



XMH **XMH HOLDINGS LTD.**
(Incorporated in the Republic of Singapore)
(Company Registration No: 201010562M)

Condensed Interim Consolidated Financial Statements

For the First Half Year Ended 31 October 2021

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UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

A. Condensed interim consolidated statement of profit or loss and other comprehensive income/(loss).

(In S\$'000) Description	Note	Group		
		Actual 1HFY2022	Actual 1HFY2021	Change %
Revenue	4	33,253	28,697	15.9
Cost of sales		(24,593)	(22,206)	10.7
Gross profit		8,660	6,491	33.4
Other income		1,043	2,256	(53.8)
Distribution expenses		(1,814)	(1,520)	19.3
Administrative expenses		(6,403)	(5,959)	7.5
Net impairment losses on financial assets		(25)	(232)	(89.2)
Results from operating activities		1,461	1,036	41.0
Finance income		519	97	NM
Finance costs		(345)	(455)	(24.2)
Net finance income/(costs)		174	(358)	NM
Profit before tax	6	1,635	678	NM
Income tax expense	7	(566)	(74)	NM
Profit after tax		1,069	604	77.0
Items that are or may be reclassified subsequently to profit or loss				
<i>Exchange differences arising from translation of the financial statements of the subsidiary corporations</i>		(535)	(272)	96.7
<i>Total other comprehensive loss for the period, net of tax</i>		(535)	(272)	96.7
Total comprehensive income for the period, net of period		534	332	60.8
Profit/(loss) attributable to:				
Owners of the Company		1,057	719	47.0
Non-controlling interests		12	(115)	NM
		1,069	604	77.0
Total comprehensive income/(loss) attributable to:				
Owners of the Company		422	443	(4.7)
Non-controlling interests		112	(111)	NM
		534	332	60.8
Earnings per share for the profit for the period attributable to the owners of the Company during the period:				
Basic (SGD in cent)		0.97	0.66	
Diluted (SGD in cent)		0.97	0.66	

Note:

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

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

B. Condensed interim statements of financial position.

(In S\$'000) Description	Note	Group		Company	
		31 Oct 2021	30 Apr 2021	31 Oct 2021	30 Apr 2021
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	10	45,116	46,616	41,278	42,684
Right-of-use assets	14	5,870	6,031	5,780	5,915
Investment in subsidiary corporations		-	-	11,297	11,297
Intangible assets	11	8,506	8,506	-	-
Other financial assets	12	360	350	-	-
Club memberships		201	207	-	-
Deferred tax assets		493	491	-	-
Total non-current assets		60,546	62,201	58,355	59,896
<u>Current assets</u>					
Inventories		27,046	22,179	-	-
Trade and other receivables		10,224	19,903	1,619	1,972
Prepayment		340	183	29	13
Contract assets		17,483	13,193	-	-
Cash and short-term deposits	13	7,149	7,661	376	589
Tax recoverable		34	10	-	-
Total current assets		62,276	63,129	2,024	2,574
TOTAL ASSETS		122,822	125,330	60,379	62,470
EQUITY AND LIABILITIES					
<u>Current liabilities</u>					
Trade and other payables		16,767	13,165	7,905	8,292
Deferred grant income		-	115	-	5
Contract liabilities		460	457	-	-
Loans and borrowings	15	12,722	16,389	2,255	2,228
Current tax payables		1,961	1,533	1,515	1,459
Total current liabilities		31,910	31,659	11,675	11,984
Net current assets/(liabilities)		30,366	31,470	(9,651)	(9,410)
<u>Non-current liabilities</u>					
Other payables		121	14	121	204
Loans and borrowings	15	43,421	46,816	33,017	34,158
Deferred tax liabilities		138	143	-	-
Total non-current liabilities		43,680	46,973	33,138	34,362
TOTAL LIABILITIES		75,590	78,632	44,813	46,346

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

B. Condensed interim statements of financial position. (cont'd)

(In S\$'000) Description	Note	Group		Company	
		31 Oct 2021	30 Apr 2021	31 Oct 2021	30 Apr 2021
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the Company					
Share capital	16	39,780	39,780	39,780	39,780
Reserve for own shares		(3,292)	(3,292)	(3,292)	(3,292)
Other reserves		(7,515)	(6,880)	2,292	2,292
Accumulated profits/(losses)		18,563	17,506	(23,214)	(22,656)
		47,536	47,114	15,566	16,124
Non-controlling interests		(304)	(416)	-	-
Total equity		47,232	46,698	15,566	16,124
TOTAL EQUITY AND LIABILITIES		122,822	125,330	60,379	62,470

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

C. Condensed interim statements of changes in equity

Attributable to owners of the Company

GROUP Description (in S\$'000)	Share Capital	Reserve for Own Shares	Share Option Reserve	Foreign Currency Translation Reserve	Accumulated Profits	Total	Non- controlling Interests	Total Equity
1HFY2022								
At 1 May 2021	39,780	(3,292)	2,292	(9,172)	17,506	47,114	(416)	46,698
Profit for the financial period	-	-	-	-	1,057	1,057	12	1,069
Other comprehensive loss								
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	(635)	-	(635)	100	(535)
Other comprehensive loss for the financial period, net of tax	-	-	-	(635)	-	(635)	100	(535)
Total comprehensive income/(loss) for the financial period	-	-	-	(635)	1,057	422	112	534
At 31 October 2021	39,780	(3,292)	2,292	(9,807)	18,563	47,536	(304)	47,232

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

C. Condensed interim statements of changes in equity (cont'd)

Attributable to owners of the Company

GROUP Description (in S\$'000)	Share Capital	Reserve for Own Shares	Share Option Reserve	Foreign Currency Translation Reserve	Accumulated Profits	Total	Non- controlling Interests	Total Equity
1HFY2021								
At 1 May 2020	39,780	(3,292)	2,292	(7,151)	16,562	48,191	165	48,356
Profit for the financial period	-	-	-	-	719	719	(115)	604
Other comprehensive loss								
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	(276)	-	(276)	4	(272)
Other comprehensive loss for the financial period, net of tax	-	-	-	(276)	-	(276)	4	(272)
Total comprehensive income/(loss) for the financial period	-	-	-	(276)	719	443	(111)	332
Changes in ownership interest in subsidiary corporations								
Subscription of shares of a subsidiary corporation	-	-	-	-	-	-	14	14
At 31 October 2020	39,780	(3,292)	2,292	(7,427)	17,281	48,634	68	48,702

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

C. Condensed interim statements of changes in equity (cont'd)

COMPANY Description (in S\$'000)	Share Capital	Reserve for own Shares	Share Option Reserve	Accumulated Losses	Total
1HFY2022					
At 1 May 2021	39,780	(3,292)	2,292	(22,656)	16,124
Total comprehensive loss for the financial period	-	-	-	(558)	(558)
At 31 October 2021	39,780	(3,292)	2,292	(23,214)	(15,566)
1HFY2021					
At 1 May 2020	39,780	(3,292)	2,292	(20,884)	17,896
Total comprehensive loss for the financial period	-	-	-	(230)	(230)
At 31 October 2020	39,780	(3,292)	2,292	(21,114)	17,666

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

D. Condensed interim consolidated statement of cash flows

(In S\$'000) Description	Note	6 months ended	
		1HFY2022	1HFY2021
Cash flows from operating activities			
Profit before tax		1,635	678
Adjustments for:			
Amortisation of intangible assets		-	24
Depreciation of right-of-use assets	6	164	321
Depreciation of property, plant and equipment	6	1,556	1,662
Interest income	6	(15)	(16)
Interest expense	6	345	455
Write-back of allowance for trade and other receivables	6	(30)	(60)
Impairment loss on receivables and contract assets	6	54	290
Bad debts written-off		1	2
Provision for stocks obsolescence		155	-
Fair value gain on quoted equity securities	6	(11)	(30)
Gain on disposal of property, plant and equipment	6	(17)	-
Net unrealised foreign exchange gain		(583)	(267)
		3,254	3,059
(Increase)/decrease in inventories		(5,022)	1,221
Decrease in trade and other receivables		9,755	353
(Increase)/decrease in prepayment		(157)	126
Increase in contract assets		(4,391)	(7,219)
Increase/(decrease) in trade and other payables		3,709	(4,261)
Decrease in deferred grant income		(115)	(116)
Increase/(decrease) in contract liabilities		3	(61)
Cash generated from/(used in) operations		7,036	(6,898)
Income tax paid, net		(169)	(28)
Net cash generated from/(used in) operating activities		6,867	(6,926)
Cash flows from investing activities			
Interest received		15	16
Proceeds from disposal of property, plant and equipment		17	-
Acquisition of property, plant and equipment		(46)	(200)
Net proceeds from other financial assets		-	197
Net cash (used in)/generated from investing activities		(14)	13
Cash flows from financing activities			
Proceed from borrowings		-	5,000
Repayment of borrowings		(2,796)	(230)
Proceeds from revolving credit facility		-	6,993
Repayment of revolving credit facility		(2,771)	(10,057)
Proceeds from trust receipts		10,986	8,331
Repayment of trust receipts		(12,352)	(8,271)
Repayment of principal portion of lease liabilities		(15)	(171)
Interest paid		(345)	(429)
Capital injection from non-controlling interests		-	14
Net cash (used in)/generated from financing activities		(7,293)	1,180

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

D. Condensed interim consolidated statement of cash flows (cont'd)

(In S\$'000) Description	Note	6 months ended	
		1HFY2022	1HFY2021
Net decrease in cash and cash equivalents		(440)	(5,733)
Cash and cash equivalents at the beginning of the period		7,641	14,143
Effect of exchange rate fluctuations on cash and cash equivalents		(72)	(84)
Cash and cash equivalents at the end of the period		7,129	8,326
Represented by:			
Cash at bank and on hand		7,129	8,326
Short-term deposits		20	20
	13	7,149	8,346
Less: Pledged fixed deposits		(20)	(20)
Cash and cash equivalents in the consolidated statement of cash flows		7,129	8,326

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

XMH Holdings Ltd. (the “**Company**”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

These condensed interim consolidated financial statements as at and for the six months ended 31 October 2021 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary corporations are:

- a) Distribution and provision of value-added products and services;
- b) After-sales services, trading and others; and
- c) Projects, which comprise the assembly and installation of standby generator sets and provision of related services.

2. Basis of preparation

The condensed interim financial statements for the six months ended 31 October 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 30 April 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar (S\$) which is the Company’s functional currency and all values are rounded to the nearest thousand (S\$’000) except when otherwise indicated.

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

The preparation of the Group’s condensed interim financial statements in compliance with SFRS(I)s requires management to make judgements, estimates and assumptions that affect the Group’s application of accounting policies and the reported amounts of assets and liabilities, revenue and expense.

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

E. Notes to the condensed interim consolidated financial statements (cont'd)

2. Basis of preparation (cont'd)

2.2. Use of judgements and estimates (cont'd)

Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the process of applying the Group's accounting policies, management has made those following judgements which have the most significant effect on the amounts recognised in the condensed consolidated financial statements:

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiary corporations. In determining the functional currencies of entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and entities' process of determining sales prices.

Revenue recognition for project revenue

The Group has ongoing contracts at each reporting date with customers for performance obligation.

Project revenue is recognised over time by reference to the Group's progress towards completing the performance. The measurement of progress is determined based on the proportion of contract costs incurred to-date to the estimated total contract costs ("input method"). When it is probable that total contract costs will exceed total revenue, a provision for onerous contract is recognised in the profit or loss immediately. Revenue recognised on these contracts but unbilled to customers are presented as contract assets on the condensed statements of financial position.

Under the input method, estimated total contract costs on each project is a key input that is subject to significant estimation uncertainty. At every reporting date, management re-evaluates, inter alia, the estimated total contract costs by updating the estimated contract costs to be incurred from the reporting date to the completion date of the projects ("costs-to-complete").

In making estimation of the total costs-to-complete, management has applied its past experience of completing similar projects, as well as quotations from and contracts with suppliers and sub-contractors.

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

E. Notes to the condensed interim consolidated financial statements (cont'd)

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services offered. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different marketing strategies.

The Group is organised into three reportable segments, namely:

- Distribution: Relates to distribution of propulsion engines;
- After-sales: Relates to after-sales services provided which includes services/jobs, sales of spare parts and other trading; and
- Projects: Relates to manufacturing, sales and commission of power generator sets.

Other operations relate to general corporate activities.

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Segment and revenue information (cont'd)

4.1 Reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by Group's Chairman and Managing Director.

1HFY2022 (in S\$'000)	Distribution	After-sales	Projects	Segments Total	Others	Elimination	Total	Note
External revenue	10,880	5,002	17,371	33,253	-	-	33,253	
Inter-segment revenue	5,235	1,955	-	7,190	1,029	(8,219)	-	A
Total revenue	16,115	6,957	17,371	40,443	1,029	(8,219)	33,253	
Interest income	-	-	1	1	51	(37)	15	B
Gain on disposal of property, plant and equipment	17	-	-	17	-	-	17	
Interest expense	(4)	(8)	(130)	(142)	(219)	16	(345)	C
Depreciation	(9)	(15)	(124)	(148)	(1,575)	3	(1,720)	
Employee benefits expenses	(372)	(400)	(2,502)	(3,274)	(2,009)	-	(5,283)	
Other non-cash expenses	(82)	(84)	(16)	(182)	13	-	(169)	D
Reportable segmental profit/(loss) before tax	2,538	1,253	686	4,477	(2,619)	(223)	1,635	E
Income tax expense							(566)	
Profit for the period							1,069	
Reportable segment assets	15,550	13,473	46,228	75,251	67,921	(20,350)	122,822	F
Capital Expenditure	-	6	31	37	9	-	46	
Reportable segment liabilities	10,397	5,807	26,814	43,018	51,686	(19,114)	75,590	G

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

1HFY2021 (in S\$'000)	Distribution	After-sales	Projects	Segments Total	Others	Elimination	Total	Note
External revenue	8,317	4,386	15,994	28,697	-	-	28,697	A
Inter-segment revenue	2,581	1,510	-	4,091	1,043	(5,134)	-	
Total revenue	10,898	5,896	15,994	32,788	1,043	(5,134)	28,697	
Interest income	-	-	1	1	15	-	16	B
Interest expense	(6)	(13)	(95)	(114)	(323)	(18)	(455)	C
Depreciation	(151)	(26)	(221)	(398)	(1,656)	71	(1,983)	
Amortisation	(24)	-	-	(24)	-	-	(24)	
Employee benefits expenses	(279)	(327)	(2,005)	(2,611)	(1,323)	-	(3,934)	
Other non-cash expenses	15	23	(252)	(214)	12	-	(202)	D
Reportable segmental profit/(loss) before tax	1,486	606	465	2,557	(1,752)	(127)	678	E
Income tax expense							(74)	
Profit for the period							604	
Reportable segment assets	18,132	15,800	42,482	76,414	66,900	(14,871)	128,443	F
Capital Expenditure	6	-	163	169	31	-	200	
Reportable segment liabilities	7,461	6,613	24,357	38,431	56,235	(14,925)	79,741	G

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

Note Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

- A Inter-segments revenue are eliminated on consolidation.
- B Inter-segments interest income are eliminated on consolidation.
- C Inter-segments interest expenses are eliminated on condensed consolidation and amortisation of fair value adjustment.
- D Other non-cash expenses consist of fair value gain on quoted equity securities, provision for stocks obsolescence, impairment loss on financial assets and bad debts written-off as presented in the respective notes to the financial statements.
- E The following items are deducted from segment profit to arrive at "profit before tax" presented in the condensed consolidated income statement.

	Group	
	1HFY2022	1HFY2021
	S\$'000	S\$'000
Unrealised profit from unsold stocks	(207)	(104)
Interest expense	16	(19)
Interest income	(37)	-
Elimination of intercompany transactions	5	(4)
	(223)	(127)

- F Items relating to inter-segment assets are deducted to arrive at total assets reported in the condensed consolidated statement of financial position.
- G The following items are added to segment liabilities to arrive at total liabilities reported in the condensed consolidated statement of financial position.

	Group	
	1HFY2022	1HFY2021
	S\$'000	S\$'000
Inter-segment liabilities	19,061	14,872
Accrual	53	53
	19,114	14,925

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Segment and revenue information (cont'd)

4.2 Disaggregation of Revenue

(In S\$'000) Description	Group 6 months ended 31 October 2021			
Segments	Distribution	After-sales	Projects	Total Revenue
Primary geographical markets				
Singapore	91	1,419	17,333	18,843
Indonesia	9,371	2,324	–	11,695
Vietnam	–	560	–	560
Other countries	1,418	699	38	2,155
	10,880	5,002	17,371	33,253
<u>Timing of transfer of goods and services</u>				
At a point in time	10,880	5,002	–	15,882
Over time	–	–	17,371	17,371
	10,880	5,002	17,371	33,253

(In S\$'000) Description	Group 6 months ended 31 October 2020			
Segments	Distribution	After-sales	Projects	Total Revenue
Primary geographical markets:				
Singapore	34	1,106	9,666	10,806
Indonesia	7,369	2,428	–	9,797
Vietnam	399	480	–	879
Other countries	515	372	6,328	7,215
	8,317	4,386	15,994	28,697
<u>Timing of transfer of goods and services</u>				
At a point in time	8,317	4,386	–	12,703
Over time	–	–	15,994	15,994
	8,317	4,386	15,994	28,697

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Segment and revenue information (cont'd)

4.3 Contract assets and contract liabilities

Information about trade receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

(In S\$'000) Description	Group	
	31 Oct 2021	30 April 2021
Trade receivables	6,960	15,610
Contract assets	17,483	13,193
Contract liabilities	(460)	(457)

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for project work. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for project work.

Contract liabilities are recognised as revenue as the Group performs under the contract.

i) Significant changes in contract assets are explained as follows:

(In S\$'000) Description	Group	
	31 Oct 2021	30 April 2021
Contract assets reclassified to receivables	(7,080)	(4,091)
Changes in estimate of transaction price	(172)	321
Impairment loss on contract assets	(101)	(497)

ii) Significant changes in contract liabilities are explained as follows:

(In S\$'000) Description	Group	
	31 Oct 2021	30 April 2021
Revenue recognised that was included in the contract liabilities balance at the beginning of the period/year	457	222

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

E. Notes to the condensed interim consolidated financial statements (cont'd)

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 October 2021 and 30 April 2021:

(In S\$'000) Description	Note	Group		Company	
		31 Oct 2021	30 Apr 2021	31 Oct 2021	30 Apr 2021
Financial assets at fair value through profit or loss					
- Quoted equity securities	12	360	350	-	-
Financial assets at amortised cost					
- Trade receivables		7,287	15,619	-	-
- Other receivables and deposits (excluding prepayment)		2,047	3,420	251	376
- Amount due from subsidiaries		-	-	1,368	1,596
- Cash and short-term deposits	13	7,149	7,661	376	589
Total financial assets		16,843	27,050	1,995	2,561
Presented as					
Non-current assets		360	350	-	-
Current assets		16,483	26,700	1,995	2,561
		16,843	27,050	1,995	2,561
Financial Liabilities at amortised cost					
- Bank borrowings	15	56,026	63,072	35,272	36,386
- Lease liabilities		117	133	-	-
- Trade payables		7,599	6,134	-	-
- Advance deposits		4,788	2,990	-	-
- Other payables and accrual		4,416	3,974	1,228	1,431
- Amounts due to subsidiaries		-	-	6,713	6,984
Total financial liabilities		72,946	76,303	43,213	44,801
Presented as					
Non-current liabilities		43,542	46,830	33,138	34,362
Current liabilities		29,404	29,473	10,075	10,439
		72,946	76,303	43,213	44,801

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

E. Notes to the condensed interim consolidated financial statements (cont'd)

6. Profit before taxation

6.1 Significant items

The following items have been included in arriving at profit before tax.

(In S\$'000) Description	Group	
	6 months ended 31 Oct 2021	6 months ended 31 Oct 2020
Income		
Fair value gain on quoted equity securities	11	30
Gain on disposal of fixed assets	17	–
Government grants and rebates	57	591
Jobs Support Scheme (JSS)	110	561
Net foreign exchange gain	504	81
Rental income	778	973
Recovery of transportation expense from customers	28	23
Scrap sales	1	18
Interest income on bank deposits	15	16
Others	41	60
Expenses		
Amortisation of intangible assets	–	(24)
Interest expense on loans and borrowings	(345)	(455)
Depreciation of property, plant and equipment	(1,556)	(1,662)
Depreciation of right-of-use assets	(164)	(321)
Reversal of/(impairment loss) on financial assets:		
- trade and other receivables	47	(106)
- contract assets	(101)	(184)
Bad debts written-off	(1)	(2)
Write-back of allowance trade and other receivables	30	60
Net impairment loss on receivables and contract assets	(25)	(232)
Government grants expenses – rent concessions	–	(217)
Provision for stocks obsolescence	155	–

6.2 Related party transactions

For the six months ended 31 October 2021, the Group had no significant related party transactions.

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

E. Notes to the condensed interim consolidated financial statements (cont'd)

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

(In S\$'000) Description	Group	
	6 months ended 31 Oct 2021	6 months ended 31 Oct 2020
Current income tax expense		
Current period	(586)	(74)
Over provision in prior periods	29	-
Foreign tax expense	(9)	-
	(566)	(74)

8. Dividends

No dividends have been declared or recommended for the current reporting period.

9. Net Asset Value

Description	Group		Company	
	31 Oct 2021	30 Apr 2021	31 Oct 2021	30 Apr 2021
Net asset value per share (cents)	43.50	43.11	14.24	14.75
Number of shares in issue	109,282,221	109,282,221	109,282,221	109,282,221

10. Property plant and equipment

During the six months ended 31 October 2021, the Group acquired assets amounting to S\$46,000 (31 October 2020: S\$200,000) and disposed of assets amounting to S\$17,000 (31 October 2020: nil). Subsequent to 31 October 2021, there was a purchase order of load bank placed amounting Sterling Pound of 197,000.

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

E. Notes to the condensed interim consolidated financial statements (cont'd)

11. Intangible assets

The Group acquired the entire equity interest of Mech-Power Generator Pte Ltd and its subsidiary (collectively, Mech-Power Generator Group (“**MPG Group**”) on 7 September 2013. Intangible assets including goodwill acquired upon the acquisition of the MPG Group in prior years.

(In S\$'000)	Group Intellectual property rights		
Description	Goodwill	rights	Total
Cost:			
At 1 May 2020	9,393	579	9,972
Written-off	–	(35)	(35)
Currency translation differences	–	(42)	(42)
	9,393	502	9,895
At 30 April 2021 and 1 May 2021	–	(18)	(18)
Currency translation differences			
At 31 October 2021	9,393	484	9,877
Accumulated amortisation and impairment loss:			
At 1 May 2020	887	470	1,357
Amortisation for the year	–	41	41
Written-off	–	(12)	(12)
Impairment loss	–	41	41
Currency translation differences	–	(38)	(38)
	887	502	1,389
At 30 April 2021 and 1 May 2021	–	(18)	(18)
Currency translation differences			
At 30 October 2021	887	484	1,371
Net carrying amount:			
At 30 April 2021	8,506	–	8,506
At 30 October 2021	8,506	–	8,506

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

E. Notes to the condensed interim consolidated financial statements (cont'd)

11. Intangible assets (cont'd)

11.1 Goodwill impairment

The carrying amount of goodwill of S\$8,506,000 is attributable to the MPG Group as a single cash generating unit (“CGU”).

The recoverable amount of the MPG Group was determined based on its value in use (“VIU”). The VIU were calculated by discounting the future cash flows to be generated from the continuing use of the CGU.

12. Financial assets at fair value through profit or loss

Fair assets at fair value through profit or loss comprise the following:

(In S\$'000) Description	Group	
	31 Oct 2021	30 Apr 2021
Quoted equity securities	360	350

During the 1HFY2022, the Group recognise fair value gain on quoted equity securities S\$11,000 (1HFY2021: S\$30,000).

Fair value hierarchy

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Group Description	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
31 October 2021				
Assets measured at fair value				
<u>Financial assets</u>				
Equity securities at fair value through profit or loss				
– quoted equity securities	360	–	–	360
30 April 2021				
Assets measured at fair value				
<u>Financial assets</u>				
Equity securities at fair value through profit or loss				
– quoted equity securities	350	–	–	350

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

E. Notes to the condensed interim consolidated financial statements (cont'd)

13. Cash and short-term deposits

(In S\$'000) Description	Group		Company	
	31 Oct 2021	30 Apr 2021	31 Oct 2021	30 Apr 2021
Cash at banks and on hand	7,129	7,641	376	589
Short-term deposits	20	20	-	-
	7,149	7,661	376	589

14. Right-of-use assets

Group as lessee

The Group has lease contracts for leasehold building and office equipment used in its operations. These leases generally have lease terms between 13 months and 5 years, while land use rights' lease terms of 30 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has leases of dormitories and motor vehicles with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' recognition exemptions for these leases.

During the six months ended 31 October 2021, the Group did not recognised addition of right-of-use assets for motor vehicles and premises. (31 October 2020: S\$39,000).

15. Bank borrowings

(In S\$'000) Description	Group	
	31 October 2021	30 April 2021
Loans and borrowings		
Amount repayable in one year or less, or on demand		
- Secured ⁽¹⁾	12,715	16,382
Amount repayable after one year		
- Secured	43,418	46,810
Total	56,133	63,192

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.

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

E. Notes to the condensed interim consolidated financial statements (cont'd)

15. Bank borrowings (cont'd)

Excluded from the loans and borrowings above are lease liabilities of S\$10,000 which are secured over the right-of-use assets as at 31 October 2021 (30 April 2021: S\$13,000).

16. Share capital

Description	The Group and the Company			
	31 October 2021		30 April 2021	
	Number of Shares	Share Capital (\$'000)	Number of Shares	Share Capital (\$'000)
Beginning and end of interim period/year	109,282,221	39,780	109,282,221	39,780

Purchase of treasury shares

There was no share buy-back transaction, sales, transfers, disposal, cancellation and/or use of treasury shares in 1HFY2022 (1HFY2021: Nil). As at 31 October 2021, the total consideration for the treasury shares held under the share buy-back scheme was S\$3,292,000 (31 October 2020: S\$3,292,000) for a total of 5,230,350 shares (31 October 2020: 5,230,350 shares).

The number of treasury shares held by the Company represents 4.79% (31 October 2021: 4.79%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company as at 31 October 2021.

XMH Share Option Scheme

As at 31 October 2021, the outstanding balance of unexercised options under the XMH Share Option Scheme total 1,047,750 shares (31 October 2020: 2,053,250 shares) or 0.96% (31 October 2020: 1.88%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company.

17. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

F. Other information required pursuant by listing rule appendix 7.2

1. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The condensed consolidated statement of financial position of XMH Holdings Ltd. and its subsidiaries as at 31 October 2021 and the related condensed consolidated profit and other comprehensive income/(loss), condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-months period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of the performance of the Group

First half year ended 31 October 2021 (“1HFY2022”) vs first half year ended 31 October 2020 (“1HFY2021”)

(i) Revenue

Revenue increased by approximately S\$4.6 million or 15.9% from S\$28.7 million in 1HFY2021 to S\$33.3 million in 1HFY2022. All three business segments have recorded increased revenue as follows:

- a. Distribution segment recorded an increase of 30.8% or S\$2.6 million from S\$8.3 million in 1HFY2021 to S\$10.9 million in 1HFY2022. This was mainly due to demand for engines to build tugboats in Indonesia;
- b. Project segment recorded an increase of approximately 8.6% or S\$1.4 million from S\$16.0 million in 1HFY2021 to S\$17.4 million in 1HFY2022. This was mainly due to completion of some major projects in 1HFY2022; and
- c. After-sales service segment recorded an increase of 14.0% or approximately S\$0.6 million from S\$4.4 million in 1HFY2021 to S\$5.0 million in 1HFY2022. This was mainly due to increased demand for parts and services for project and maintenance.

(ii) Cost of Sales and Gross Profit Margin

Cost of sales increased by approximately S\$2.4 million or 10.7% from S\$22.2 million in 1HFY2021 to S\$24.6 million in 1HFY2022, in line with the increase in revenue.

Gross profit increased by S\$2.2 million or 33.4% from approximately S\$6.5 million in 1HFY2021 to S\$8.7 million in 1HFY2022. This was due mainly to increase in revenue and gross profit margin.

Gross profit margin increased from 22.6% in 1HFY2021 to 26.0% in 1HFY2022. All the three business segments recorded improved gross profit margins as compared to 1HFY2021.

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

F. Other information required pursuant by listing rule appendix 7.2 (cont'd)

2. Review of the performance of the Group (cont'd)

(iii) Other Income

Other income decreased from S\$2.2 million in 1HFY2021 to S\$1.0 million in 1HFY2022. This was due mainly to:

- a. decrease in financial grants of approximately S\$1.0 million in 1HFY2022 mainly derived from the Job Support Scheme, rental waiver, enhanced work-life scheme and foreign worker levy rebates;
- b. decrease in rental income of approximately S\$0.2 million; and
- c. lower fair value gain on quoted equity securities of approximately S\$0.02 million in 1HFY2022.

The decrease was partially offset by gain on disposal of property, plant and equipment of approximately S\$0.02 million.

(iv) Distribution Expenses

Distribution expenses increased by approximately S\$0.3 million or 19.3% from S\$1.5 million in 1HFY2021 to S\$1.8 million in 1HFY2022. This was due mainly to:

- a. increase in staffs cost of approximately S\$0.3 million as a result of bonus provision and annual increment in 1HFY2022 as compared to reversal for FY2020's bonus provision in 1HFY2021, pay-cut and unpaid leave scheme in 1HFY2021; and
- b. higher bank charges of approximately S\$0.04 million.

The increase was partially offset by decrease in travelling, marketing and promotional expenses of approximately S\$0.04 million primarily due to COVID-19.

(v) Administrative Expenses

Administrative expenses increased by approximately S\$0.4 million or 7.5%, from S\$6.0 million in 1HFY2021 to S\$6.4 million in 1HFY2022. This was mainly because:

- a. increase in staffs cost of approximately S\$1.0 million as a result of bonus provision and annual increment as compared to reversal for FY2020's bonus provision in 1HFY2021, pay-cut and unpaid leave scheme in 1HFY2021; and
- b. increase in property tax expenses of approximately S\$0.04 million.

The increase was partially offset by:

- a. 1HFY2021 included grant expenses of approximately S\$0.2 million pertaining to rental waiver for tenants, none in 1HFY2022;
- b. decrease in depreciation of right-of-use assets and depreciation of property, plant and equipment of approximately S\$0.2 million and S\$0.1 million respectively in 1HFY2022 as compared to 1HFY2021;

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

F. Other information required pursuant by listing rule appendix 7.2 (cont'd)

2. Review of the performance of the Group (cont'd)

(v) Administrative Expenses

- c. 1HFY2021 included relocation activity expenses of approximately S\$0.1 million, none in 1HFY2022; and
- d. 1HFY2021 included amortization of intangible assets of approximately S\$0.03 million, none in 1HFY2022.

(vi) Net Impairment Losses on Financial Assets

Net impairment losses on financial assets decreased from S\$0.2 million in 1HFY2021 to S\$0.02 million in 1HFY2022. This was due mainly to lower provision of expected credit losses as a result of significant decrease in trade receivable balance partially offset by increase in contract assets as at 31 October 2021.

(vii) Net Finance Income/(Costs)

Net finance income of approximately S\$0.2 million in 1HFY2022 as compared to net finance costs of approximately S\$0.3 million in 1HFY2021 was due mainly to:

- a. Higher net foreign exchange gain of approximately S\$0.4 million. The net foreign exchange gain was due to the strengthening of United State Dollar and Singapore Dollar ("SGD") against Japanese Yen, strengthening of SGD against Europe and weakening of SGD against Ringgit Malaysia in 1HFY2022; and
- b. interest cost on loans decreased by approximately S\$0.1 million arising from lower term loan interest in line with decrease in total outstanding loan balances and early repayment.

(viii) Income Tax Expense

The Group's tax expense of approximately S\$0.6 million in 1HFY2022 as compared to S\$0.1 million in 1HFY2021. This was due mainly to higher current tax provision by the profit making subsidiaries.

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

F. Other information required pursuant by listing rule appendix 7.2 (cont'd)

2. Review of the performance of the Group (cont'd)

STATEMENT OF FINANCIAL POSITION REVIEW

The Group's shareholders' funds as at 31 October 2021 stood at S\$47.5 million as compared to S\$47.1 million at the end of the immediate preceding financial year ended on 30 April 2021.

(i) Property, Plant and Equipment

Property, plant and equipment decreased by approximately S\$1.5 million from S\$46.6 million as at 30 April 2021 to S\$45.1 million as at 31 October 2021. This was mainly because of depreciation charges during the financial period.

(ii) Right-of-use Assets

Right-of-use assets decreased by approximately S\$0.2 million from S\$6.0 million as at 30 April 2021 to S\$5.8 million as at 31 October 2021. This was mainly due to depreciation charge during the financial period.

(iii) Inventories

Inventories increased by approximately S\$4.9 million, from S\$22.1 million as at 30 April 2021 to S\$27.0 million as at 31 October 2021. The increase of inventory was necessary to meet project demands.

(iv) Trade and Other Receivables

Trade and other receivables decreased by approximately S\$9.7 million, from S\$19.9 million as at 30 April 2021 to S\$10.2 million as at 31 October 2021 due mainly to collection during the financial period.

(v) Contract Assets

Contract Assets increased by S\$4.3 million from S\$13.2 million as at 30 April 2021 to S\$17.5 million as at 31 October 2021. This was due to progression of works during the financial period.

(vi) Trade and Other Payables

Trade and other payables increased by S\$3.6 million from S\$13.2 million as at 30 April 2021 to S\$16.8 million as at 31 October 2021. This was due mainly to increase purchase and deposits received from customers during the financial period.

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

F. Other information required pursuant by listing rule appendix 7.2 (cont'd)

2. Review of the performance of the Group (cont'd)

(vii) Loans and Borrowings

Loans and borrowings decreased by approximately S\$7.1 million from S\$63.2 million as at 30 April 2021 to S\$56.1 million as at 31 October 2021. This was due mainly to the net repayment of revolving credit facility and trade bills during the financial period.

STATEMENT OF CASH FLOW REVIEW

The Group registered net cash generated of approximately S\$6.9 million in operating activities in 1HFY2022 as compared to net cash used of approximately S\$6.9 million in 1HFY2021. This was due mainly to:

- a. decrease in trade and other receivables of approximately S\$9.4 million;
- b. increase in trade and other payables of approximately S\$8.0 million; and
- c. decrease in contract assets of approximately S\$2.8 million.

This was partially offset by the increase in inventories of approximately S\$6.2 million.

Net cash used in investing activities was S\$14,000 in 1HFY2022 as compared to net cash generated of S\$13,000 in 1HFY2021. This was due mainly to proceed from disposal of quoted equities securities of approximately S\$197,000 in 1HFY2021, none in 1HFY2022. This was partially offset by:

- a. less acquisition of property, plant and equipment of approximately S\$154,000 from S\$200,000 in 1HFY2021 to S\$46,000 in 1HFY2022; and
- b. proceeds from disposal of property, plant and equipment of approximately S\$17,000 in 1HFY2022, none in 1HFY2021.

The net cash used in financing activities in current period was approximately S\$7.3 million as compared to net cash generated of approximately S\$1.2 million in prior period. This was due mainly to net decrease in usage of revolving credit facility, repayment of loans and higher net settlement of trade bills in 1HFY2022 as compared to drawdown of bridging loans in 1HFY2021.

In view of the above, overall net decrease in cash was approximately S\$0.4 million in 1HFY2022 as compared to S\$5.7 million in 1HFY2021.

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

- F. Other information required pursuant by listing rule appendix 7.2 (cont'd)**
- 3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

- 4. 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 operational environment has improved but still remain uncertain and challenging for the next 6 to 12 months, as global economic activity continues to be impacted by the ongoing COVID-19 epidemic. Despite easing of COVID-19 restrictions by some authorities, there are still concerns associated with material costs and delivery timelines due to global demand shocks and supply chain congestion. The Group will continue to stay vigilant and remain focused on its core business.

On a positive note, with power shortage and the impending winter season in the northern hemisphere, demand for coal is expected to increase which will lead to a corresponding increase in demand for engines. Prices for steel plates have decreased moderately and are expected to stabilise. These have encouraged shipowners, shipyards and ship operators to begin evaluating and planning the construction of new tugboats. Our order book for engine segment is at a healthy level.

Despite the COVID-19 outbreak, our project segment also has a robust order book. We were successful in securing good projects, which contributed to the improved order book. We will continue to monitor and manage our costs and delivery schedule, to mitigate any supply chain disruption and the ongoing restrictions on the workforce in Singapore and Malaysia.

Given the challenging environment, the Group's priority is to ensure that there is sufficient liquidity to sustain its operations. The Group will also continue to step up its efforts to improve its operational efficiency and cost control, and to prepare the Group for future opportunities.

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

F. Other information required pursuant by listing rule appendix 7.2 (cont'd)

5. Dividend information

5a. Current financial period reported on?

Any dividend recommended for the current financial period reported on?

No.

5b. Corresponding period of the immediately preceding financial period

Any dividend declared for the corresponding period of the immediately preceding financial period?

No.

5c. Date payable.

Not applicable.

5d. Books closure date.

Not applicable.

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

The Board does not recommend any payment of dividend for 1HFY2022 as the Board wishes to conserve cash for its business and operational needs in view of the current challenging operating environment.

7. 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.

8. 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.

UNAUDITED FIRST HALF YEAR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2021

F. Other information required pursuant by listing rule appendix 7.2 (cont'd)

9. Confirmation by the Board

On behalf of the Board of Directors of the Company, I, the undersigned, hereby confirms to the best of my knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the six-months period ended 31 October 2021 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Mr. Tan Tin Yeow

Chairman and Managing Director

Singapore

13 December 2021