	<b>19,775</b>	<b>26,292</b>
Less: Fixed deposits under pledged	(19)	(38)	(19)	(38)
Fixed deposits	(21)	-	(21)	-
Bank overdrafts	(69)	(85)	(69)	(85)
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<b>19,666</b>	<b>26,169</b>	<b>19,666</b>	<b>26,169</b>

**1(e) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

COMPANY Description (in S\$'000)	Share Capital	Reserve for own Shares	Share Option Reserve	Accumulated Losses	Total
<b>As at 1 May 2018</b>	<b>39,780</b>	<b>(2,791)</b>	<b>2,175</b>	<b>(2,751)</b>	<b>36,413</b>
Loss for the period	-	-	-	(218)	(218)
Share-based payment transactions	-	-	33	-	33
Purchase of treasury shares	-	(233)	-	-	(233)
<b>As at 31 July 2018</b>	<b>39,780</b>	<b>(3,024)</b>	<b>2,208</b>	<b>(2,969)</b>	<b>35,995</b>
Loss for the period	-	-	-	(503)	(503)
Share-based payment transactions	-	-	23	-	23
Purchase of treasury shares	-	(268)	-	-	(268)
<b>As at 31 October 2018</b>	<b>39,780</b>	<b>(3,292)</b>	<b>2,231</b>	<b>(3,472)</b>	<b>35,247</b>

COMPANY Description (in S\$'000)	Share Capital	Reserve for own Shares	Share Option Reserve	Accumulated Profits/(Losses)	Total
<b>As at 1 May 2017</b>	<b>39,780</b>	<b>(2,791)</b>	<b>2,037</b>	<b>926</b>	<b>39,952</b>
Loss for the period	-	-	-	(247)	(247)
Share-based payment transactions	-	-	32	-	32
<b>As at 31 July 2017</b>	<b>39,780</b>	<b>(2,791)</b>	<b>2,069</b>	<b>679</b>	<b>39,737</b>
Loss for the period	-	-	-	(313)	(313)
Share-based payment transactions	-	-	35	-	35
Dividend paid on ordinary shares	-	-	-	(556)	(556)
<b>As at 31 October 2017</b>	<b>39,780</b>	<b>(2,791)</b>	<b>2,104</b>	<b>(190)</b>	<b>38,903</b>

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2018**

GROUP Description (in S\$'000)	Share Capital	Reserve for Own Shares	Share Option Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Accumulated Profits	Attributable to Owners of the Company	Non- controlling Interests	Total
<b>As at 1 May 2018</b>	39,780	(2,791)	2,175	35	(9,197)	31,608	61,610	1,345	62,955
Effects on adoption of SFRS(I) 15	-	-	-	-	-	(172)	(172)	(43)	(215)
<b>As at 1 May 2018 (Restated)</b>	39,780	(2,791)	2,175	35	(9,197)	31,436	61,438	1,302	62,740
<b>Loss for the period</b>	-	-	-	-	-	(229)	(229)	(133)	(362)
<b>Other comprehensive income/(expenses)</b>									
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	-	167	-	167	-	167
Net changes in the fair value of available-for-sale financial assets	-	-	-	(75)	-	-	(75)	-	(75)
Deferred tax arising from available-for-sale financial assets	-	-	-	13	-	-	13	-	13
<b>Total other comprehensive income/(expenses)</b>	-	-	-	(62)	167	-	105	-	105
<b>Total comprehensive income/(expenses) for the period</b>	-	-	-	(62)	167	(229)	(124)	(133)	(257)
<b>Changes in ownership interest in subsidiary corporation</b>									
Subscription of shares of a subsidiary corporation	-	-	-	-	-	-	-	102	102
<b>Contributions by and distributions to owners</b>									
Share-based payment transactions	-	-	33	-	-	-	33	-	33
Purchase of treasury shares	-	(233)	-	-	-	-	(233)	-	(233)
<b>Total transactions with owners in their capacity as owners</b>	-	(233)	33	-	-	-	(200)	-	(200)
<b>As at 31 July 2018</b>	39,780	(3,024)	2,208	(27)	(9,030)	31,207	61,114	1,271	62,385



**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2018**

GROUP Description (in S\$'000)	Share Capital	Reserve for Own Shares	Share Option Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Accumulated Profits	Attributable to Owners of the Company	Non- controlling Interests	Total
<b>As at 1 August 2018</b>	39,780	(3,024)	2,208	(27)	(9,030)	31,207	61,114	1,271	62,385
<b>Loss for the period</b>	-	-	-	-	-	(1,609)	(1,609)	(123)	(1,732)
<b>Other comprehensive income/(expenses)</b>									
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	-	40	-	40	-	40
Net changes in the fair value of available-for-sale financial assets	-	-	-	(58)	-	-	(58)	-	(58)
Deferred tax arising from available-for-sale financial assets	-	-	-	10	-	-	10	-	10
<b>Total other comprehensive income/(expenses)</b>	-	-	-	(48)	40	-	(8)	-	(8)
<b>Total comprehensive income/(expenses) for the period</b>	-	-	-	(48)	40	(1,609)	(1,617)	(123)	(1,740)
<b>Contributions by and distributions to owners</b>									
Share-based payment transactions	-	-	23	-	-	-	23	-	23
Purchase of treasury shares	-	(268)	-	-	-	-	(268)	-	(268)
Share of translation reserve by non-controlling interest	-	-	-	-	-	-	-	2	2
<b>Total transactions with owners in their capacity as owners</b>	-	(268)	23	-	-	-	(245)	2	(243)
<b>As at 31 October 2018</b>	39,780	(3,292)	2,231	(75)	(8,990)	29,598	59,252	1,150	60,402

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2018**

GROUP Description (in S\$'000) (Restated)	Share Capital	Reserve for Own Shares	Share Option Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Accumulated Profits	Attributable to Owners of the Company	Non- controlling Interests	Total
<b>As at 1 May 2017</b>	39,780	(2,791)	2,037	-	(8,279)	35,633	66,380	1,820	68,200
Effects on adoption of SFRS(I) 15	-	-	-	-	-	(130)	(130)	(32)	(162)
<b>As at 1 May 2017 (Restated)</b>	39,780	(2,791)	2,037	-	(8,279)	35,503	66,250	1,788	68,038
<b>Profit/(loss) for the period</b>	-	-	-	-	-	113	113	(49)	64
<b>Other comprehensive income/(expenses)</b>									
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	-	(674)	-	(674)	-	(674)
Net changes in the fair value of available-for-sale financial assets	-	-	-	5	-	-	5	-	5
Deferred tax arising from available-for-sale financial assets	-	-	-	(1)	-	-	(1)	-	(1)
<b>Total other comprehensive income/(expenses)</b>	-	-	-	4	(674)	-	(670)	-	(670)
<b>Total comprehensive income/(expenses) for the period</b>	-	-	-	4	(674)	113	(557)	(49)	(606)
<b>Contributions by and distributions to owners</b>									
Share-based payment transactions	-	-	32	-	-	-	32	-	32
<b>As at 31 July 2017</b>	39,780	(2,791)	2,069	4	(8,953)	35,616	65,725	1,739	67,464

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2018**

GROUP Description (in S\$'000)	Share Capital	Reserve for Own Shares	Share Option Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Accumulated Profits	Attributable to Owners of the Company	Non- controlling Interests	Total
<b>As at 1 August 2017</b>	39,780	(2,791)	2,069	4	(8,953)	35,616	65,725	1,739	67,464
<b>Profit/(loss) for the period</b>	-	-	-	-	-	194	194	(79)	115
<b>Other comprehensive income/(expenses)</b>									
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	-	(455)	-	(455)	-	(455)
Net changes in the fair value of available-for-sale financial assets	-	-	-	12	-	-	12	-	12
Deferred tax arising from available-for-sale financial assets	-	-	-	(2)	-	-	(2)	-	(2)
<b>Total other comprehensive income/(expenses)</b>	-	-	-	10	(455)	-	(445)	-	(445)
<b>Total comprehensive income/(expenses) for the period</b>	-	-	-	10	(455)	194	(251)	(79)	(330)
<b>Contributions by and distributions to owners</b>									
Dividends paid on ordinary shares	-	-	-	-	-	(556)	(556)	-	(556)
Share-based payment transactions	-	-	35	-	-	-	35	-	35
<b>Total transactions with owners in their capacity as owners</b>	-	-	35	-	-	(556)	(521)	-	(521)
<b>As at 31 October 2017</b>	39,780	(2,791)	2,104	14	(9,408)	35,254	64,953	1,660	66,613

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- 1(f) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or any other purpose since the end of the previous period reported on.**

As at 31 October 2018, the Company's issued and fully paid up capital (excluding treasury shares and subsidiary holdings) comprises of 109,282,221 ordinary shares (31 October 2017: 111,281,821 ordinary shares). Particulars in the company's share capital in 6MFY2019 and 6MFY2018 are set out below.

Description	6MFY2019	
	Number of Shares	Share Capital (\$'000)
Balance at beginning of period	111,281,821	39,780
Purchase of treasury shares	(1,999,600)	-
Balance at end of period	<b>109,282,221</b>	<b>39,780</b>

Description	6MFY2018	
	Number of Shares	Share Capital (\$'000)
Balance at beginning and at end of period	<b>111,281,821</b>	<b>39,780</b>

Purchase of treasury shares

In 2QFY2019, pursuant to the share buyback mandate approved by the Shareholders at the extraordinary general meeting held on 23 August 2018, the Company purchased 999,400 of its own shares (2QFY2018: Nil). As at 31 October 2018, the total consideration for the treasury shares held under the share buy-back scheme was S\$3,292,000 (31 October 2017: S\$2,791,000) for a total of 5,230,350 shares (31 October 2017: 3,230,750 shares).

The number of treasury shares held by the Company represents 4.79% (31 October 2017: 2.90%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company as at 31 October 2018.

XMH Share Option Scheme

As at 31 October 2018, the outstanding balance of unexercised options under the XMH Share Option Scheme total 4,225,250 shares (31 October 2017: 5,456,500 shares) or 3.87% (31 October 2017: 4.90%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company.

- 1(g) State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a call that is listed as at the end of the current financial period reported on and**

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**as at the end of the corresponding period of the immediately preceding financial year.**

Not applicable. There are no convertibles. Particulars of treasury shares and subsidiary holdings are shown in 1(h) below.

- 1(h)(i) To show the total number of issued shares excluding treasury shares as at the end of current financial year reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Description	31 October 2018	31 October 2017
Total number of shares issued	114,512,571	114,512,571
Less: Treasury shares	(5,230,350)	(3,230,750)
<b>Total</b>	<b>109,282,221</b>	<b>111,281,821</b>

- 1(h)(ii) A statement showing all sales, transfer, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Description	31 October 2018	31 October 2017
Balance at beginning of period	3,230,750	3,230,750
Purchase of treasury shares	1,999,600	-
<b>Balance at end of period</b>	<b>5,230,350</b>	<b>3,230,750</b>

- 1(h)(iii) A statement showing all sales, transfer, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

During the financial period, there was no transaction pertaining to subsidiary holdings.

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures for the quarters ended 31 October 2018 and 31 October 2017 (restated) have not been audited or reviewed by auditors.

- 3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

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**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied.**

Except as described in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those adopted for the audited consolidated financial statements for the financial year ended 30 April 2018.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change?**

Singapore-incorporated companies listed on the Singapore Exchange are required to apply a new financial reporting framework identical to the International Financial Reporting Standards (IFRS) and Singapore Financial Standards (International) (SFRS(I)s), for annual periods beginning on or after 1 January 2018.

The Group has adopted SFRS(I)s on 1 May 2018 and has prepared its first set of financial information under SFRS(I) for the first half year ended 31 October 2018. The new framework will have no material impact on the financial statements in the year of application except as follows:

(i) SFRS(I) 9 Financial Instruments

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Overall, the Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under SFRS(I) 9.

SFRS(I) 9 require the Group to record expected credit losses on all its loans and trade receivables, either on a 12-month or lifetime basis. The Group has applied the simplified approach and recorded lifetime expected loss on all loans and receivables. Upon application of the expected loss model, the Group noted no significant impact to the financial statements.

(ii) SFRS(I) 15 Revenue from Contracts with Customers

SFRS (I) 15 establishes a five-step model that will apply to revenue arising from contracts with customers. Under SFRS (I) 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is effective for annual periods beginning on or after 1 January 2018.

The Group has applied the changes in accounting policies retrospectively to each reporting period/year presented, using the full retrospective approach. The Group also applied practical expedients for completed contracts where completed projects that begin and end within the same year or are completed contracts at 1 May 2017 are not restated. The impact on the adoption of SFRS (I) 15 are as follows:

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**Consolidated Statement of Comprehensive Income**

Description (In S\$'000)	2QFY2018 SFRS	2QFY2018 Effect on adoption of SFRS(I) 15	2QFY2018 SFRS(I) 15	1HFY2018 SFRS	1HFY2018 Effect on adoption of SFRS(I) 15	1HFY2018 SFRS(I) 15
Revenue	22,056	(43)	22,013	40,944	(34)	40,910
Profit after tax	158	(43)	115	213	(34)	179
<b>Profit/(loss) attributable to:</b>						
Owners of the Company	227	(33)	194	333	(26)	307
Non-controlling interests	(69)	(10)	(79)	(120)	(8)	(128)
	158		115	213		179
<b>Total comprehensive expenses attributable to:</b>						
Owners of the Company	(218)	(33)	(251)	(782)	(26)	(808)
Non-controlling interests	(69)	(10)	(79)	(120)	(8)	(128)
	(287)		(330)	(902)		(936)

**Statement of Financial Position**

Description (In S\$'000)	Group		
	1 May 2017 SFRS	1 May 2017 Effect on adoption of SFRS(I) 15	1 May 2017 SFRS(I) 15
Trade receivables and other receivables	23,068	(162)	22,906
Share capital	39,780	-	39,780
Reserve for own shares	(2,791)	-	(2,791)
Other reserves	(6,242)	-	(6,242)
Accumulated profits	35,633	(130)	35,503
<b>Equity attributable to owners of the Company</b>	66,380	-	66,250
Non-controlling Interests	1,820	(32)	1,788
<b>Total equity</b>	68,200	-	68,038

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Description (In S\$'000)	Group		
	1 May 2018 SFRS	1 May 2018 Effect on adoption of SFRS(I) 15	1 May 2018 SFRS(I) 15
Trade receivables and other receivables	14,284	(215)	14,069
Share capital	39,780	-	39,780
Reserve for own shares	(2,791)	-	(2,791)
Other reserves	(6,987)	-	(6,987)
Accumulated profits	31,608	(172)	31,436
<b>Equity attributable to owners of the Company</b>	<b>61,610</b>	<b>-</b>	<b>61,438</b>
Non-controlling Interests	1,345	(43)	1,302
<b>Total equity</b>	<b>62,955</b>	<b>-</b>	<b>62,740</b>

**6. (Loss)/earnings per ordinary share (“(L)/EPS”) of the group for the current financial period reported on and the corresponding period of the immediately preceding financial period, after deducting any provision for preference dividends.**

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

Description	3 months ended		6 months ended	
	2QFY2019	2QFY2018 (Restated)	1HFY2019	1HFY2018 (Restated)
(L)/EPS (based on consolidated net (loss)/profit attributable to owners):-				
a) Based on the weighted average no. of ordinary shares in issue (cents)	(1.47)	0.17	(1.67)	0.28
b) On a fully diluted basis (cents)	(1.47)	0.17	(1.67)	0.28
Weighted average no. of shares in issue during the period used in the computing of (L)/EPS	109,449,712 <sup>(1)</sup>	111,281,821 <sup>(2)</sup>	110,240,134 <sup>(1)</sup>	111,281,821 <sup>(2)</sup>
Weighted average no. of shares on fully diluted basis during the period used in the computing of (L)/EPS	109,552,441 <sup>(1)</sup>	111,465,621 <sup>(2)</sup>	110,350,656 <sup>(1)</sup>	111,367,442 <sup>(2)</sup>

Notes:

- (1) The figures are computed taking into account the potential ordinary shares to be issued for the share options granted in September 2014, 2015, 2016 and 2017.
- (2) The figures are computed taking into account the potential ordinary shares to be issued for the share options granted in September 2013, 2014, 2015, 2016 and 2017.

**7. Net asset value (for the Company and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- a) current financial period reported on; and
- b) immediately preceding financial year



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Description	Group		Company	
	31 October 2018	30 April 2018 (Restated)	31 October 2018	30 April 2018
Net asset value per ordinary share based on existing share capital (cents)	54.22	55.21	32.25	32.72
Number of shares at end of the period/year	109,282,221	111,281,821	109,282,221	111,281,821

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- a) **any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**STATEMENT OF COMPREHENSIVE INCOME REVIEW**

**Quarter ended 31 October 2018 ("2QFY2019") vs quarter ended 31 October 2017 ("2QFY2018")**

**(i) Revenue**

Revenue decreased by approximately S\$6.0 million or 27.4% from S\$22.0 million in 2QFY2018 to S\$16.0 million in 2QFY2019. This was due mainly to lower revenue recorded by both Distribution and After-sales business segments as a result of:

- (i) Longer lead time from suppliers to deliver the goods for our secured orders;
- (ii) Customers delay in taking deliveries; and
- (iii) Customers delay commencement of secured projects.

**(ii) Cost of Sales and Gross Profit Margin**

Cost of sales decreased by approximately S\$4.5 million or 26.9% from S\$16.5 million in 2QFY2018 to S\$12.0 million in 2QFY2019, in line with decreased revenue.

Gross profit decreased by approximately S\$1.6 million or 28.8% from S\$5.5 million in 2QFY2018 to S\$3.9 million in 2QFY2019.

Gross profit margin was marginally lower at 24.6% in 2QFY2019 as compared to 25.1% in 2QFY2018.

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**(iii) Distribution Expenses**

Distribution expenses decreased by S\$82,000 or 5.7% from S\$1.4 million in 2QFY2018 to S\$1.3 million in 2QFY2019. This was due mainly to:

- i) Decrease in staff costs of approximately S\$70,000; and
- ii) Decrease in bank charges and travelling expenses of approximately S\$45,000 and S\$21,000 respectively.

The decrease was partially offset by increased in marketing and promotional expenses arising from exhibition costs.

**(iv) Administrative expenses**

Administrative expenses decreased by S\$0.4 million or 7.8% from S\$5.0 million in 2QFY2018 to S\$4.6 million in 2QFY2019. This was due mainly to:

- i) Decrease in staff costs of approximately S\$317,000; and
- ii) Decrease in utilities, insurance and property tax expenses of approximately S\$70,000.

**(v) Net Finance (Costs)/Income**

Net finance costs of S\$0.3 million for 2QFY2019 as compared to net finance income of S\$0.5 million for 2QFY2018. This was mainly due to net decrease in foreign exchange gain of approximately S\$0.7 million in 2QFY2019 as compared to 2QFY2018.

**(vi) Tax Expense**

The Group recorded tax credit of approximately S\$10,000 in 2QFY2019 as compared to tax expense of S\$77,000 in 2QFY2018. This was due to higher tax provision for a foreign subsidiary in 2QFY2018.

**First half year ended 31 October 2018 (“1HFY2019”) vs first half year ended 31 October 2017 (“1HFY2018”)**

**(i) Revenue**

Revenues decreased by approximately S\$10.3 million or 25.3% from S\$40.9 million in 1HFY2018 to S\$30.6 million in 1HFY2019. This was due mainly to lower revenue recorded across all business segments owing to:

- (i) Longer lead time from supplier to deliver the goods for our secured orders;
- (ii) Customers delay in taking deliveries; and
- (iii) Customers delay commencement of secured projects.

**(ii) Cost of Sales and Gross Profit Margin**

Cost of sales decreased by approximately S\$8.2 million or 26.8% from S\$30.4 million in 1HFY2018 to S\$22.2 million in 1HFY2019.

Gross profit decreased by approximately S\$2.2 million or 21.0% from S\$10.5 million in 1HFY2018 to S\$8.3 million in 1HFY2019.

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Gross profit margin was 27.3% in 1HFY2019 as compared to 25.8% of 1HFY2018. This was due mainly to better margins achieved from Distribution business segment on sales to certain customers partially offset by decreased in profit margin from Projects and After-sales segments.

**(iii) Other Income**

Other income increased by approximately S\$19,000 from S\$1,042,000 in 1HFY2018 as compared to S\$1,061,000 in 1HFY2019. This was due mainly to:

- i) Reversal of provision for doubtful debts of approximately S\$126,000 in 1HFY2019;
- ii) Higher government grants and rebates of approximately S\$38,000; and
- iii) Increase in miscellaneous income of approximately S\$33,000 mainly from dividend income.

The increase was partially offset by decrease in rental income of approximately S\$178,000.

**(iv) Distribution Expenses**

Distribution expenses decreased by approximately S\$69,000 or 2.6%, from S\$2,637,000 in 1HFY2018 to S\$2,568,000 in 1HFY2019. This was mainly due to:

- (i) Decrease in staff costs of approximately S\$100,000; and
- (ii) Decrease in bank charges and provision for doubtful debts of approximately S\$51,000 and S\$32,000 respectively.

The decrease was partially offset by increase of approximately S\$108,000 in marketing and promotional expenses and Vietnam representative office expenses.

**(v) Administrative Expenses**

Administrative expenses decreased by approximately S\$0.4 million or 4.2%, from S\$9.0 million in 1HFY2018 to S\$8.6 million in 1HFY2019. This was mainly due to:

- (i) Decrease in staff costs of approximately S\$252,000;
- (ii) Decrease in utilities and telephone expenses, insurance expenses and depreciation charge of approximately S\$99,000; and
- (iii) Decrease in property tax of approximately S\$43,000.

**(vi) Net Finance (costs)/Income**

Net finance costs of S\$0.3 million for 1HFY2019 compare to net finance income of S\$0.4 million for 1HFY2018. This was due mainly to net decrease in foreign exchange gain of approximately S\$535,000 arising from strengthening of USD against JPY in 1HFY2019 as compared to 1HFY2018.

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**(vii) Tax Expense**

The Group recorded tax credit of approximately S\$8,000 in 1HFY2019 as compared to tax expense of approximately S\$120,000 in 1HFY2018. This was due mainly to higher tax provision for a foreign subsidiary in 1HFY2018.

**STATEMENT OF FINANCIAL POSITION REVIEW**

The Group's shareholders' funds as at 31 October 2018 stood at S\$59.3 million as compared to S\$61.4 million at the end of the immediate preceding financial year ended on 30 April 2018.

**(i) Property, plant and equipment**

The decrease in property, plant and equipment of approximately S\$2.6 million was mainly because of depreciation charge.

**(ii) Intangible assets**

Intangible assets comprise:

- a. Goodwill of approximately S\$9.4 million; and
- b. Customer base and intellectual property rights of approximately S\$1.3 million.

The decrease was due to amortisation charged during the financial period.

**(iii) Inventories**

Inventories decreased by approximately S\$5.3 million, from S\$33.3 million as at 30 April 2018 to S\$28.0 million as at 31 October 2018. The decrease was due mainly to deliveries to customers in 1HFY2019 and pending deliveries from Suppliers.

**(iv) Trade and other receivables**

Trade and other receivables increased by approximately S\$3.8 million, from S\$14.1 million as at 30 April 2018 to S\$17.9 million as at 31 October 2018 due mainly to increase in bills receivables and down payment.

**(v) Trade and other payables**

Trade and other payables stood at approximately S\$16.6 million as at 31 October 2018, as compared to S\$18.8 million as at 30 April 2018. The decrease of approximately S\$2.2 million was due mainly to settlement of amount due to trade suppliers partially offset by increased in advance payments received from customers.

**(vi) Loans and borrowings**

Loans and borrowings stood at approximately S\$69.1 million as at 31 October 2018, a decrease of approximately S\$4.8 million, from S\$73.9 million as at 30

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April 2018. The decrease was due mainly to repayment of bills payables and short-term loans partially offset by increased drawdown of term loans.

**STATEMENT OF CASH FLOW REVIEW**

The Group generated net cash of approximately S\$1.5 million from operating activities in 1HFY2019. The decrease of approximately S\$1.7 million from the net cash generated of S\$3.2 million in 1HFY2018 was mainly due to:

- (i) Decreased trade payables due to payment made; and
- (ii) Increased trade and other receivables.

This was partially offset by decreased inventory holding.

Net cash generated from investing activities amounted to approximately S\$157,000, against the net cash used of approximately S\$264,000 in prior period. This was due mainly to:

- (i) 1HFY2018 included acquisition of property, plant and equipment by subsidiary corporations; and
- (ii) Capital injection from non-controlling interest in 1HFY2019.

The net cash used in financing activities in current period was approximately S\$6.1 million as compared to S\$1.4 million in prior period. This was due to settlement of short-term revolving credits and trust receipts and lesser drawdown from these facilities.

In view of the above, overall net decrease in cash was approximately S\$4.5 million in 1HFY2019 as compared to net increase in cash of approximately S\$1.5 million in 1HFY2018.

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

Not applicable.

**10. Commentary on the significant trends and the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The prospects of stable coal and oil prices continue to be moderated by uncertainty and challenges in the industries that we operate in. Although enquiries have increased, lending opportunities for newbuilds have not been forthcoming. Offshore and marine industries remain challenging.

Similarly, there is some demand for power generation solutions from government and commercial projects. However, the upside for private residential projects has been dampened by the Singapore government's cooling measures.

The road ahead remains more favourable than the preceding two years but muted, and near term competition persists. The Group looks to leverage on its brand equity in the region to convert more enquiries into orders as well as seek other opportunities in new markets to bolster its order book. The Group will also lean on

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its strong operational capabilities to deliver the majority of its order wins on time and with quality results to its customers.

**11. Dividend**

- a) **Current financial period reported on?**  
**Any dividend declared for the current financial period reported on?**

No.

- b) **Corresponding period of the immediately preceding financial period**  
**Any dividend declared for the corresponding period of the immediately preceding financial period?**

No.

- c) **Date payable:**

Not applicable.

- d) **Books Closure Date:**

Not applicable.

**12. If no dividend has been declared/(recommended), a statement to that effect.**

No dividend has been declared/recommendeded for the current financial period reported on.

**13. If the Company has obtained a general mandate from shareholders for interested person transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not sought a general mandate for interested person transaction(s) from the shareholders.

**14. Confirmation pursuant to Rule 705(5) of the listing manual**

The Board of Directors of the Company hereby confirms to the best of its knowledge that nothing has come to its attention which may render the unaudited interim financial results for the six months ended 31 October 2018 to be false or misleading in any material aspect.

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**15. Confirmation pursuant to Rule 720(1) of the listing manual**

The Company hereby confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7.

**BY ORDER OF THE BOARD**  
**Mr. Tan Tin Yeow**  
**Chairman and Managing Director**  
6 December 2018