



**XMH**

**XMH HOLDINGS LTD.**

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

**UNAUDITED FIRST HALF YEAR (“1HFY2021”) FINANCIAL STATEMENTS  
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2020**

**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 1HFY2021	Actual 1HFY2020	Change %
<b>Continuing operations</b>			
<b>Revenue</b>	28,697	29,348	(2.2)
Cost of sales	(22,206)	(22,739)	(2.3)
<b>Gross profit</b>	6,491	6,609	(1.8)
Other income	2,226	1,085	NM
Distribution expenses	(1,520)	(2,322)	(34.5)
Administrative expenses	(5,929)	(6,622)	(10.5)
Net impairment losses on financial assets	(232)	(137)	69.3
<b>Results from operating activities</b>	1,036	(1,387)	NM
Finance income	97	83	16.9
Finance costs	(455)	(1,447)	(68.6)
<b>Net finance costs</b>	(358)	(1,364)	(73.8)
<b>Profit/(loss) before tax from continuing operations</b>	678	(2,751)	NM
Income tax expense	(74)	(42)	76.2
<b>Profit/(loss) from continuing operations, net of tax</b>	<b>604</b>	<b>(2,793)</b>	<b>NM</b>
<b>Discontinued Operation<sup>(1)</sup></b>			
Loss from disposal of a subsidiary corporation, net of tax	-	(2,219)	NM
Loss from discontinued operation, net of tax	-	(1,125)	NM
Results from discontinued operation, net of tax	-	(3,344)	NM
<b>Profit/(loss) for the period, net of tax</b>	<b>604</b>	<b>(6,137)</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>	(272)	667	NM
<i>Other comprehensive income/(expenses) for the period, net of tax</i>	(272)	667	NM
<b>Total comprehensive income/(expenses) for the period</b>	<b>332</b>	<b>(5,470)</b>	<b>NM</b>

Note:

<sup>(1)</sup> Discontinued operation related to Z-Power Automation Pte. Ltd. (disposed on 8 October 2019).

**UNAUDITED FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2020**

(In S\$'000) Description	Group		
	Actual 1HFY2021	Actual 1HFY2020	Change %
<b>Profit/(loss) attributable to:</b>			
Owners of the Company			
Profit/(loss) from continuing operations	719	(2,753)	NM
Loss from discontinued operation	-	(2,774)	NM
	719	(5,527)	NM
Non-controlling interests			
Loss from continuing operations	(115)	(40)	NM
Loss from discontinued operation	-	(570)	NM
	(115)	(610)	(81.1)
	<b>604</b>	<b>(6,137)</b>	<b>NM</b>
<b>Total comprehensive income/(expenses) attributable to:</b>			
Owners of the Company			
Profit/(loss) from continuing operations	443	(2,088)	NM
Loss from discontinued operation	-	(2,774)	NM
	443	(4,862)	NM
Non-controlling interests			
Loss from continuing operations	(111)	(38)	NM
Loss from discontinued operation	-	(570)	NM
	(111)	(608)	(81.7)
	<b>332</b>	<b>(5,470)</b>	<b>NM</b>

*Note:*

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

**UNAUDITED FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2020**

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

(In S\$'000) Description	Group		
	Actual 1HFY2021	Actual 1HFY2020	Change %
Other miscellaneous income			
- Continuing operations	1,253	303	NM
- Discontinued operation	-	40	NM
Write-back of impairment loss on receivables and contract assets			
- Continuing operations	60	148	(59.5)
- Discontinued operation	-	38	NM
Interest income			
- Continuing operations	16	83	(80.7)
Interest expense			
- Continuing operations	(455)	(874)	(47.9)
- Discontinued operation	-	(33)	NM
Net foreign exchange gain/(loss)			
- Continuing operations	81	(573)	NM
- Discontinued operation	-	(2)	NM
Depreciation of property, plant and equipment			
- Continuing operations	(1,662)	(1,842)	(9.8)
- Discontinued operation	-	(52)	NM
Amortisation of intangible assets			
- Continuing operations	(24)	(47)	(48.9)
- Discontinued operation	-	(335)	NM
Depreciation of right-of-use assets			
- Continuing operations	(321)	(57)	NM
- Discontinued operation	-	(4)	NM
Fair value gain/(losses) on quoted equity securities			
- Continuing operations	30	(20)	NM
Share-based payment expenses			
- Continuing operations	-	(24)	NM
Rental income			
- Continuing operations	973	768	26.7
Dividend income			
- Continuing operations	-	15	NM
Impairment loss on receivables and contract assets			
- Continuing operations	(290)	(285)	1.8
Bad debts written-off			
- Continuing operations	(2)	-	NM
Grant expenses			
- Continuing operations	(217)	-	NM
Adjustment for under provision of tax in respect of prior year			
- Continuing operations	-	(6)	NM

*Note:*

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

**UNAUDITED FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2020**

**1(b) A statement of financial position (for the issuer 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 2020	30 Apr 2020	31 Oct 2020	30 Apr 2020
<b>ASSETS</b>				
<u>Non-current assets</u>				
Property, plant and equipment	48,478	49,954	44,099	45,500
Intangible assets	8,591	8,615	-	-
Other financial assets	239	425	-	-
Investment in subsidiary corporations	-	-	11,297	11,297
Club memberships	186	188	-	-
Deferred tax assets	486	486	-	-
Right-of-use assets	7,210	7,527	6,050	6,184
<b>Total non-current assets</b>	<b>65,190</b>	<b>67,195</b>	<b>61,446</b>	<b>62,981</b>
<u>Current assets</u>				
Inventories	28,430	29,651	-	-
Trade and other receivables	10,069	10,472	1,936	873
Prepayment	346	472	27	8
Contract assets	15,979	8,942	-	-
Cash and short-term deposits	8,346	14,162	668	1,006
Tax recoverable	83	55	-	-
<b>Total current assets</b>	<b>63,253</b>	<b>63,754</b>	<b>2,631</b>	<b>1,887</b>
<b>TOTAL ASSETS</b>	<b>128,443</b>	<b>130,949</b>	<b>64,077</b>	<b>64,868</b>
<b>EQUITY AND LIABILITIES</b>				
<u>Current liabilities</u>				
Trade and other payables	11,505	15,761	8,433	8,972
Deferred grant income	290	406	36	52
Contract liabilities	161	222	-	-
Loans and borrowings	17,068	20,151	1,686	2,027
Current tax payables	98	20	-	-
<b>Total current liabilities</b>	<b>29,122</b>	<b>36,560</b>	<b>10,155</b>	<b>11,051</b>
<u>Non-current liabilities</u>				
Other payables	191	196	364	369
Loans and borrowings	49,838	45,243	35,442	35,102
Deferred tax liabilities	590	594	450	450
<b>Total non-current liabilities</b>	<b>50,619</b>	<b>46,033</b>	<b>36,256</b>	<b>35,921</b>
<b>TOTAL LIABILITIES</b>	<b>79,741</b>	<b>82,593</b>	<b>46,411</b>	<b>46,972</b>
<b>NET ASSETS</b>	<b>48,702</b>	<b>48,356</b>	<b>17,666</b>	<b>17,896</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)	(3,292)	(3,292)	(3,292)
Other reserves	(5,135)	(4,859)	2,292	2,292
Accumulated profits/(losses)	17,281	16,562	(21,114)	(20,884)
	<b>48,634</b>	<b>48,191</b>	<b>17,666</b>	<b>17,896</b>
Non-controlling interests	68	165	-	-
<b>Total equity</b>	<b>48,702</b>	<b>48,356</b>	<b>17,666</b>	<b>17,896</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>128,443</b>	<b>130,949</b>	<b>64,077</b>	<b>64,868</b>

**UNAUDITED FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2020**

- 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 2020	30 April 2020
<b>Loans and borrowings</b>		
Amount repayable in one year or less, or on demand		
- Secured <sup>(1)</sup>	16,750	19,732
Amount repayable after one year		
- Secured	48,946	44,261
<b>Total</b>	<b>65,696</b>	<b>63,993</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.

Excluded from the loans and borrowings above are lease liabilities of S\$1.2 million which are secured over the right-of-use assets as at 31 October 2020 (30 April 2020: S\$1.4 million).

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 2020	30 April 2020
<b>Loans and borrowings</b>		
Bills payables	7,281	7,177
Revolving credit facility	6,683	9,843
Term loans	2,769	2,695
Lease liabilities	17	17
<b>Total</b>	<b>16,750</b>	<b>19,732</b>

**UNAUDITED FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2020**

- 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	6 months ended	
	1HFY2021	1HFY2020
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax from continuing operations	678	(2,751)
Loss before tax from discontinued operation	-	(3,444)
	678	(6,195)
<b>Adjustments for:</b>		
Amortisation of intangible assets	24	382
Depreciation of right-of-use assets	321	61
Depreciation of property, plant and equipment	1,662	1,894
Share-based payment expenses	-	24
Interest income	(16)	(83)
Interest expense	455	907
Dividend income from quoted equity security	-	(15)
Write-back of impairment loss on receivables and contract assets	(60)	(186)
Impairment loss on receivables and contract assets	290	285
Bad debts written-off	2	-
Fair value (gain)/losses on quoted equity securities	(30)	20
Loss from disposal of a subsidiary corporation	-	2,269
Net unrealised foreign exchange (gain)/loss	(267)	328
	3,059	(309)
Changes in inventories	1,221	(4,546)
Changes in trade and other receivables	353	1,688
Changes in prepayment	126	(88)
Changes in contract assets	(7,219)	(1,420)
Changes in trade and other payables	(4,261)	(2,816)
Changes in deferred grant income	(116)	-
Changes in contract liabilities	(61)	(56)
<b>Cash used in operations</b>	<b>(6,898)</b>	<b>(7,547)</b>
Income tax paid, net	(28)	(172)
<b>Net cash used in operating activities</b>	<b>(6,926)</b>	<b>(7,719)</b>
<b>Cash flows from investing activities</b>		
Interest received	16	83
Dividends received	-	15
Acquisition of property, plant and equipment	(200)	(200)
Withdrawal of structured deposits	-	8,167
Net proceeds from other financial assets	197	-
Net cash outflows from disposal of a subsidiary	-	(341)
<b>Net cash generated from investing activities</b>	<b>13</b>	<b>7,724</b>

**UNAUDITED FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2020**

(In S\$'000) Description	6 months ended	
	1HFY2021	1HFY2020
<b>Cash flows from financing activities</b>		
Proceed from borrowings	5,000	177
Repayment of borrowings	(230)	(1,209)
Proceeds from revolving credit facility	6,993	6,969
Repayment of revolving credit facility	(10,057)	(7,966)
Proceeds from trust receipts	8,331	16,794
Repayment of trust receipts	(8,271)	(18,705)
Repayment of finance lease liabilities	-	(54)
Repayment of principal portion of lease liabilities	(171)	(75)
Interest paid	(429)	(888)
Capital injection from non-controlling interests	14	238
Decrease in fixed deposit	-	21
<b>Net cash generated from/(used in) financing activities</b>	<b>1,180</b>	<b>(4,698)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(5,733)</b>	<b>(4,693)</b>
Cash and cash equivalents at the beginning of the period	14,143	15,345
Effect of exchange rate fluctuation on cash and cash equivalents	(84)	524
Cash and cash equivalents at the end of the period	<b>8,326</b>	<b>11,176</b>
<b>Represented by:</b>		
Cash at bank and on hand	8,326	10,182
Short-term deposits	20	1,020
	<b>8,346</b>	<b>11,202</b>
Less: Pledged fixed deposits	(20)	(19)
Bank overdrafts	-	(7)
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<b>8,326</b>	<b>11,176</b>

**UNAUDITED FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2020**

- 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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<b>COMPANY Description (in S\$'000)</b>	<b>Share Capital</b>	<b>Reserve for own Shares</b>	<b>Share Option Reserve</b>	<b>Accumulated Losses</b>	<b>Total</b>
<b>As at 1 May 2020</b>	39,780	(3,292)	2,292	(20,884)	17,896
Loss for the period	-	-	-	(230)	(230)
<b>As at 31 October 2020</b>	39,780	(3,292)	2,292	(21,114)	17,666

<b>COMPANY Description (in S\$'000)</b>	<b>Share Capital</b>	<b>Reserve for own Shares</b>	<b>Share Option Reserve</b>	<b>Accumulated Losses</b>	<b>Total</b>
<b>As at 1 May 2019</b>	39,780	(3,292)	2,268	(11,118)	27,638
Loss for the period	-	-	-	(1,151)	(1,151)
Share-based payment transactions	-	-	24	-	24
<b>As at 31 October 2019</b>	39,780	(3,292)	2,292	(12,269)	26,511



**UNAUDITED FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2020**

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
<b>As at 1 May 2020</b>	39,780	(3,292)	2,292	(7,151)	16,562	48,191	165	48,356
Profit/(loss) for the period	-	-	-	-	719	719	(115)	604
<b>Other comprehensive income/(expenses)</b>								
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	(276)	-	(276)	4	(272)
<b>Total other comprehensive income/(expenses) for the period, net of tax</b>	-	-	-	(276)	-	(276)	4	(272)
<b>Total comprehensive income/(expenses) for the period</b>	-	-	-	(276)	719	443	(111)	332
<b>Contributions by and distributions to owners</b>								
<b>Changes in ownership interest in subsidiary corporation</b>								
Subscription of shares of a subsidiary corporation	-	-	-	-	-	-	14	14
<b>As at 31 October 2020</b>	39,780	(3,292)	2,292	(7,427)	17,281	48,634	68	48,702

**UNAUDITED FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2020**

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
Effects 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 from continuing operations	-	-	-	-	(2,753)	(2,753)	(40)	(2,793)
Loss for the period from discontinued operation	-	-	-	-	(2,774)	(2,774)	(570)	(3,344)
<b>Other comprehensive income/(expenses)</b>								
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	665	-	665	2	667
<b>Total other comprehensive income/(expenses) for the period, net of tax</b>	-	-	-	665	-	665	2	667
<b>Total comprehensive income/(expenses) for the period</b>	-	-	-	665	(5,527)	(4,862)	(608)	(5,470)
<b>Changes in ownership interest in subsidiary corporation</b>								
Subscription of shares of a subsidiary corporation	-	-	-	-	-	-	238	238
<b>Contributions by and distributions to owners</b>								
Share-based payment transactions	-	-	24	-	-	24	-	24
<b>Total transactions with owners in their capacity as owners</b>	-	-	24	-	-	24	-	24
<b>As at 31 October 2019</b>	<b>39,780</b>	<b>(3,292)</b>	<b>2,292</b>	<b>(8,512)</b>	<b>21,970</b>	<b>52,238</b>	<b>275</b>	<b>52,513</b>

**UNAUDITED FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2020**

- 1(f) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 for any other purpose since the end of the previous period reported on.**

As at 31 October 2020, the Company's issued and fully paid up capital (excluding treasury shares and subsidiary holdings) comprises of 109,282,221 ordinary shares (31 October 2019: 109,282,221 ordinary shares). Particulars of the company's share capital in 6MFY2021 and 6MFY2020 are set out below.

Description	6MFY2021	
	Number of Shares	Share Capital (\$'000)
Balance at beginning and end of period	109,282,221	39,780

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

Purchase of treasury shares

There was no share buy-back transaction in 1HFY2021 (1HFY2020: Nil). As at 31 October 2020, the total consideration for the treasury shares held under the share buy-back scheme was S\$3,292,000 (31 October 2019: S\$3,292,000) for a total of 5,230,350 shares (31 October 2019: 5,230,350 shares).

The number of treasury shares held by the Company represents 4.79% (31 October 2019: 4.79%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company as at 31 October 2020.

XMH Share Option Scheme

As at 31 October 2020, the outstanding balance of unexercised options under the XMH Share Option Scheme total 2,053,250 shares (31 October 2019: 3,167,750 shares) or 1.88% (31 October 2019: 2.90%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company.

**UNAUDITED FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2020**

- 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 class 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 period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Description	31 October 2020	31 October 2019
Total number of shares issued	114,512,571	114,512,571
Less: Treasury shares	(5,230,350)	(5,230,350)
<b>Total</b>	<b>109,282,221</b>	<b>109,282,221</b>

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

Description	31 October 2020	31 October 2019
Balance at beginning and end of period	5,230,350	5,230,350

- 1(h)(iii) A statement showing all sales, transfer, 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 auditing standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).**

The figures for the periods ended 31 October 2020 and 31 October 2019 have not been audited or reviewed by auditors.

**UNAUDITED FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2020**

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

Not applicable.

- 3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

- a) Updates on effort taken to resolve each outstanding audit issue.**
- b) Confirmation from the Board that the impact of all outstanding audit issues on financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

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.**

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 2020.

- 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.**

Not applicable.

**UNAUDITED FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2020**

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

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

Description	6 months ended	
	1HFY2021	1HFY2020
E/(L)PS (based on consolidated net profit/(loss) attributable to owners):-		
a) Based on the weighted average number of ordinary shares in issue (cents)		
- Continuing operations	0.66	(2.52)
- Discontinued operation	-	(2.54)
b) On a fully diluted basis (cents)		
- Continuing operations	0.66	(2.52)
- Discontinued operation	-	(2.54)
Weighted average number of shares in issue during the period used in the computing of E/(L)PS	109,282,221 <sup>(1)</sup>	109,282,221 <sup>(2)</sup>
Weighted average number of shares on fully diluted basis during the period used in the computing of E/(L)PS	109,282,221 <sup>(1)</sup>	109,282,221 <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 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 2015, 2016 and 2017.

**7. Net asset value (for the issuer 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 2020	30 April 2020	31 October 2020	30 April 2020
Net asset value per ordinary share based on existing share capital (cents)	44.50	44.10	16.17	16.38
Number of shares at end of the period	109,282,221	109,282,221	109,282,221	109,282,221

**UNAUDITED FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2020**

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**

**First half year ended 31 October 2020 ("1HFY2021") vs First half year ended 31 October 2019 ("1HFY2020")**

**(i) Revenue**

Revenue decreased by approximately S\$0.6 million or 2.2% from S\$29.3 million in 1HFY2020 to S\$28.7 million in 1HFY2021. Both Distribution and After-sales Business Segments' revenue decreased by approximately S\$1.8 million and S\$1.2 million respectively. The decrease was mainly due to:

- a. suppliers' delay in shipment of materials as a result of factory closure;
- b. some customers continue to defer taking deliveries; and
- c. lesser service jobs due to COVID-19.

The decreased was partially offset by increased revenue from the Project segment by approximately S\$2.4 million due to revenue recognition based on performance obligation as our Malaysia factory had obtained approval from Malaysia Authority to commence work during COVID-19.

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

Cost of sales decreased by approximately S\$0.5 million or 2.3% from S\$22.7 million in 1HFY2020 to S\$22.2 million in 1HFY2021 in line with decrease in revenue.

Gross profit decreased marginally by S\$0.1 million or 1.8% from approximately S\$6.6 million in 1HFY2020 to S\$6.5 million in 1HFY2021. This was due mainly to decrease in revenue.

Gross profit margin remains constant at 22.6% for both 1HFY2021 and 1HFY2020.

**(iii) Other Income**

Other income increased from S\$1.1 million in 1HFY2020 to S\$2.2 million in 1HFY2021. This was due mainly to:

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- a. increase in financial grants of approximately S\$1.1 million in 1HFY2021 mainly derived from the Job Support Scheme, rental waiver, enhanced work-life scheme and foreign worker levy rebate; and
- b. increase in rental income of approximately S\$0.2 million.

The increase was partially offset by decrease in other miscellaneous income of approximately S\$0.2 million in 1HFY2021.

**(iv) Distribution Expenses**

Distribution expenses decreased by approximately S\$0.8 million or 34.5% from S\$2.3 million in 1HFY2020 to S\$1.5 million in 1HFY2021. This was due mainly to:

- a. decrease in staff costs of approximately S\$0.4 million as a result of reversal for prior year's bonus provision, pay-cut and unpaid leave scheme; and
- b. decrease in travelling, marketing and promotional expenses of approximately S\$0.4 million primarily due to COVID-19.

**(v) Administrative Expenses**

Administrative expenses decreased by approximately S\$0.7 million or 10.2%, from S\$6.6 million in 1HFY2020 to S\$5.9 million in 1HFY2021. This was due mainly to:

- a. decrease in staff costs of approximately S\$0.8 million as a result of reversal for prior year's bonus provision, pay-cut and unpaid leave scheme;
- b. decrease in professional fees of approximately S\$0.1 million due to disposal of a subsidiary in 1HFY2020; and
- c. net fair value gain on equity shares of approximately S\$0.1 million arising from gain on disposal of some equity shares and lesser fair value loss on equity shares.

The decrease was partially offset by grant expenses of approximately S\$0.2 million pertaining to rental waiver for tenants.

**(vi) Net Finance Costs**

Net finance costs decreased by approximately S\$1.0 million from S\$1.4 million in 1HFY2020 to S\$0.4 million in 1HFY2021. This was due mainly to:

- a. net foreign exchange gain of approximately S\$0.08 million in 1HFY2021 as compared to net foreign exchange loss of approximately S\$0.6 million in 1HFY2020. The net foreign exchange gain was due to the weakening of Japanese Yen against United State Dollar and Singapore Dollar ("SGD"), weakening of Europe against SGD and strengthening of Ringgit Malaysia against SGD in 1HFY2021 vice versa in 1HFY2020; and



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- b. savings on finance expenses of approximately S\$0.4 million arising from lower term loan interest in line with decrease in total outstanding loan balances and lower interest rate.

**(vii) Tax Expenses**

The Group recorded tax expenses of approximately S\$74,000 in 1HFY2021 as compared to S\$42,000 in 1HFY2020. This was due mainly to higher current tax provision by profit making subsidiaries.

**STATEMENT OF FINANCIAL POSITION REVIEW**

The Group's shareholders' funds as at 31 October 2020 stood at S\$48.6 million as compared to S\$48.2 million at the end of the immediate preceding financial year ended on 30 April 2020.

**(i) Property, Plant and Equipment**

Property, plant and equipment decreased by approximately S\$1.5 million from S\$50.0 million as at 30 April 2020 to S\$48.5 million as at 31 October 2020. This was mainly because of depreciation charges during the financial period.

**(ii) Intangible Assets**

Intangible assets comprise of:

- a. goodwill of approximately S\$8.5 million; and
- b. intellectual property rights of approximately S\$0.09 million.

The decrease of S\$24,000 as at 31 October 2020 as compared to 30 April 2020 was due to amortisation charged during the financial period.

**(iii) Right-of-use Assets**

Right-of-use assets decreased by approximately S\$0.3 million from S\$7.5 million as at 30 April 2020 to S\$7.2 million as at 31 October 2020. This was mainly because of depreciation charges during the financial period.

**(iv) Other Financial Assets**

Other financial assets decreased by approximately S\$0.2 million from S\$0.4 million as at 30 April 2020 to S\$0.2 million as at 31 October 2020. This was due to disposal of some quoted equity securities during the financial period.

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**(v) Inventories**

Inventories decreased by approximately S\$1.3 million, from S\$29.7 million as at 30 April 2020 to S\$28.4 million as at 31 October 2020. The decrease was due mainly to deliveries during the financial period.

**(vi) Trade and Other Receivables**

Trade and other receivables decreased by approximately S\$0.4 million, from S\$10.5 million as at 30 April 2020 to S\$10.1 million as at 31 October 2020 due mainly to collection during the financial period.

**(vii) Contract Assets**

Contract Assets increased by S\$7.1 million from S\$8.9 million as at 30 April 2020 to S\$16.0 million as at 31 October 2020. This was due to progression of project works at our Malaysia factory after obtaining approval to commence work from the Malaysia Authority during COVID-19.

**(viii) Trade and Other Payables**

Trade and other payables decreased by S\$4.3 million from S\$15.8 million as at 30 April 2020 to S\$11.5 million as at 31 October 2020. This was due mainly to payment to supplier during the financial period.

**(ix) Loans and Borrowings**

Loans and borrowings increased by approximately S\$1.5 million from S\$65.4 million as at 30 April 2020 to S\$66.9 million as at 31 October 2020. The increase was due mainly to drawdown of bridging loans partially offset by the net repayment of revolving credit facility during the financial period.

**STATEMENT OF CASH FLOW REVIEW**

The Group registered net cash used of approximately S\$6.9 million in operating activities in 1HFY2021, a decrease of approximately S\$0.8 million from S\$7.7 million in 1HFY2020. This was due mainly to:

- a. profit before tax generated in 1HFY2021 after adjustment for non-cash items was approximately S\$3.0 million as compared to S\$0.3 million loss suffered in 1HFY2020;
- b. decrease in inventories of approximately S\$5.8 million; and
- c. decrease in prepayment of approximately S\$0.2 million.

This was partially offset by:

- a. increase in contract assets of approximately S\$5.8 million due to progression of project works;
- b. decrease in trade and other payables of approximately S\$1.4 million; and

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c. lower increase in trade and other receivables of approximately S\$1.3 million.

Net cash generated from investing activities was S\$13,000 in 1HFY2021 as compared to S\$7.7 million in 1HFY2020. This was due to maturity of structured deposits in 1HFY2020.

The net cash generated from financing activities in current period was approximately S\$1.2 million as compared to net cash used in financing activities of S\$4.7 million in prior period. This was due mainly to drawdown of bridging loans and partially offset by net repayment of revolving credit facility.

In view of the above, overall net decrease in cash was approximately S\$5.7 million in 1HFY2021 as compared to S\$4.7 million in 1HFY2020.

**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. A commentary at the date of announcement of 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 operating environment for the Group continues to remain challenging and uncertain amidst the COVID-19 pandemic. Our customers from the engine distribution business continue to be cautious in their spending. For project business, we continue to face downward pressure on margins due to price competition. Site installation works for our ongoing projects are affected by the safe distancing measures put in place by the government.

In light of the challenging and uncertain business environment, our priority is to ensure that we have adequate liquidity to sustain operations and ride through this crisis. We will continue to exercise prudence and step up our efforts to improve our operational efficiency and cost control and prepare the Group for future opportunities.

**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.

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**c) Date payable:**

Not applicable.

**d) Books Closure Date:**

Not applicable.

**12. If no dividend has been declared/(recommended), a statement to that effect and the reason(s) for the decision.**

The Board does not recommend any payment of dividend for 1HFY2021 as in accordance with past practice, the Board will consider if a dividend is payable at the end of the financial year.

**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 2020 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 2020