



XMH

XMH HOLDINGS LTD.

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

UNAUDITED SECOND QUARTER (“2QFY2020”) AND FIRST HALF YEAR (1HFY2020) FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2019

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 2QFY2020	Actual 2QFY2019 (Restated)	Change %	Actual 1HFY2020	Actual 1HFY2019 (Restated)	Change %
Continuing operations						
Revenue	18,516	12,209	51.7	29,348	24,647	19.1
Cost of sales	(14,309)	(8,855)	61.6	(22,739)	(17,840)	27.5
Gross profit	4,207	3,354	25.4	6,609	6,807	(2.9)
Other income	515	481	7.1	1,085	877	23.7
Distribution expenses	(1,294)	(1,068)	21.2	(2,322)	(1,959)	18.5
Administrative expenses	(3,493)	(3,796)	(8.0)	(6,602)	(7,160)	(7.8)
Net (impairment losses)/write-back of impairment losses on financial assets	(281)	(19)	NM	(157)	47	NM
Results from operating activities	(346)	(1,048)	(67.0)	(1,387)	(1,388)	(0.1)
Finance income	4	120	(96.7)	83	439	(81.1)
Finance costs	(538)	(423)	27.2	(1,447)	(752)	92.4
Net finance costs	(534)	(303)	76.2	(1,364)	(313)	NM
Loss before tax	(880)	(1,351)	(34.9)	(2,751)	(1,701)	61.7
Tax expense	(8)	(19)	(57.9)	(42)	(51)	(17.6)
Loss from continuing operations, net of tax	(888)	(1,370)	(35.2)	(2,793)	(1,752)	59.4
Discontinued Operation⁽¹⁾						
Loss on disposal of a subsidiary, net of tax	(2,219)	-	NM	(2,219)	-	NM
Loss from discontinued operation, net of tax	(430)	(362)	18.8	(1,125)	(342)	NM
Results from discontinued operation, net of tax	(2,649)	(362)	NM	(3,344)	(342)	NM
Loss for the period	(3,537)	(1,732)	NM	(6,137)	(2,094)	NM
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>	(180)	42	NM	667	209	NM
<i>Net changes in the fair value of available- for-sale financial assets</i>	-	(58)	NM	-	(133)	NM
<i>Deferred tax arising from available-for- sale financial assets</i>	-	10	NM	-	23	NM
<i>Other comprehensive (expense)/ income for the period, net of tax</i>	(180)	(6)	NM	667	99	NM
Total comprehensive expense for the period	(3,717)	(1,738)	NM	(5,470)	(1,995)	NM

Note:

⁽¹⁾ Discontinued operation relates to Z-Power Automation Pte. Ltd. (disposed on 8 October 2019).

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2019**

(In S\$'000) Description	Group					
	Actual 2QFY2020	Actual 2QFY2019 (Restated)	Change %	Actual 1HFY2020	Actual 1HFY2019 (Restated)	Change %
Loss attributable to:						
Owners of the Company						
Loss from continuing operations	(856)	(1,368)	(37.4)	(2,753)	(1,750)	57.3
Loss from discontinued operation	(2,262)	(241)	NM	(2,774)	(88)	NM
	(3,118)	(1,609)	93.8	(5,527)	(1,838)	NM
Non-controlling interests						
Loss from continuing operations	(32)	(2)	NM	(40)	(2)	NM
Loss from discontinued operation	(387)	(121)	NM	(570)	(254)	NM
	(419)	(123)	NM	(610)	(256)	NM
	(3,537)	(1,732)	NM	(6,137)	(2,094)	NM
Total comprehensive expenses attributable to:						
Owners of the Company						
Loss from continuing operations	(1,035)	(1,376)	(24.8)	(2,088)	(1,653)	26.3
Loss from discontinued operation	(2,262)	(241)	NM	(2,774)	(88)	NM
	(3,297)	(1,617)	NM	(4,862)	(1,741)	NM
Non-controlling interests						
Loss from continuing operations	(33)	-	NM	(38)	-	NM
Loss from discontinued operation	(387)	(121)	NM	(570)	(254)	NM
	(420)	(121)	NM	(608)	(254)	NM
	(3,717)	(1,738)	NM	(5,470)	(1,995)	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 2019**

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

(In S\$'000) Description	Group					
	Actual 2QFY2020	Actual 2QFY2019 (Restated)	Change %	Actual 1HFY2020	Actual 1HFY2019 (Restated)	Change %
Other miscellaneous income						
- Continuing operations	111	102	8.8	303	148	NM
- Discontinued operation	38	12	NM	40	57	(29.8)
Write-back of impairment losses on receivables and contract assets						
- Continuing operations	-	-	NM	148	66	NM
- Discontinued operation	17	60	(71.7)	38	60	(36.7)
Interest income						
- Continuing operations	4	58	(93.1)	83	112	(25.9)
- Discontinued operation	-	22	NM	-	43	NM
Interest expense						
- Continuing operations	(483)	(423)	14.2	(874)	(752)	16.2
- Discontinued operation	(12)	(14)	(14.3)	(33)	(19)	73.7
Net foreign exchange (loss)/gain						
- Continuing operations	(55)	63	NM	(573)	328	NM
- Discontinued operation	2	(9)	NM	(2)	(18)	(88.9)
Depreciation of property, plant and equipment						
- Continuing operations	(923)	(1,260)	(26.7)	(1,842)	(2,520)	(26.9)
- Discontinued operation	(20)	(54)	(63.0)	(52)	(119)	(56.3)
Amortisation of intangible assets						
- Continuing operations	(23)	(12)	91.7	(47)	(24)	95.8
- Discontinued operation	(133)	(212)	(37.3)	(335)	(421)	(20.4)
Amortisation of right-of-use assets						
- Continuing operations	(37)	-	NM	(57)	-	NM
- Discontinued operation	(2)	-	NM	(4)	-	NM
Fair value losses on quoted equity securities						
- Continuing operations	(2)	-	NM	(20)	-	NM
Share-based payment expenses						
- Continuing operations	(6)	(23)	(73.9)	(24)	(56)	(57.1)
Rental income						
- Continuing operations	389	360	8.1	768	710	8.2
Dividend income						
- Continuing operations	15	20	(25.0)	15	20	(25.0)
Impairment losses on receivables and contract assets						
- Continuing operations	(279)	(6)	NM	(285)	(6)	NM
Bad debts written-off						
- Continuing operations	-	(13)	NM	-	(13)	NM
Adjustment for under provision of tax in respect of prior year						
- Continuing operations	(6)	(20)	(70.0)	(6)	(21)	(71.4)

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 2019**

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 2019	30 Apr 2019	31 Oct 2019	30 Apr 2019
ASSETS				
<u>Non-current assets</u>				
Property, plant and equipment	57,591	59,534	53,210	54,741
Intangible assets	9,641	10,351	-	-
Other financial assets	642	662	-	-
Investment in subsidiary corporations	-	-	18,701	18,701
Club memberships	212	206	-	-
Deferred tax assets	38	37	-	-
Total non-current assets	68,124	70,790	71,911	73,442
<u>Current assets</u>				
Inventories	27,587	27,496	-	-
Trade and other receivables	9,316	14,570	1,045	1,912
Prepayment	463	416	20	38
Contract assets	16,809	15,389	-	-
Right-of-use assets	1,229	-	-	-
Cash and short-term fixed deposits	11,202	23,552	570	792
Tax recoverable	32	32	-	-
Total current assets	66,638	81,455	1,635	2,742
TOTAL ASSETS	134,762	152,245	73,546	76,184
LIABILITIES AND EQUITY				
<u>Current liabilities</u>				
Trade and other payables	16,213	23,078	8,457	8,843
Contract liabilities	184	240	-	-
Lease liabilities	1,243	-	-	-
Loans and borrowings	18,497	23,267	1,959	1,929
Current tax payables	62	183	-	52
Total current liabilities	36,199	46,768	10,416	10,824
<u>Non-current liabilities</u>				
Other payables	294	251	467	562
Loans and borrowings	45,620	47,250	36,152	37,160
Deferred tax liabilities	136	241	-	-
Total non-current liabilities	46,050	47,742	36,619	37,722
TOTAL LIABILITIES	82,249	94,510	47,035	48,546
NET ASSETS	52,513	57,735	26,511	27,638
EQUITY				
Equity attributable to owners of the Company				
Share capital	39,780	39,780	39,780	39,780
Reserve for own shares	(3,292)	(3,292)	(3,292)	(3,292)
Other reserves	(6,220)	(6,909)	2,292	2,268
Accumulated profits/(losses)	21,970	27,510	(12,269)	(11,118)
	52,238	57,089	26,511	27,638
Non-controlling interests	275	646	-	-
Total equity	52,513	57,735	26,511	27,638
TOTAL EQUITY AND LIABILITIES	134,762	152,245	73,546	76,184

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2019**

- 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 October 2019	30 April 2019
Amount repayable in one year or less, or on demand		
- Secured ⁽¹⁾	18,497	23,267
Amount repayable after one year		
- Secured	45,620	47,250
Total	64,117	70,517

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 October 2019	30 April 2019
Bills payables	7,514	10,378
Revolving credit facility	8,390	10,330
Finance leases	16	78
Term loans	2,570	2,481
Bank overdrafts	7	-
Total	18,497	23,267

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2019**

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)	3 months ended		6 months ended	
Description	2QFY2020	2QFY2019 (Restated)	1HFY2020	1HFY2019 (Restated)
Cash flows from operating activities				
Loss before tax from continuing operations	(880)	(1,351)	(2,751)	(1,701)
Loss before tax from discontinued operation	(2,719)	(392)	(3,444)	(402)
	(3,599)	(1,743)	(6,195)	(2,103)
Adjustments for:				
Amortisation of intangible assets	156	224	382	445
Amortisation of right-of-use assets	39	-	61	-
Depreciation of property, plant and equipment	943	1,314	1,894	2,639
Share-based payment expenses	6	23	24	56
Interest income	(4)	(80)	(83)	(155)
Interest expense	495	437	907	771
Dividend income from quoted equity securities	(15)	(20)	(15)	(20)
Write-back of impairment losses on receivables and contract assets	(17)	(60)	(186)	(126)
Impairment losses on receivables and contract assets	279	6	285	6
Bad debts written-off	-	13	-	13
Fair value losses on quoted equity securities	2	-	20	-
Loss from disposal of a subsidiary	2,269	-	2,269	-
Net effect of exchange rate changes in consolidating subsidiaries	(233)	(74)	328	112
	321	40	(309)	1,638
Changes in inventories	2,612	(211)	(4,546)	325
Changes in trade and other receivables	(3,955)	(4,218)	1,688	(3,335)
Changes in prepayment	(70)	(88)	(88)	(166)
Changes in contract assets	(3,420)	4,348	(1,420)	5,286
Changes in trade and other payables	380	(1,752)	(2,816)	(2,849)
Changes in contract liabilities	146	172	(56)	668
Cash (used in)/generated from operations	(3,986)	(1,709)	(7,547)	1,567
Income tax paid, net	(149)	(27)	(172)	(55)
Net cash (used in)/generated from operating activities	(4,135)	(1,736)	(7,719)	1,512
Cash flows from investing activities				
Interest received	4	80	83	155
Dividend income	15	20	15	20
Acquisition of property, plant and equipment	(171)	(71)	(200)	(98)
Acquisition of intangible assets	-	(22)	-	(22)
Withdrawal of structure deposits	687	-	8,167	-
Net cash outflows from disposal of a subsidiary	(341)	-	(341)	-
Net cash generated from investing activities	194	7	7,724	55

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2019**

(In S\$'000) Description	3 months ended		6 months ended	
	2QFY2020	2QFY2019	1HFY2020	1HFY2019
<u>Cash flows from financing activities</u>				
Proceed from borrowings	177	6,128	177	6,128
Repayment of borrowings	(599)	(331)	(1,209)	(896)
Proceeds from revolving credit facility	5,461	3,965	6,969	5,915
Repayment of revolving credit facility	(5,635)	(7,590)	(7,966)	(11,576)
Proceeds from trust receipts	6,309	12,460	16,794	20,513
Repayment of trust receipts	(9,196)	(14,819)	(18,705)	(24,880)
Repayment of finance lease liabilities	(26)	(26)	(54)	(52)
Repayment of principal portion of lease liabilities	(47)	-	(75)	-
Interest paid	(483)	(437)	(888)	(771)
Purchase of treasury shares	-	(268)	-	(501)
Capital injection from non-controlling interest	-	-	238	102
Decrease in fixed deposit	21	-	21	-
Net cash used in financing activities	(4,018)	(918)	(4,698)	(6,018)
Net decreased in cash and cash equivalents	(7,959)	(2,647)	(4,693)	(4,451)
Cash and cash equivalents at the beginning of the period	19,135	22,312	15,345	23,959
Effect of exchange rate fluctuation on cash held	-	1	524	158
Cash and cash equivalents at the end of the period	11,176	19,666	11,176	19,666
Represented by:				
Cash at bank and on hand	10,182	5,890	10,182	5,890
Short-term fixed deposits	1,020	13,885	1,020	13,885
	11,202	19,775	11,202	19,775
Less: Fixed deposits under pledged	(19)	(19)	(19)	(19)
Fixed deposits	-	(21)	-	(21)
Bank overdrafts	(7)	(69)	(7)	(69)
Cash and cash equivalents in the consolidated statement of cash flows	11,176	19,666	11,176	19,666

- 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
As at 1 May 2019	39,780	(3,292)	2,268	(11,118)	27,638
Loss for the period	-	-	-	(297)	(297)
Share-based payment transactions	-	-	18	-	18
As at 31 July 2019	39,780	(3,292)	2,286	(11,415)	27,359
Loss for the period	-	-	-	(854)	(854)
Share-based payment transactions	-	-	6	-	6
As at 31 October 2019	39,780	(3,292)	2,292	(12,269)	26,511

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2019**

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

UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2019

GROUP Description (in S\$'000)	Share Capital	Reserve for Own Shares	Share Option Reserve	Foreign Currency Translation Reserve	Accumulated Profits	Attributable to Owners of the Company	Non-controlling Interests	Total
As at 1 May 2019	39,780	(3,292)	2,268	(9,177)	27,510	57,089	646	57,735
Effect on adoption of SFRS(I) 16	-	-	-	-	(13)	(13)	(1)	(14)
As at 1 May 2019 (Restated)	39,780	(3,292)	2,268	(9,177)	27,497	57,076	645	57,721
Loss for the period	-	-	-	-	(2,409)	(2,409)	(191)	(2,600)
Other comprehensive income/(expenses)	-	-	-	844	-	844	3	847
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	844	-	844	3	847
Total other comprehensive income	-	-	-	844	-	844	3	847
Total comprehensive income/(expenses) for the period	-	-	-	-	(2,409)	(1,565)	(188)	(1,753)
Changes in ownership interest in subsidiary corporation	-	-	-	-	-	-	238	238
Subscription of shares of a subsidiary corporation	-	-	-	-	-	-	238	238
Contributions by and distributions to owners	-	-	18	-	-	18	-	18
Share-based payment transactions	-	-	18	-	-	18	-	18
Total transactions with owners in their capacity as owners	-	-	18	-	-	18	-	18
As at 31 July 2019	39,780	(3,292)	2,286	(8,333)	25,088	55,529	695	56,224
Loss for the period from continuing operations	-	-	-	-	(856)	(856)	(32)	(888)
Loss for the period from discontinued operation	-	-	-	-	(2,262)	(2,262)	(387)	(2,649)
Other comprehensive expenses	-	-	-	(179)	-	(179)	(1)	(180)
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	(179)	-	(179)	(1)	(180)
Total other comprehensive expenses	-	-	-	(179)	-	(179)	(1)	(180)
Total comprehensive expenses for the period	-	-	-	(179)	-	(179)	(1)	(180)
Contributions by and distributions to owners	-	-	6	-	-	6	-	6
Share-based payment transactions	-	-	6	-	-	6	-	6
Total transactions with owners in their capacity as owners	-	-	6	-	-	6	-	6
As at 31 October 2019	39,780	(3,292)	2,292	(8,512)	21,970	52,238	275	52,513

UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2019

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
As at 1 May 2018	39,780	(2,791)	2,175	35	(9,197)	31,608	61,610	1,345	62,955
Effect of adoption of SFRS(I) 15	-	-	-	-	-	(172)	(172)	(43)	(215)
Loss for the period	39,780	(2,791)	2,175	35	(9,197)	31,436	61,438	1,302	62,740
Other comprehensive income/(expenses)	-	-	-	-	-	(229)	(229)	(133)	(362)
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
Total other comprehensive income/(expenses)	-	-	-	(62)	167	-	105	-	105
Total comprehensive income/(expenses) for the period	-	-	-	(62)	167	(229)	(124)	(133)	(257)
Changes in ownership interest in subsidiary corporation	-	-	-	-	-	-	-	102	102
Subscription of shares of a subsidiary corporation	-	-	-	-	-	-	-	-	-
Contributions by and distributions to owners	-	-	33	-	-	-	33	-	33
Share-based payment transactions	-	(233)	-	-	-	-	(233)	-	(233)
Purchase of treasury shares	-	(233)	33	-	-	-	(200)	-	(200)
Total transactions with owners in their capacity as owners	-	(3,024)	2,208	(27)	(9,030)	31,207	61,114	1,271	62,385
As at 31 July 2018	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 2019

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
As at 1 August 2018	39,780	(3,024)	2,208	(27)	(9,030)	31,207	61,114	1,271	62,385
Loss for the period	-	-	-	-	-	(1,609)	(1,609)	(123)	(1,732)
Other comprehensive income/(expenses)									
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	-	40	-	40	2	42
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
Total other comprehensive income/(expenses)	-	-	-	(48)	40	-	(8)	2	(6)
Total comprehensive income/(expenses) for the period	-	-	-	(48)	40	(1,609)	(1,617)	(121)	(1,738)
Contributions by and distributions to owners									
Share-based payment transactions	-	-	23	-	-	-	23	-	23
Purchase of treasury shares	-	(268)	-	-	-	-	(268)	-	(268)
Total transactions with owners in their capacity as owners	-	(268)	23	-	-	-	(245)	-	(245)
As at 31 October 2018	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 2019**

- 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 2019, the Company's issued and fully paid up capital (excluding treasury shares and subsidiary holdings) comprises of 109,282,221 ordinary shares (31 October 2018: 109,282,221 ordinary shares). Particulars of the company's share capital in 6MFY2020 and 6MFY2019 are set out below.

Description	6MFY2020	
	Number of Shares	Share Capital (\$'000)
Balance at beginning and end of period	109,282,221	39,780

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

Purchase of treasury shares

There was no share buy-back transaction in 2QFY2020 (2QFY2019: 999,400 shares). As at 31 October 2019, the total consideration for the treasury shares held under the share buy-back scheme was S\$3,292,000 (31 October 2018: S\$3,292,000) for a total of 5,230,350 shares (31 October 2018: 5,230,350 shares).

The number of treasury shares held by the Company represents 4.79% (31 October 2018: 4.79%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company as at 31 October 2019.

XMH Share Option Scheme

As at 31 October 2019, the outstanding balance of unexercised options under the XMH Share Option Scheme total 3,167,750 shares (31 October 2018: 4,225,250 shares) or 2.90% (31 October 2018: 3.87%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company.

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- 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 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 2019	31 October 2018
Total number of shares issued	114,512,571	114,512,571
Less: Treasury shares	(5,230,350)	(5,230,350)
Total	109,282,221	109,282,221

- 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 2019	31 October 2018
Balance at beginning of period	5,230,350	3,230,750
Purchase of treasury shares	-	1,999,600
Balance at end of period	5,230,350	5,230,350

- 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 2019 and 31 October 2018 (restated) have not been audited or reviewed by auditors.

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

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited 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 2019.

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.

The Group has adopted new Singapore Financial Reporting Standards (International) ("SFRS(I)") for the financial period beginning on or after 1 May 2019 as follows:

SFRS(I) 16 Leases

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items.

The Group recognises its existing operating lease arrangements as ROU assets with corresponding lease liabilities by applying a single discount rate to its lease of office equipment and dormitories.

The Group applied the practical expedient to recognise amounts of ROU assets equal to its lease liabilities at 1 May 2019 and recognition exemptions for short-term leases and leases of low value items in accordance with the principles of SFRS(I) 16.

The nature of expenses related to rental/leases changed as the principles under SFRS(I) 16 replaces the straight-line operating lease expense with the net change in interest expense on lease liabilities.

The following is the reconciliation of the impact arising from the first-time adoption of SFRS(I) 16 on 1 May 2019 to the statement of financial position of the Group as follows:

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Consolidated Statement of Financial Position

Description (In S\$'000)	Group		
	1 May 2019 SFRS	1 May 2019 Effect on adoption of SFRS(I) 16	1 May 2019 SFRS(I) 16
ASSETS			
Non-current assets	70,790	-	70,790
Current assets			
Right-of-use assets	-	162	162
Other current assets	81,455	-	81,455
	81,455	162	81,617
Total assets	152,245	162	152,407
LIABILITIES & EQUITY			
Current liabilities			
Lease liabilities	-	176	176
Other current liabilities	46,768	-	46,768
	46,768	176	46,944
Net current assets	34,687	(14)	34,673
Non-current liabilities	47,742	-	47,742
Total liabilities	94,510	176	94,686
Equity attributable to owners of the Company			
Share capital	39,780	-	39,780
Reserve for own shares	(3,292)	-	(3,292)
Other reserves	(6,909)	-	(6,909)
Accumulated profits	27,510	(13)	27,497
Equity attributable to owners of the Company	57,089	-	57,076
Non-controlling Interests	646	(1)	645
Total equity	57,735	(14)	57,721
Total equity and liabilities	152,245	-	152,407

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6. Loss per ordinary share (“LPS”) 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 per ordinary share for the period based on net loss attributable to shareholders:-

Description	3 months ended		6 months ended	
	2QFY2020	2QFY2019	1HFY2020	1HFY2019
LPS (based on consolidated net profit/(loss) attributable to owners):-				
a) Based on the weighted average no. of ordinary shares in issue (cents)				
- Continuing operations	(0.78)	(1.25)	(2.52)	(1.59)
- Discontinued operation	(2.07)	(0.22)	(2.54)	(0.08)
b) On a fully diluted basis (cents)				
- Continuing operations	(0.78)	(1.25)	(2.52)	(1.59)
- Discontinued operation	(2.07)	(0.22)	(2.54)	(0.08)
Weighted average no. of shares in issue during the period used in the computing of LPS	109,282,221 ⁽¹⁾	109,449,712 ⁽²⁾	109,282,221 ⁽¹⁾	110,240,134 ⁽²⁾
Weighted average no. of shares on fully diluted basis during the period used in the computing of LPS	109,282,221 ⁽¹⁾	109,552,441 ⁽²⁾	109,282,221 ⁽¹⁾	110,350,656 ⁽²⁾

Notes:

- (1) The figures are computed taking into account the potential ordinary shares to be issued for the share options granted in September 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 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**

Description	Group		Company	
	31 October 2019	30 April 2019	31 October 2019	30 April 2019
Net asset value per ordinary share based on existing share capital (cents)	47.80	52.24	24.26	25.29
Number of shares at end of the period/year	109,282,221	109,282,221	109,282,221	109,282,221

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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 2019 ("2QFY2020") vs quarter ended 31 October 2018 ("2QFY2019")

On 8 October 2019, the Company completed the disposal of its 80% interest in Z-Power Automation Pte. Ltd. ("ZPA"). Accordingly, the financial results of ZPA had been recorded by the Group as discontinued operation in 2QFY2020 and 2QFY2019 (restated). Subsequent to the disposal of ZPA, the Group's business comprises primarily of Distribution, After-Sales and Project Segments. These represent the continuing operations in 2QFY2020 and 2QFY2019.

(i) Revenue

Revenue from continuing operations increased by approximately S\$6.3 million or 51.7% from S\$12.2 million in 2QFY2019 to S\$18.5 million in 2QFY2020. This was due mainly to higher revenue recorded across all three business segments. Revenue from Distribution segment increased by approximately S\$3.8 million due to increased sales to Indonesia. In addition, the Project segment revenue increased by approximately S\$1.8 million upon fulfilment of performance obligation over time.

(ii) Cost of Sales and Gross Profit Margin

Cost of sales increased by approximately S\$5.4 million or 61.6% from S\$8.9 million in 2QFY2019 to S\$14.3 million in 2QFY2020.

Gross profit increased by S\$0.8 million or 25.4% from approximately S\$3.4 million in 2QFY2019 to S\$4.2 million in 2QFY2020.

Gross profit margin was lower at 22.7% in 2QFY2020 as compared to 27.5% in 2QFY2019. This was because in 2QFY2019, Distribution segment recorded high margin for certain sales to Vietnam whereas in 2QFY2020, margins for both segments were lower due mainly to competition. The decrease in gross profit margin was partially offset by increased gross profit margin from After-sales segment.

(iii) Other Income

Other income increased by approximately S\$34,000 or 7.1% from S\$481,000 in 2QFY2019 to S\$515,000 in 2QFY2020. This was due mainly to:

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- i) Increase in rental income of approximately S\$29,000 in 2QFY2020;
and
- ii) Higher government grants received of approximately S\$16,000.

This was partially offset by the decrease in dividend income of approximately S\$5,000 and other miscellaneous income of approximately S\$6,000.

(iv) Distribution Expenses

Distribution expenses increased by approximately S\$0.2 million from S\$1.1 million in 2QFY2019 to S\$1.3 million in 2QFY2020. This was due to progressive provision of bonus.

(v) Administrative Expenses

Administrative expenses decreased by approximately S\$0.3 million or 8.0%, from S\$3.8 million in 2QFY2019 to S\$3.5 million in 2QFY2020. This was due mainly to decrease in depreciation charge of approximately S\$0.3 million.

(vi) Net Impairment losses on financial assets

Impairment losses on financial assets increased from S\$19,000 in 2QFY2019 to S\$0.3 million in 2QFY2020. This was due mainly to expected credit losses on receivables and contract assets of approximately S\$0.3 million.

(vii) Net Finance costs

Net finance costs increased by approximately S\$0.2 million from S\$0.3 million in 2QFY2019 to S\$0.5 million in 2QFY2020. This was due mainly to net foreign exchange loss of approximately S\$55,000 in 2QFY2020 as compared to net foreign exchange gain of approximately S\$63,000 in 2QFY2019. The net loss was due to weakening of the United State Dollar ("USD") and the Singapore Dollar ("SGD") against Japanese Yen ("JPY") in 2QFY2020 and vice versa in 2QFY2019.

(viii) Tax Expense

The Group recorded tax expense of approximately S\$8,000 in 2QFY2020 as compared to S\$19,000 in 2QFY2019. This was due mainly to tax provision for a foreign subsidiary in 2QFY2019.

First half year ended 31 October 2019 ("1HFY2020") vs first half year ended 31 October 2018 ("1HFY2019")

On 8 October 2019, the Company completed the disposal of its 80% interest in Z-Power Automation Pte. Ltd. ("ZPA"). Accordingly, the financial results of ZPA had been recorded by the Group as discontinued operation in 1HFY2020 and 1HFY2019 (restated). Subsequent to the disposal of ZPA, the Group's business

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comprises primarily of Distribution, After-Sales and Project Segments. These represent the continuing operations in 1HFY2020 and 1HFY2019.

(i) Revenue

Revenue from continuing operations increased by approximately S\$4.7 million or 19.1% from S\$24.6 million in 1HFY2019 to S\$29.3 million in 1HFY2020. This was because both Distribution and After-sales segments revenue increased by approximately S\$3.4 million and S\$2.0 million respectively. This was due mainly to increased sales to Indonesia partially offset by decreased revenue from Project business segment with few projects completed and delivered.

(ii) Cost of Sales and Gross Profit Margin

Cost of sales increased by approximately S\$4.9 million or 27.5% from S\$17.8 million in 1HFY2019 to S\$22.7 million in 1HFY2020.

Gross profit decreased by S\$0.2 million or 2.9% from approximately S\$6.8 million in 1HFY2019 to S\$6.6 million in 1HFY2020.

Gross profit margin was lower at 22.5% in 1HFY2020 as compared to 27.6% in 1HFY2019. This was because in 1HFY2019, Distribution segment recorded high margin for certain sale to Vietnam. Whereas in 1HFY2020, margins for both segments were lower due to competition.

(iii) Other Income

Other income increased by approximately S\$0.2 million or 23.7% from S\$0.9 million in 1HFY2019 to S\$1.1 million in 1HFY2020. This was due mainly to:

- i) Claim for defect rectification of approximately S\$126,000;
- ii) Higher rental income of approximately S\$58,000; and
- iii) Higher government grants received of approximately S\$15,000.

The increase was partially offset by the decrease in dividend income of approximately S\$5,000 and other miscellaneous income of approximately S\$15,000.

(iv) Distribution Expenses

Distribution expenses increased by approximately S\$0.3 million or 18.5%, from S\$2.0 million in 1HFY2019 to S\$2.3 million in 1HFY2020. This was due to progressive provision of bonus.

(v) Administrative Expenses

Administrative expenses decreased by approximately S\$0.6 million or 7.8%, from S\$7.2 million in 1HFY2019 to S\$6.6 million in 1HFY2020. This was due mainly to decrease in depreciation charge of approximately S\$0.6 million.

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(vi) Net impairment losses/write-back of impairment losses on Financial Assets

Impairment losses on financial assets of approximately S\$0.2 million in 1HFY2020 compared to reversal of impairment losses on financial assets of approximately S\$47,000, this was due mainly to expected credit losses on receivables and contract assets of approximately S\$0.2 million.

(vii) Net Finance costs

Net finance costs increased by approximately S\$1.1 million from S\$0.3 million in 1HFY2019 to S\$1.4 million in 1HFY2020. This was due mainly to net foreign exchange loss of approximately S\$0.6 million in 1HFY2020 as compared to net foreign exchange gain of approximately S\$0.3 million in 1HFY2019. The net loss was due to weakening of USD and SGD against JPY in 1HFY2020 and vice versa in 1HFY2019.

(viii) Tax Expense

The Group recorded tax expense of approximately S\$42,000 in 1HFY2020 as compared to S\$51,000 in 1HFY2019. This was due mainly to tax provision for a foreign subsidiary in 1HFY2019.

STATEMENT OF FINANCIAL POSITION REVIEW

The Group's shareholders' funds as at 31 October 2019 stood at S\$52.2 million as compared to S\$57.1 million at the end of the immediate preceding financial year ended on 30 April 2019.

(i) Property, plant and equipment

The decrease in property, plant and equipment of approximately S\$1.9 million was mainly because of:

- a. Depreciation charges during the financial period; and
- b. Cessation of consolidation of a subsidiary which was disposed of during the financial period.

(ii) Intangible assets

Intangible assets comprised of:

- a. Goodwill of approximately S\$9.4 million; and
- b. Intellectual property rights of approximately S\$0.2 million.

The decrease of S\$0.7 million was due to:

- a. Amortisation charged during the financial period; and
- b. Cessation of consolidation of a subsidiary which disposed of during the financial period.

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(iii) Trade and other receivables

Trade and other receivables decreased by approximately S\$5.3 million, from S\$14.6 million as at 30 April 2019 to S\$9.3 million as at 31 October 2019 due mainly to:

- a. Collection during current period; and
- b. Cessation of consolidation of a subsidiary which was disposed of during the financial period.

(iv) Trade and other payables

Trade and other payables stood at approximately S\$16.2 million as at 31 October 2019, as compared to S\$23.1 million as at 30 April 2019. The decrease of approximately S\$6.9 million was due mainly to:

- a. Payment of trade bills; and
- b. Cessation of consolidation of a subsidiary which was disposed of during the financial period.

(v) Loans and borrowings

Loans and borrowings stood at approximately S\$64.1 million as at 31 October 2019, a decrease of approximately S\$6.4 million, from S\$70.5 million as at 30 April 2019. The decrease was due mainly to:

- a. Repayment of short-term revolving loans and trust receipts; and
- b. Cessation of consolidation of a subsidiary which was disposed of during the financial period.

STATEMENT OF CASH FLOW REVIEW

The Group registered net cash used of approximately S\$7.7 million in operating activities in 1HFY2020, as compared to net cash generated from operating activities of approximately S\$1.5 million in 1HFY2019. This was due mainly to:

- (i) Increase in contract assets of approximately S\$6.7 million; and
- (ii) Increase in inventories of approximately S\$4.9 million.

This was partially offset by decrease in trade and other receivables.

Net cash generated from investing activities increased from S\$55,000 in 1HFY2019 to S\$7.7 million in 1HFY2020, due mainly from maturity of structured deposits.

The net cash used in financing activities in current period was approximately S\$4.7 million as compared to S\$6.0 million in prior period. This was due mainly to:

- (i) Lower net settlement of trust receipts and short-term revolving credits in 1QFY2010;
- (ii) Capital injection from non-controlling interest in 1HFY2020; and
- (iii) Purchase of treasury shares in 1HFY2019.

In view of the above, overall net decrease in cash was approximately S\$4.7 million in 1HFY2020 as compared to net decrease of approximately S\$4.5 million in 1HFY2019.

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- 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 outlook for the Group remains challenging and competitive. Our engine distribution business is improving but at a slow pace. As customers (and their lenders) are cautious amidst uncertainties over the global economy. For our projects business, we are facing strong competition and the margin is tight.

The Group will continue to focus on its core capabilities and step up its efforts to improve its operational efficiency and cost control.

- 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.**

The Board does not recommend any payment of dividends as the Group has not been profitable for 1HFY2020. The Board wishes to conserve cash so as to ensure sufficiency of funds for its daily business and operational needs as well as to capitalize on any potential business growth and expansion opportunities that might arise.

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- 13. If the Group 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. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

No dividend has been declared/recommended for current financial period and previous financial year reported on.

- 15. 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 2019 to be false or misleading in any material aspect.

- 16. 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
11 December 2019