



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 2022

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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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

(In S\$'000) Description	Note			
		Actual 1HFY2023	Actual 1HFY2022	Change %
Revenue	4	57,947	33,253	74.3
Cost of sales		(46,089)	(24,593)	87.4
Gross profit		11,858	8,660	36.9
Other income		968	1,043	(7.2)
Distribution expenses		(2,068)	(1,814)	14.0
Administrative expenses		(6,924)	(6,403)	8.1
Net impairment losses on financial assets		(152)	(25)	NM
Results from operating activities		3,682	1,461	NM
Finance income		8	519	(98.5)
Finance costs		(1,791)	(345)	NM
Net finance (costs)/income		(1,783)	174	NM
Profit before tax	6	1,899	1,635	16.1
Income tax expense	7	(800)	(566)	41.3
Profit after tax		1,099	1,069	2.8
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>		(973)	(535)	81.9
<i>Other comprehensive loss for the period, net of tax</i>		(973)	(535)	81.9
Total comprehensive income for the period, net of tax		126	534	(76.4)
Profit attributable to:				
Owners of the Company		1,077	1,057	1.9
Non-controlling interests		22	12	83.3
		1,099	1,069	2.8
Total comprehensive income attributable to:				
Owners of the Company		107	422	(74.6)
Non-controlling interests		19	112	(83.0)
		126	534	(76.4)
Earnings per share attributable to the owners of the Company during the financial period:				
Basic (SGD in cent)		0.98	0.97	
Diluted (SGD in cent)		0.98	0.97	

Note:

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

B. Condensed interim statements of financial position.

(In S\$'000) Description	Note	Group		Company	
		31 Oct 2022	30 Apr 2022	31 Oct 2022	30 Apr 2022
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	10	42,350	43,569	38,539	39,906
Right-of-use assets	14	5,632	5,715	5,510	5,645
Investment in subsidiary corporations		-	-	11,297	11,297
Intangible assets	11	8,506	8,506	-	-
Other financial assets	12	357	375	-	-
Club memberships		162	180	-	-
Deferred tax assets		299	299	-	-
Total non-current assets		57,306	58,644	55,346	56,848
<u>Current assets</u>					
Inventories		34,321	28,902	-	-
Trade and other receivables		11,711	9,147	16,902	18,860
Prepayment		295	582	28	14
Contract assets		29,419	18,675	-	-
Cash and short-term deposits	13	9,893	16,008	573	1,458
Tax recoverable		14	25	-	-
Total current assets		85,653	73,339	17,503	20,332
TOTAL ASSETS		142,959	131,983	72,849	77,180
EQUITY AND LIABILITIES					
<u>Current liabilities</u>					
Trade and other payables		37,269	23,405	1,262	1,584
Contract liabilities		855	1,420	-	-
Loans and borrowings	15	15,949	15,359	1,778	2,048
Current tax payables		1,210	2,258	384	1,525
Total current liabilities		55,283	42,442	3,424	5,157
Net current assets		30,370	30,897	14,079	15,175
<u>Non-current liabilities</u>					
Other payables		-	40	-	40
Employee benefit liability		117	-	-	-
Loans and borrowings	15	40,639	42,147	31,478	32,322
Deferred tax liabilities		123	133	-	-
Total non-current liabilities		40,879	42,320	31,478	32,362
TOTAL LIABILITIES		96,162	84,762	34,902	37,519

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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

(In S\$'000) Description	Note	Group		Company	
		31 Oct 2022	30 Apr 2022	31 Oct 2022	30 Apr 2022
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the Company					
Share capital	16	39,882	39,780	39,882	39,780
Reserve for own shares		(3,303)	(3,303)	(3,303)	(3,303)
Other reserves		(10,609)	(9,639)	2,292	2,292
Accumulated profits/(losses)		20,805	20,496	(924)	892
		46,775	47,334	37,947	39,661
Non-controlling interests		22	(113)	-	-
Total equity		46,797	47,221	37,947	39,661
TOTAL EQUITY AND LIABILITIES		142,959	131,983	72,849	77,180

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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
1HFY2023								
At 1 May 2022	39,780	(3,303)	2,292	(11,931)	20,496	47,334	(113)	47,221
Profit for the financial period	-	-	-	-	1,077	1,077	22	1,099
Other comprehensive loss								
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	(970)	-	(970)	(3)	(973)
Other comprehensive loss for the financial period, net of tax	-	-	-	(970)	-	(970)	(3)	(973)
Total comprehensive income/(loss) for the financial period	-	-	-	(970)	1,077	107	19	126
Changes in ownership interest in subsidiary corporation								
Subscription of shares of a subsidiary corporation	-	-	-	-	-	-	116	116
Contributions by and distributions to owners								
Dividend paid on ordinary shares	-	-	-	-	(768)	(768)	-	(768)
Issuance of ordinary shares	102	-	-	-	-	102	-	102
Total transactions with owners	102	-	-	-	(768)	(666)	-	(666)
At 31 October 2022	39,882	(3,303)	2,292	(12,901)	20,805	46,775	22	46,797

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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
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 income/(loss)								
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	(635)	-	(635)	100	(535)
Other comprehensive income/(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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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 Profit/(Losses)	Total
1HFY2023					
At 1 May 2022	39,780	(3,303)	2,292	892	39,661
Total comprehensive loss for the financial period	-	-	-	(1,048)	(1,048)
Dividend paid on ordinary shares	-	-	-	(768)	(768)
Issuance of ordinary shares	102	-	-	-	102
At 31 October 2022	39,882	(3,303)	2,292	(924)	37,947
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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

D. Condensed interim consolidated statement of cash flows

(In S\$'000) Description	Note	6 months ended	
		1HFY2023	1HFY2022
Cash flows from operating activities			
Profit before tax		1,899	1,635
Adjustments for:			
Depreciation of right-of-use assets	6	164	164
Depreciation of property, plant and equipment	6	1,543	1,556
Interest income	6	(8)	(15)
Interest expense	6	786	345
Impairment loss on receivables and contract assets, net	6	162	24
Bad debts written-off	6	1	1
Recovery of bad debts	6	(11)	-
Fair value loss/(gain) on quoted equity securities	6	18	(11)
Allowance for stocks obsolescence	6	297	155
Gain on disposal of property, plant and equipment	6	(3)	(17)
Net unrealised foreign exchange gain		(191)	(583)
		4,657	3,254
Increase in inventories		(5,716)	(5,022)
(Increase)/decrease in trade and other receivables		(2,533)	9,755
Decrease/(increase) in prepayment		268	(157)
Increase in contract assets		(10,927)	(4,391)
Increase in trade and other payables		13,940	3,709
Decrease in deferred grant income		-	(115)
(Decrease)/increase in contract liabilities		(565)	3
Cash (used in)/generated from operations		(876)	7,036
Income tax paid, net		(1,834)	(169)
Net cash (used in)/generated from operating activities		(2,710)	6,867
Cash flows from investing activities			
Interest received		8	15
Proceeds from sale of property, plant and equipment		1	17
Acquisition of property, plant and equipment		(475)	(46)
Prepayment of leases		(82)	-
Net cash used in investing activities		(548)	(14)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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

(In S\$'000) Description	Note	6 months ended	
		1HFY2023	1HFY2022
Cash flows from financing activities			
Repayment of borrowings		(1,773)	(2,796)
Proceeds from revolving credit facility		6,800	-
Repayment of revolving credit facility		(4,123)	(2,771)
Proceeds from trust receipts		9,437	10,986
Repayment of trust receipts		(10,994)	(12,352)
Repayment of principal portion of lease liabilities		(17)	(15)
Dividend paid		(768)	-
Interest paid		(786)	(345)
Proceed from issuance of ordinary shares		102	-
Capital injection from non-controlling interests		116	-
Net cash used in financing activities		(2,006)	(7,293)
Net decrease in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		15,988	7,641
Effect of exchange rate fluctuations on cash and cash equivalents		(947)	(72)
Cash and cash equivalents at the end of the period		9,777	7,129
Represented by:			
Cash at bank and on hand		9,874	7,129
Short-term deposits		19	20
	13	9,893	7,149
Less: Pledged fixed deposits		(19)	(20)
Bank overdrafts		(97)	-
Cash and cash equivalents in the condensed interim consolidated statement of cash flows		9,777	7,129

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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 for the six months financial period ended 31 October 2022 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 financial period ended 31 October 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore and IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 30 April 2022 (“last annual financial statements”). 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 period ended 30 April 2022.

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.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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

2. Basis of preparation (cont'd)

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.

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").

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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)

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.

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.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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.

1HFY2023 (in S\$'000)	Distribution	After-sales	Projects	Segments Total	Others	Elimination	Total	Note
External revenue	22,790	6,064	29,093	57,947	-	-	57,947	A
Inter-segment revenue	5,560	1,794	-	7,354	1,038	(8,392)	-	
Total revenue	28,350	7,858	29,093	65,301	1,038	(8,392)	57,947	
Interest income	-	1	-	1	58	(51)	8	B
Gain on disposal of property, plant and equipment	1	-	2	3	-	-	3	C
Interest expense	(9)	(9)	(314)	(332)	(482)	28	(786)	
Depreciation	(7)	(22)	(143)	(172)	(1,535)	-	(1,707)	D
Employee benefits expenses	(491)	(377)	(2,246)	(3,114)	(2,332)	-	(5,446)	
Other non-cash expenses	(161)	(16)	(277)	(454)	(13)	-	(467)	
Reportable segmental profit/(loss) before tax	4,205	1,942	(400)	5,747	(3,536)	(312)	1,899	E
Income tax expense							(800)	
Profit for the period							1,099	
Reportable segment assets	16,619	13,916	61,089	91,624	84,952	(33,617)	142,959	F
Capital Expenditure	-	22	458	480	14	-	494	
Reportable segment liabilities	26,948	4,113	47,160	78,221	51,562	(33,621)	96,162	G

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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

4. Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

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	A
Inter-segment revenue	5,235	1,955	-	7,190	1,029	(8,219)	-	
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	C
Interest expense	(4)	(8)	(130)	(142)	(219)	16	(345)	
Depreciation	(9)	(15)	(124)	(148)	(1,575)	3	(1,720)	
Employee benefits expenses	(372)	(400)	(2,502)	(3,274)	(2,009)	-	(5,283)	D
Other non-cash expenses	(82)	(84)	(16)	(182)	13	-	(169)	
Reportable segmental profit/(loss) before tax	2,538	1,253	686	4,477	(2,619)	(223)	1,635	
Income tax expense							(566)	E
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	G
Reportable segment liabilities	10,397	5,807	26,814	43,018	51,686	(19,114)	75,590	

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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 condensed interim 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 consolidation and amortisation of fair value adjustment.
- D Other non-cash expenses consist of allowance for stocks obsolescence, fair value loss on quoted equity securities and impairment loss on financial assets as presented in the respective notes to the financial statements.
- E The following items are (deducted from)/added to segment profit/(loss) to arrive at "profit before tax" presented in the condensed consolidated income statement.

	Group	
	1HFY2023	1HFY2022
	S\$'000	S\$'000
Unrealised profit from unsold stocks	(320)	(207)
Interest expense	28	16
Interest income	(51)	(37)
Elimination of intercompany transactions	31	5
	(312)	(223)
	(312)	(223)

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

	Group	
	1HFY2023	1HFY2022
	S\$'000	S\$'000
Inter-segment liabilities	33,568	19,061
Accrual	53	53
	33,621	19,114
	33,621	19,114

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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

4. Segment and revenue information (cont'd)

4.2 Disaggregation of Revenue

1HFY2023 (In S\$'000) Description	Group 6 months ended 31 October 2022			
Segments	Distribution	After-sales	Projects	Total Revenue
Primary geographical markets				
Singapore	79	1,541	29,057	30,677
Indonesia	22,198	3,219	–	25,417
Vietnam	–	405	–	405
Other countries	513	899	36	1,448
	22,790	6,064	29,093	57,947
<u>Timing of transfer of goods and services</u>				
At a point in time	22,790	6,064	–	28,854
Over time	–	–	29,093	29,093
	22,790	6,064	29,093	57,947

1HFY2022 (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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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 2022	30 Apr 2022
Trade receivables	6,732	4,984
Contract assets	29,419	18,675
Contract liabilities	(855)	(1,420)

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 2022	30 April 2022
Contract assets reclassified to receivables	(8,837)	(8,393)
Changes in estimate of transaction price	356	(47)
Impairment loss on contract assets	(183)	(128)

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

(In S\$'000) Description	Group	
	31 Oct 2022	30 April 2022
Revenue recognised that was included in the contract liabilities balance at the beginning of the period/year	1,420	457

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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 2022 and 30 April 2022:

(In S\$'000) Description	Note	Group		Company	
		31 Oct 2022	30 Apr 2022	31 Oct 2022	30 Apr 2022
Financial assets at fair value through profit or loss					
- Quoted equity securities	12	357	375	-	-
Financial assets at amortised cost					
- Trade receivables		6,994	5,193	-	-
- Other receivables and deposits (excluding prepayment)		2,917	2,546	310	187
- Amount due from subsidiaries		-	-	16,592	18,673
- Cash and short-term deposits	13	9,893	16,008	573	1,458
Total financial assets		20,161	24,122	17,475	20,318
Presented as					
Non-current assets		357	375	-	-
Current assets		19,804	23,747	17,475	20,318
		20,161	24,122	17,475	20,318
Financial Liabilities at amortised cost					
- Bank borrowings	15	56,502	57,404	33,256	34,370
- Lease liabilities	15	86	102	-	-
- Trade payables		18,317	11,702	-	-
- Advance deposits		14,574	6,642	-	-
- Other payables and accrual		4,283	5,002	1,170	1,543
- Employee benefit liability		117	-	-	-
- Amounts due to subsidiaries		-	-	1	-
Total financial liabilities		93,879	80,852	34,427	35,913
Presented as					
Non-current liabilities		40,756	42,187	31,478	32,362
Current liabilities		53,123	38,665	2,949	3,551
		93,879	80,852	34,427	35,913

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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	
	1HFY2023	1HFY2022
Income		
Fair value gain on quoted equity securities	–	11
Gain on disposal of property, plant and equipment	3	17
Government grants and rebates	52	57
Jobs Support Scheme (JSS)	–	110
Net foreign exchange gain	–	504
Rental income	828	778
Recovery of transportation expense from customers	41	28
Scrap sales	13	1
Interest income on bank deposits	8	15
Others	31	41
Expenses		
Fair value loss on quoted equity securities	(18)	–
Interest expense on loans and borrowings	(786)	(345)
Net foreign exchange loss	(1,005)	–
Depreciation of property, plant and equipment	(1,543)	(1,556)
Depreciation of right-of-use assets	(164)	(164)
Impairment loss on receivables and contracts asset, net	(162)	(24)
Bad debts written-off	(1)	(1)
Recovery of bad debts	11	–
Allowance for stocks obsolescence	(297)	(155)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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

6.2 Related party transactions

For the six months financial period ended 31 October 2022, the Group had no significant related party transactions.

7. Taxation

The Group calculates the 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	
	1HFY2023	1HFY2022
Current income tax expense		
Current period	(777)	(586)
Under provision in prior period	(23)	29
Foreign tax expense	-	(9)
	(800)	(566)

8. Dividends

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

9. Net Asset Value

Description	Group		Company	
	31 Oct 2022	30 Apr 2022	31 Oct 2022	30 Apr 2022
Net asset value per share (cents)	42.66	43.35	34.61	36.33
Number of shares in issue	109,643,921	109,182,721	109,643,921	109,182,721

10. Property, plant and equipment

During the six months financial period ended 31 October 2022, the Group acquired assets amounting to S\$475,000 (31 October 2021: S\$46,000) and disposed of assets amounting to S\$3,000 (31 October 2021: S\$17,000).

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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 include 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 2021	9,393	502	9,895
Currency translation differences	–	(66)	(66)
At 30 April 2022 and 1 May 2022	9,393	436	9,829
Currency translation differences	–	(44)	(44)
At 31 October 2022	9,393	392	9,785
Accumulated amortisation and impairment loss:			
At 1 May 2021	887	502	1,389
Currency translation differences	–	(66)	(66)
At 30 April 2022 and 1 May 2022	887	436	1,323
Currency translation differences	–	(44)	(44)
At 31 October 2022	887	392	1,279
Net carrying amount:			
At 30 April 2022	8,506	–	8,506
At 31 October 2022	8,506	–	8,506

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.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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

11. Intangible assets (cont'd)

11.1 Goodwill impairment (cont'd)

The VIU approach was used based on discounted cash flow projections covering a five-year period. The discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the five-year period are as below. The discount rate and revenue growth rates did not exceed the long-term projected growth rate for the relevant market.

	Revenue growth rate *		Pre-tax discount rate		Terminal growth rate	
	FY2024- FY2027	FY2023- FY2026	2022	2021	2022	2021
	%	%	%	%	%	%
Key assumptions	2.0	2.0	12.9	14.1	2.0	2.0

* FY2023 (2021: FY2022) revenue was forecasted based on the secured orders and potential orders estimated from order books as at 30 April 2022.

The values assigned to the key assumptions represent management's assessment of future trends of the industry in which the MPG Group operates and are based on both external sources and internal sources (historical data).

Sensitivity to changes in assumption

With regards to the assessment of VIU for the MPG Group, management believes that no reasonably possible changes in any of the key assumptions would further cause the carrying value of the unit to materially exceed its recoverable amount.

12. Financial assets at fair value through profit or loss

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

(In S\$'000) Description	Group	
	31 Oct 2022	30 Apr 2022
Quoted equity securities	357	375

During the 1HFY2023, the Group recognise fair value loss of S\$18,000 on quoted equity securities (1HFY2022: fair value gain of S\$11,000).

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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

12. Financial assets at fair value through profit or loss (cont'd)

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 2022				
Assets measured at fair value				
<u>Financial assets</u>				
Equity securities at fair value through profit or loss				
– quoted equity securities	357	–	–	357
30 April 2022				
Assets measured at fair value				
<u>Financial assets</u>				
Equity securities at fair value through profit or loss				
– quoted equity securities	375	–	–	375

13. Cash and short-term deposits

(In S\$'000) Description	Group		Company	
	31 Oct 2022	30 Apr 2022	31 Oct 2022	30 Apr 2022
Cash at banks and on hand	9,874	15,988	573	1,458
Short-term deposits	19	20	–	–
	9,893	16,008	573	1,458

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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

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 have a lease term 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 2022, the Group had a total cash outflows for leases of S\$229,000 (31 October 2021: S\$172,000). The Group prepaid S\$82,000 of right-of-use assets in the current financial period (31 October 2021: nil).

15. Bank borrowings

(In S\$'000)	Group	
Description	31 October 2022	30 April 2022
Loans and borrowings		
Amount repayable in one year or less, or on demand		
- Secured ⁽¹⁾	15,945	15,352
Amount repayable after one year		
- Secured	40,639	42,147
Total	56,584	57,499

⁽¹⁾ Excluded from the loans and borrowings above are lease liabilities of S\$4,000 which are secured over the right-of-use assets as at 31 October 2022 (30 April 2022: S\$7,000).

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.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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

16. Share capital

Description (Ordinary shares excluding treasury shares)	The Group and the Company			
	31 October 2022		30 April 2022	
	Number of Shares	Share Capital (S\$'000)	Number of Shares	Share Capital (S\$'000)
Balance at beginning of period/year	109,182,721	39,780	109,282,221	39,780
Issuance of ordinary shares	461,200	102	-	-
Purchase of treasury shares	-	-	(99,500)	-
Balance at end of period/year	109,643,921	39,882	109,182,721	39,780

Purchase of treasury shares

There was no share buyback transaction, sales, transfers, disposal, cancellation and/or use of treasury shares in 1HFY2023 (1HFY2022: Nil). As at 31 October 2022, the total consideration for the treasury shares held under the share buy-back scheme was S\$3,303,000 (31 October 2021: S\$3,292,000) for a total of 5,329,850 shares (31 October 2021: 5,230,350 shares).

The number of treasury shares held by the Company represents 4.86% (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 2022.

XMH Share Option Scheme

As at 31 October 2022, there is no outstanding balance of unexercised options under the XMH Share Option Scheme (31 October 2021: 1,047,750 shares or 0.96% 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.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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 2022 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 first half year 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 2022 (“1HFY2023”) vs first half year ended 31 October 2021 (“1HFY2022”)

(i) Revenue

Revenue increased by approximately S\$24.6 million or 74.3% from S\$33.3 million in 1HFY2022 to S\$57.9 million in 1HFY2023. All three business segments have recorded increased revenue as follow:

- a. Distribution segment recorded a significant increase of 109.5% or S\$11.9 million from S\$10.9 million in 1HFY2022 to S\$22.8 million in 1HFY2023. This was mainly due to demand for engines to build tugboats in Indonesia;
- b. Project segment recorded an increase of 67.5% or S\$11.7 million from S\$17.4 million in 1HFY2022 to S\$29.1 million in 1HFY2023. This was mainly due to completion of a major project as well as income recognition based on performance obligation for major contracts in 1HFY2023; and
- c. After-Sales service segment recorded an increase of 21.2% or S\$1.1 million from S\$5.0 million in 1HFY2022 to S\$6.1 million in 1HFY2023. This was due to demand of spare parts for service and maintenance of vessels.

(ii) Cost of Sales and Gross Profit Margin

Cost of sales increased by approximately S\$21.5 million or 87.4% from S\$24.6 million in 1HFY2022 to S\$46.1 million in 1HFY2023. Whereas the gross profit increased by S\$3.2 million or 36.9% from approximately S\$8.7 million in 1HFY2022 to S\$11.9 million in 1HFY2023.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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

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

(ii) Cost of Sales and Gross Profit Margin (cont'd)

This was due to decrease in gross profit margin from 26.0% in 1HFY2022 to 20.5% in 1HFY2023. The decrease was mainly due to:

- a. lower profit margin from a major project;
- b. increase materials cost and labour shortage resulted in having to subcontract out certain job functions; and
- c. increase provision for stock obsolescence.

(iii) Other Income

Other income decreased by approximately S\$0.08 million or 7.2% from S\$1.04 million in 1HFY2022 to S\$0.96 million in 1HFY2023. This was mainly because no Job Support Scheme grants were received and lower gain on disposal of property, plant and equipment in 1HFY2023.

The decrease was partially offset by increase in rental income of approximately S\$0.05 million.

(iv) Distribution Expenses

Distribution expenses increased by approximately S\$0.3 million or 14.0% from S\$1.8 million in 1HFY2022 to S\$2.1 million in 1HFY2023. This was due mainly to:

- a. increase in travelling, marketing and promotion expenses of approximately S\$0.2 million; and
- b. higher bank charges of S\$0.06 million.

(v) Administrative Expenses

Administrative expenses increased by approximately S\$0.5 million or 8.1% from S\$6.4 million in 1HFY2022 to S\$6.9 million in 1HFY2023. This was due mainly to:

- a. increase in staff cost of approximately S\$0.3 million as a result of annual increment and bonus provision;
- b. increase in repair and maintenance expense of approximately S\$0.08 million for building maintenance;
- c. increase in utility expense of S\$0.08 million in 1HFY2023 as compared to 1HFY2022; and
- d. fair value loss on quoted equity securities of S\$0.02 million in 1HFY2023 as compared to fair value gain in 1HFY2022 which was reflected in other income.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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

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

(v) Net Impairment Losses on Financial Assets

Net impairment losses on financial assets increased from S\$0.03 million in 1HFY2022 to S\$0.15 million in 1HFY2023. This was due mainly to increase provision for expected credit losses as a result of significant increase in contract assets and trade receivable balance as at 31 October 2022.

(vi) Net Finance (Costs)/Income

The Group recorded a net finance cost of S\$1.8 million in 1HFY2023 as compared to net finance income of S\$0.2 million in 1HFY2022. This was due mainly to:

- a. Foreign exchange loss of approximately S\$1.0 million in 1HFY2023 as compare to foreign exchange gain of approximately S\$0.5 million in 1HFY2022. This was due to the strengthening of Singapore Dollar ("SGD") against Japanese Yen and strengthening of SGD against Malaysian Ringgit in 1HFY2023 as compared to 1HFY2022; and
- b. Interest cost on loans and trade facilities increased by approximately S\$0.4 million because of increase in interest rate, higher drawdown of revolving credit facility and trust receipts in 1HFY2023 as compared to 1HFY2022.

(vii) Income Tax Expense

The Group's tax expense of approximately S\$0.8 million in 1HFY2023 as compared to S\$0.6 million in 1HFY2022. This was due mainly to higher current tax provision by the profit making subsidiaries.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

- 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 2022 stood at S\$46.8 million as compared to S\$47.3 million at the end of the immediate preceding financial year ended on 30 April 2022.

(i) Property, Plant and Equipment

Property, plant and equipment decreased by approximately S\$1.2 million, from S\$43.6 million as at 30 April 2022 to S\$42.4 million as at 31 October 2022. This was mainly because of depreciation charges partially offset by acquisition of property, plant and equipment during the financial period.

(ii) Right-of-use Assets

Right-of-use assets decreased by approximately S\$0.1 million, from S\$5.7 million as at 30 April 2022 to S\$5.6 million as at 31 October 2022. This was mainly due to depreciation charge and partially offset by prepayment of leases during the financial period.

(iii) Inventories

Inventories increased by approximately S\$5.4 million, from S\$28.9 million as at 30 April 2022 to S\$34.3 million as at 31 October 2022. The increase was mainly to cater for committed projects and orders to be delivered.

(iv) Trade and Other Receivables

Trade and other receivables increased by approximately S\$2.6 million, from S\$9.1 million as at 30 April 2022 to S\$11.7 million as at 31 October 2022 due mainly to increase billing to customers in line with increase in revenue.

(v) Contract Assets

Contract assets increased by approximately S\$10.7 million, from S\$18.7 million as at 30 April 2022 to S\$29.4 million as at 31 October 2022. This was due to progression of works during the financial period.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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

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

(vi) Trade and Other Payables

Trade and other payables increased by S\$13.9 million, from S\$23.4 million as at 30 April 2022 to S\$37.3 million as at 31 October 2022. This was due mainly to increase purchase of inventory and deposit received from customers during the financial period.

(vii) Loans and Borrowings

Loans and borrowings decreased by approximately S\$0.9 million, from S\$57.5 million as at 30 April 2022 to S\$56.6 million as at 31 October 2022. The decrease was due mainly to the repayment of term loan instalments and trade bills partially offset by the drawdown of revolving credit facility during the financial period.

STATEMENT OF CASH FLOW REVIEW

The Group registered net cash used of approximately S\$2.7 million in operating activities in 1HFY2023 as compared to net cash generated of approximately S\$6.9 million in 1HFY2022. This was due mainly to:

- a. increase in trade and other receivables of approximately S\$12.3 million;
- b. increase in contract assets of approximately S\$6.5 million;
- c. higher income tax payment of approximately S\$1.7 million;
- d. increase in inventories of approximately S\$0.7 million; and
- e. decrease in contract liabilities of approximately S\$0.6 million.

This was partially offset by:

- a. increase in trade and other payables of approximately S\$10.2 million;
- b. higher profit before tax generated in 1HFY2023 after adjustment for non-cash items by approximately S\$1.4 million as compared to 1HFY2022; and
- c. increase in prepayment of approximately S\$0.4 million.

Net cash used in investing activities was S\$0.55 million in 1HFY2023 as compared to S\$14,000 in 1HFY2022. This was due mainly to:

- a. increase in acquisition of property, plant and equipment of approximately S\$0.43 million from S\$0.05 million in 1HFY2022 to S\$0.48 million in 1HFY2023; and
- b. prepayment of leases of approximately S\$0.08 million in current period.

The net cash used in financing activities in current period was approximately S\$2.0 million as compared to S\$7.3 million in prior period. This was due mainly to:

- a. lower repayment of loans in 1HFY2023 as compared to 1HFY2022;
- b. lower net settlement in usage of revolving credit facility in 1HFY2023 as compared to 1HFY2022;

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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 CASH FLOW REVIEW (cont'd)

- c. dividend paid of approximately S\$0.8 million in 1HFY2023, none in 1HFY2022; and
- d. higher interest paid of approximately S\$0.4 million, from S\$0.4 million in 1HFY2022 to S\$0.8 million in 1HFY2023 because of increase in term loan interest rate.

This was partially offset by:

- a. net drawdown of revolving credit facility in 1HFY2023 as compared to net settlement in 1HFY2022;
- b. proceed from issuance of ordinary shares of approximately S\$0.1 million in 1HFY2023, none in 1HFY2022; and
- c. capital injection from non-controlling interests of approximately S\$0.1 million in 1HFY2023, none in 1HFY2022.

In view of the above, overall net decrease in cash was approximately S\$5.3 million in 1HFY2023 as compared to S\$0.4 million in 1HFY2022.

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 ongoing geopolitical tensions have continued to disrupt supply chains and raise energy prices. Global central banks have raised interest rates significantly in an attempt to tame inflation which is expected to increase the likelihood of recession around the world.

Despite the global outlook, the Group has continued to improve from the results in FY2022. The Group's order books of its distribution and project segments continue to remain healthy and demand for the Group's engines for new and/or replacement tugboats increased due to increased demand for transportation of mineral resources/commodities. The Group also continues to see strong demand in generators for data centers.

Though the Group continues to experience healthy book orders, the Group will still be mindful of the challenging and uncertain environment brought about by the geopolitical tensions. The Group will continue to remain nimble, adaptable and resilient. We will constantly improvise our operational procedures where necessary to address and adapt to changes and prepare ourselves for any unexpected headwinds.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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 1HFY2023 as the Board wishes to conserve cash for its business and operational needs.

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.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 OCTOBER 2022

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 financial period ended 31 October 2022 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Mr. Tan Tin Yeow

Chairman and Managing Director

Singapore

12 December 2022