



**UNAUDITED SECOND QUARTER (“2Q2016”) AND FIRST HALF YEAR (“1H2016”) FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2015**

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

	Group					
	2Q2016	2Q2015	Change	1H2016	1H2015	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	25,794	19,226	34.2%	49,558	45,006	10.1%
Cost of sales	(19,552)	(13,519)	44.6%	(36,976)	(32,638)	13.3%
<b>Gross profit</b>	<b>6,242</b>	<b>5,707</b>	<b>9.4%</b>	<b>12,582</b>	<b>12,368</b>	<b>1.7%</b>
Other income	245	638	(61.6%)	384	653	(41.2%)
Distribution expenses	(2,275)	(1,939)	17.3%	(4,361)	(3,611)	20.8%
Administrative expenses	(2,500)	(3,109)	(19.6%)	(6,171)	(6,344)	(2.7%)
<b>Results from operating activities</b>	<b>1,712</b>	<b>1,297</b>	<b>32.0%</b>	<b>2,434</b>	<b>3,066</b>	<b>(20.6%)</b>
Finance income	1,458	20	NM	1,687	379	NM
Finance costs	(250)	(478)	(47.7%)	(411)	(809)	(49.2%)
<b>Net finance income/(costs)</b>	<b>1,208</b>	<b>(458)</b>	<b>NM</b>	<b>1,276</b>	<b>(430)</b>	<b>NM</b>
<b>Profit before share of results of an associated company</b>	<b>2,920</b>	<b>839</b>	<b>NM</b>	<b>3,710</b>	<b>2,636</b>	<b>40.7%</b>
Share of results of an associated company	(43)	-	NM	(53)	-	NM
<b>Profit before tax</b>	<b>2,877</b>	<b>839</b>	<b>NM</b>	<b>3,657</b>	<b>2,636</b>	<b>38.7%</b>
Tax expense	(46)	(128)	(64.1%)	(83)	(525)	(84.2%)
<b>Profit for the period</b>	<b>2,831</b>	<b>711</b>	<b>NM</b>	<b>3,574</b>	<b>2,111</b>	<b>69.3%</b>
<b>Items that may be reclassified subsequently to profit or loss</b>						
Exchange differences arising from translation of the financial statements of the subsidiary corporations	944	(1,538)	NM	1,031	(1,471)	NM
Net changes in the fair value pertaining to acquisition of a subsidiary corporation	-	-	NM	32	-	NM
Net changes in the fair value of available-for-sale financial assets	(147)	302	NM	(147)	(170)	(13.5%)
Deferred tax arising from available-for-sale financial assets	25	(4)	NM	25	29	(13.8%)
<b>Other comprehensive income/(expense) for the period, net of tax</b>	<b>822</b>	<b>(1,240)</b>	<b>NM</b>	<b>941</b>	<b>(1,612)</b>	<b>NM</b>
<b>Total comprehensive income/(expense) for the period</b>	<b>3,653</b>	<b>(529)</b>	<b>NM</b>	<b>4,515</b>	<b>499</b>	<b>NM</b>
<b>Profit/(loss) attributable to:</b>						
Owners of the Company	2,885	711	NM	3,595	2,111	70.3%
Non-controlling interests	(54)	-	NM	(21)	-	NM
	<b>2,831</b>	<b>711</b>	<b>NM</b>	<b>3,574</b>	<b>2,111</b>	<b>69.3%</b>
<b>Profit/(loss) attributable to:</b>						
Owners of the Company	3,707	(529)	NM	4,504	499	NM
Non-controlling interests	(54)	-	NM	11	-	NM
<b>Total comprehensive income</b>	<b>3,653</b>	<b>(529)</b>	<b>NM</b>	<b>4,515</b>	<b>499</b>	<b>NM</b>

Note:

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

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

	Group					
	2Q2016	2Q2015	Change	1H2016	1H2015	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gain on disposal of property, plant and equipment	-	-	NM	-	4	NM
Disposal of club membership	-	-	NM	(186)	-	NM
Other miscellaneous income	245	542	(54.8%)	384	551	(30.3%)
Dividend income	11	24	(54.2%)	15	28	(46.4%)
Net changes in fair value of financial assets at fair value through profit or loss	110	(11)	NM	5	(31)	NM
Interest income	1	2	(50.0%)	2	40	(95.0%)
Interest expense	(250)	(148)	68.9%	(411)	(198)	NM
Net foreign exchange gain/(loss)	1,537	(319)	NM	1,767	(580)	NM
Amortisation of land lease prepayment	(60)	(62)	(3.2%)	(118)	(126)	(6.3%)
Depreciation of property, plant and equipment	(254)	(253)	0.4%	(538)	(417)	29.0%
Amortisation of intangible assets	(291)	(291)	NM	(631)	(631)	NM
Gain on disposal of quoted securities	-	-	NM	-	316	NM
Write back of provision for doubtful debts	-	-	NM	36	-	NM

Note:

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

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

	Group		Company	
	31 October 2015	30 April 2015	31 October 2015	30 April 2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	57,519	32,467	-	-
Land lease prepayment	6,671	6,489	-	-
Intangible assets	15,892	16,470	-	-
Other financial assets	791	907	-	-
Investment in subsidiary corporations	-	-	31,801	31,801
Investment in associate	88	141	-	-
Club memberships	235	421	-	-
	<b>81,196</b>	<b>56,895</b>	<b>31,801</b>	<b>31,801</b>
<b>Current assets</b>				
Inventories	31,063	32,367	-	-
Trade and other receivables	32,507	31,113	7,663	11,990
Prepayment	345	377	15	7
Contract work-in-progress	12,965	9,443	-	-
Cash and short-term fixed deposits	9,855	24,698	118	309
Tax recoverable	2	2	-	-
	<b>86,737</b>	<b>98,000</b>	<b>7,796</b>	<b>12,306</b>
<b>Total assets</b>	<b>167,933</b>	<b>154,895</b>	<b>39,597</b>	<b>44,107</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	39,780	35,424	39,780	35,424
Reserve for own shares	(2,791)	(2,791)	(2,791)	(2,791)
Other reserves	(8,316)	(9,565)	1,660	1,320
Accumulated profits	34,581	34,547	457	359
	63,254	57,615	39,106	34,312
Non-controlling interests	2,765	2,754	-	-
<b>Total equity</b>	<b>66,019</b>	<b>60,369</b>	<b>39,106</b>	<b>34,312</b>
<b>Non-current liabilities</b>				
Loans and borrowings	37,602	20,694	-	-
Deferred tax liabilities	839	956	-	-
	<b>38,441</b>	<b>21,650</b>	-	-
<b>Current liabilities</b>				
Trade and other payables	38,048	59,074	441	9,752
Loans and borrowings	24,068	11,996	-	-
Current tax payables	1,357	1,806	50	43
	<b>63,473</b>	<b>72,876</b>	<b>491</b>	<b>9,795</b>
<b>Total liabilities</b>	<b>101,914</b>	<b>94,526</b>	<b>491</b>	<b>9,795</b>
<b>Total equity and liabilities</b>	<b>167,933</b>	<b>154,895</b>	<b>39,597</b>	<b>44,107</b>

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

	<b>Group</b>	
	<b>31 October 2015</b>	<b>30 April 2015</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Amount repayable in one year or less, or on - Secured	24,068	11,996
Amount repayable after one year - Secured	37,602	20,694
<b>Total</b>	<b>61,670</b>	<b>32,690</b>

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

- (a) Legal mortgages on factory buildings of Group's subsidiaries; and
- (b) Corporate guarantee by the Company.

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

	3 months ended		6 months ended	
	2Q2016	2Q2015	1H2016	1H2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Profit for the period	2,831	711	3,574	2,111
<b>Adjustments for:</b>				
Amortisation of land lease prepayment	60	62	118	126
Amortisation of intangible assets	291	291	631	631
Depreciation of property, plant and equipment	254	253	538	417
Share-based payment expenses	149	210	340	358
Interest income	(1)	(2)	(2)	(40)
Interest expense	250	148	411	198
Dividend income	(11)	(24)	(15)	(28)
Write back of provision for doubtful debts	-	-	(36)	-
Net changes in fair value of financial assets at fair value through profit or loss	(110)	11	(5)	31
Share of results of an associated company	43	-	53	-
Disposal of club membership	-	-	186	-
Gain on disposal of security share	-	-	-	(316)
Gain on disposal of property, plant and equipment	-	-	-	(4)
Net unrealised foreign exchange (gain)/loss	(1,274)	501	(931)	762
Tax expense	46	128	83	525
	<u>2,528</u>	<u>2,289</u>	<u>4,945</u>	<u>4,771</u>
Change in inventories	154	4,615	1,513	3,415
Change in trade and other receivables	(4,292)	3,678	(1,326)	7,379
Change in contract work-in-progress	(4,245)	6,654	(3,522)	2,637
Change in trade and other payables	(1,912)	(4,016)	(12,313)	(4,995)
Cash used in operating activities	<u>(7,767)</u>	<u>13,220</u>	<u>(10,703)</u>	<u>13,207</u>
Income taxes paid	(481)	(564)	(860)	(756)
<b>Net cash (used in)/generated from operating activities</b>	<b>(8,248)</b>	<b>12,656</b>	<b>(11,563)</b>	<b>12,451</b>
<b>Cash flows from investing activities</b>				
Interest received	1	2	2	40
Dividend received	11	24	15	28
Proceeds from sale of property, plant and equipment	-	63	82	67
Decreased in deferred payment for acquisition of a subsidiary	(4,356)	-	(4,356)	-
Proceeds from maturity of structured deposits	-	-	-	731
Acquisition of property, plant and equipment	(9,074)	(7,039)	(23,893)	(9,017)
<b>Net cash used in investing activities</b>	<b>(13,418)</b>	<b>(6,950)</b>	<b>(28,150)</b>	<b>(8,151)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	17,144	-	34,270	127
Repayment of borrowings	(5,464)	(914)	(6,074)	(940)
Purchase of treasury shares	-	(90)	-	(90)
Dividends paid	(3,561)	(5,176)	(3,561)	(5,176)
Proceeds from exercise of share options	-	494	-	494
Proceeds from trust receipts	14,697	1,119	20,901	13,266
Repayment of trust receipts	(13,170)	(13,127)	(20,506)	(23,383)
Repayment of finance lease liabilities	(25)	(30)	(53)	(61)
Interest paid	(250)	(148)	(411)	(198)
<b>Net cash generated from/(used in) financing activities</b>	<b>9,371</b>	<b>(17,872)</b>	<b>24,566</b>	<b>(15,961)</b>

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	3 months ended		6 months ended	
	2Q2016	2Q2015	1H2016	1H2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Net decrease in cash and cash equivalents</b>	<b>(12,295)</b>	<b>(12,166)</b>	<b>(15,147)</b>	<b>(11,661)</b>
Cash and cash equivalents at beginning of the period	21,562	35,837	24,494	36,318
Effect of exchange rate fluctuations on cash held	509	163	429	(823)
<b>Cash and cash equivalents at end of the period</b>	<b>9,776</b>	<b>23,834</b>	<b>9,776</b>	<b>23,834</b>
<b>Represented by:</b>				
Cash at bank and on hand	9,787	23,851	9,787	23,851
Short-term fixed deposits	68	53	68	53
	9,855	23,904	9,855	23,904
Less: Fixed deposits under pledged	(68)	(9)	(68)	(9)
Bank overdrafts	(4)	(61)	(4)	(61)
Effect of exchange rate fluctuation on fixed deposits under pledged	(7)	-	(7)	-
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<b>9,776</b>	<b>23,834</b>	<b>9,776</b>	<b>23,834</b>

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

	Group									
	Share capital	Treasury shares	Share option reserve	Fair value reserve	Foreign currency translation reserve	Accumulated profits	Attributable to owners of the Company	Non-controlling interests	Total	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 May 2015</b>	35,424	(2,791)	1,320	122	(11,007)	34,547	57,615	2,754	60,369	
<b>Total comprehensive income for the period</b>	-	-	-	-	-	710	710	33	743	
Profit for the period	-	-	-	-	-	710	710	33	743	
<b>Other comprehensive income</b>	-	-	-	-	87	-	87	-	87	
Exchange differences arising from translation of the financial statements of subsidiary corporations	-	-	-	-	87	-	87	-	87	
Net changes in the fair value pertaining to acquisition of a subsidiary corporation	-	-	-	-	-	-	-	32	32	
<b>Total other comprehensive income</b>	-	-	-	-	87	-	87	32	119	
<b>Total comprehensive income for the period</b>	-	-	-	-	87	710	797	65	862	
<b>Transaction with owners, recognised directly in equity</b>	-	-	-	-	-	-	-	-	-	
<b>Contributions by and distributions to owners</b>	-	-	191	-	-	-	191	-	191	
Share-based payment transactions	-	-	191	-	-	-	191	-	191	
<b>At 31 July 2015</b>	35,424	(2,791)	1,511	122	(10,920)	35,257	58,603	2,819	61,422	
<b>Total comprehensive (expense)/income for the period</b>	-	-	-	-	-	2,885	2,885	(54)	2,831	
Profit/(loss) for the period	-	-	-	-	-	2,885	2,885	(54)	2,831	
<b>Other comprehensive (expense) / income</b>	-	-	-	-	944	-	944	-	944	
Exchange differences arising from translation of the financial statements of the subsidiary corporations whose functional currency is different from that of the Company	-	-	-	-	944	-	944	-	944	
Net changes in the fair value of available-for-sale financial assets	-	-	-	(147)	-	-	(147)	-	(147)	
Deferred tax arising from available-for-sale financial assets	-	-	-	25	-	-	25	-	25	
<b>Total other comprehensive (expense) / income</b>	-	-	-	(122)	944	-	822	-	822	
<b>Total comprehensive (expense) / income for the period</b>	-	-	-	(122)	944	2,885	3,707	(54)	3,653	
<b>Transaction with owners, recognised directly in equity</b>	-	-	-	-	-	-	-	-	-	
<b>Contributions by and distributions to owners</b>	-	-	-	-	-	(3,561)	(3,561)	-	(3,561)	
Dividends paid on ordinary shares	-	-	-	-	-	(3,561)	(3,561)	-	(3,561)	
Share-based payment transactions	-	-	149	-	-	-	149	-	149	
Issue of ordinary shares	4,356	-	-	-	-	-	4,356	-	4,356	
<b>Total transaction with owners</b>	4,356	-	149	-	-	-	4,505	-	4,505	
<b>At 31 October 2015</b>	39,780	(2,791)	1,660	-	(9,976)	34,581	63,254	2,765	66,019	

**SECOND QUARTER & FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT  
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	Group							Total	
	Share capital	Treasury shares	Share option reserve	Fair value reserve	Foreign currency translation reserve	Accumulated profits	Attributable to owners of the Company		Non-controlling interests
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 May 2014</b>	35,424	(3,345)	731	91	(8,990)	34,470	58,381	-	58,381
<b>Total comprehensive income for the period</b>	-	-	-	-	-	1,400	1,400	-	1,400
Profit for the period	-	-	-	-	-	1,400	1,400	-	1,400
<b>Other comprehensive (expense) / income</b>	-	-	-	-	67	-	67	-	67
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	-	67	-	67	-	67
Net changes in the fair value of available-for-sale financial assets	-	-	-	(472)	-	-	(472)	-	(472)
Deferred tax arising from available-for-sale financial assets	-	-	-	33	-	-	33	-	33
<b>Total other comprehensive (expense) / income</b>	-	-	-	(439)	67	-	(372)	-	(372)
<b>Total comprehensive (expense) / income for the period</b>	-	-	-	(439)	67	1,400	1,028	-	1,028
<b>Transaction with owners, recognised directly in equity</b>	-	-	-	-	-	-	-	-	-
<b>Contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-	-
Share-based payment transactions	-	-	148	-	-	-	148	-	148
<b>At 31 Jul 2014</b>	35,424	(3,345)	879	(348)	(8,923)	35,870	59,557	-	59,557
<b>Total comprehensive expenses for the period</b>	-	-	-	-	-	711	711	-	711
Profit for the period	-	-	-	-	-	711	711	-	711
<b>Other comprehensive income / (expenses)</b>	-	-	-	-	(1,538)	-	(1,538)	-	(1,538)
Exchange differences arising from translation of the financial statements of the subsidiary corporations whose functional currency is different from that of the Company	-	-	-	-	(1,538)	-	(1,538)	-	(1,538)
Net changes in the fair value of available-for-sale financial assets	-	-	-	302	-	-	302	-	302
Deferred tax arising from available-for-sale financial assets	-	-	-	(4)	-	-	(4)	-	(4)
<b>Total other comprehensive income / (expenses)</b>	-	-	-	298	(1,538)	-	(1,240)	-	(1,240)
<b>Total comprehensive income / (expenses) for the period</b>	-	-	-	298	(1,538)	711	(529)	-	(529)
<b>Transaction with owners, recognised directly in equity</b>	-	-	-	-	-	-	-	-	-
<b>Contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-	-
Dividends paid on ordinary shares	-	-	-	-	-	(5,176)	(5,176)	-	(5,176)
Share-based payment transactions	-	-	210	-	-	-	210	-	210
Purchase of treasury shares	-	(90)	-	-	-	-	(90)	-	(90)
Share options exercised	-	717	(223)	-	-	-	494	-	494
<b>Total transaction with owners</b>	-	627	(13)	-	-	(5,176)	(4,562)	-	(4,562)
<b>At 31 October 2014</b>	35,424	(2,718)	866	(50)	(10,461)	31,405	54,466	-	54,466



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	Company				
	Share capital	Treasury shares	Share option reserve	Accumulated profit	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 May 2015</b>	<b>35,424</b>	<b>(2,791)</b>	<b>1,320</b>	<b>359</b>	<b>34,312</b>
Profit for the period	-	-	-	90	90
Share based payment transactions	-	-	191	-	191
<b>At 31 July 2015</b>	<b>35,424</b>	<b>(2,791)</b>	<b>1,511</b>	<b>449</b>	<b>34,593</b>
Profit for the period	-	-	-	3,569	3,569
Share based payment transactions	-	-	149	-	149
Dividends paid on ordinary shares	-	-	-	(3,561)	(3,561)
Issue of ordinary shares	4,356	-	-	-	4,356
<b>At 31 October 2015</b>	<b>39,780</b>	<b>(2,791)</b>	<b>1,660</b>	<b>457</b>	<b>39,106</b>
<b>At 1 May 2014</b>	<b>35,424</b>	<b>(3,345)</b>	<b>731</b>	<b>6</b>	<b>32,816</b>
Profit for the period	-	-	-	33	33
Share based payment transactions	-	-	148	-	148
<b>At 31 July 2014</b>	<b>35,424</b>	<b>(3,345)</b>	<b>879</b>	<b>39</b>	<b>32,997</b>
Profit for the period	-	-	-	5,350	5,350
Dividends paid on ordinary shares	-	-	-	(5,176)	(5,176)
Share based payment transactions	-	-	210	-	210
Purchase of treasury shares	-	(90)	-	-	(90)
Share options exercised	-	717	(223)	-	494
<b>At 31 October 2014</b>	<b>35,424</b>	<b>(2,718)</b>	<b>866</b>	<b>213</b>	<b>33,785</b>

**SECOND QUARTER & FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT  
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**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

As at 31 October 2015, the Company's issued and fully paid up capital (excluding treasury shares) comprises of 445,127,292 (31 October 2014: 434,382,661) ordinary shares. The changes in the company's share capital in 6M2016 and 6M2015 are set out below.

<b>6M2016</b>		
	<b>Number of shares</b>	<b>Share Capital (S\$'000)</b>
Balance at beginning of period	434,126,661	35,424
Issue of new shares	11,000,631	4,356
Balance at end of period	<b>445,127,292</b>	<b>39,780</b>

<b>6M2015</b>		
	<b>Number of shares</b>	<b>Share Capital (S\$'000)</b>
Balance at beginning of period	431,343,661	35,424
Exercise of share options	3,367,000	-
Purchase of treasury shares	(328,000)	-
Balance at end of period	<b>434,382,661</b>	<b>35,424</b>

Purchase of treasury shares

There was no share buy-back transaction in 2Q2016. As at 31 October 2015, the total consideration for the treasury shares held under the share buy-back scheme was S\$2,791,000 for a total of 12,923,000 shares.

The number of treasury shares held by the Company represents 2.90% (31 October 2014: 2.92%) of the total number of issued shares (excluding treasury shares) of the Company as at 31 October 2015.

XMH Share Option Scheme

As at 31 October 2015, the outstanding balance of unexercised options under the XMH Share Option Scheme totaled 14,315,000 (31 October 2014: 12,043,000) or 3.13% (31 October 2014: 2.69%) of total issued shares in the capital of the Company.

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

	31 October 2015	31 October 2014
Total number of shares issued	458,050,292	447,049,661
Less: Treasury shares	(12,923,000)	(12,667,000)
<b>Total</b>	<b>445,127,292</b>	<b>434,382,661</b>

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

Not applicable.

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

The figures for the quarters ended 31 October 2014 and 31 October 2015 have not been audited or reviewed by auditors.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those adopted for the audited consolidated financial statements for the financial year ended 30 April 2015.

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

Not applicable.

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

Earnings per ordinary share for the period based on net profit attributable to shareholders:-

	Group			
	2Q2016	2Q2015	1H2016	1H2015
EPS (based on consolidated net profit attributable to equity holders):-				
a) Based on the weighted average number of ordinary shares in issue (cents)	0.65	0.16	0.82	0.49
b) On a fully diluted basis (cents)	0.65	0.16	0.82	0.49
Weighted average number of shares in issue during the period used in the computing of EPS	443,094,567 <sup>(1)</sup>	434,382,661 <sup>(2)</sup>	438,610,614 <sup>(1)</sup>	434,382,661 <sup>(2)</sup>
Weighted average number of shares on fully diluted basis during the period used in the computing of EPS	443,612,650 <sup>(3)</sup>	445,383,292 <sup>(4)</sup>	439,042,578 <sup>(3)</sup>	445,383,292 <sup>(4)</sup>

Notes:

- (1) The figures are computed taking into account the ordinary shares issued for 2<sup>nd</sup> tranche payment of price consideration of S\$4,356,250 for the acquisition of the MPG Group.
- (2) The figures are computed taking into account the purchase of treasury shares and the potential ordinary shares to be issued for the share options granted in September 2011 and September 2012.
- (3) The figures are computed taking into account the potential ordinary shares to be issued for the share options granted in September 2011, 2012, 2013, 2014 and 2015.
- (4) The figures are computed taking into account the purchase of treasury shares, the potential ordinary shares to be issued for the share options granted in September 2011, 2012 and 2013 and the potential ordinary shares to be issued to settle the deferred consideration of S\$4,356,250 for the acquisition of the MPG Group (using the number of shares to be issued).

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

**a) current financial period reported on; and**

**b) immediately preceding financial year**

	Group		Company	
	31 October 2015	30 April 2015	31 October 2015	30 April 2015
Net asset value per ordinary share based on existing share capital (cents)	14.21	13.27	8.79	7.90
Number of shares at end of the period/year	445,127,292	434,126,661	445,127,292	434,126,661

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

The Company has completed the acquisition of 80% of the issued and paid-up share capital of Z-Power Automation Pte. Ltd. ("ZPA") in 4Q2015. The results of ZPA post-acquisition are consolidated into the statement of comprehensive income of the Group.

**STATEMENT OF COMPREHENSIVE INCOME REVIEW**

**Quarter ended 31 October 2015 ("2Q2016") vs quarter ended 31 October 2014 ("2Q2015")**

**(i) Revenue**

Revenue increased by approximately S\$6.6 million or 34.2% from S\$19.2 million in 2Q2015 to S\$25.8 million in 2Q2016. The increase was due mainly to higher revenue in the "projects" business segment of approximately S\$12.5 million with inclusion of ZPA's results as compared to 2Q2015, which resulted from higher progress work done and completion of projects delivered in 2Q2016. Nonetheless, this increase was offset by lower revenue in the "distribution" and "after sales" business segments.

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

Correspondingly, cost of sales also increased by approximately S\$6.0 million or 44.6% from S\$13.5 million in 2Q2015 to S\$19.5 million in 2Q2016. Gross profit increased by approximately S\$535,000 or 9.4% from S\$5.7 million in 2Q2015 to S\$6.2 million in 2Q2016.

Lower gross profit margin registered at 24.2% in 2Q2016 as compared to 29.7% in 2Q2015. The decrease of 5.5% was due mainly to lower gross profit margins in the "after sales" and "distribution" business segments as we experienced more intense competition.

**(iii) Other Income**

Lower other income in 2Q2016 as compared to 2Q2015 was due mainly to a reversal of liability of S\$419,000 was no longer required and write-back of provision of obsolete stocks which were sold for S\$101,000 in 2Q2015.

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**(iv) Distribution Expenses**

Distribution expenses increased by approximately S\$336,000 or 17.3% from S\$1.9 million in 2Q2015 to S\$2.2 million in 2Q2016. The increase was due mainly to the consolidation of ZPA's results and higher payroll expenses in general.

**(v) Administrative Expenses**

Administrative expenses decreased by approximately S\$609,000 or 19.6% from S\$3.1 million in 2Q2015 to S\$2.5 million in 2Q2016. The decrease was due mainly to no further legal or professional fees required in 2Q2016 as compared to preceding period which partially offset against the increase in payroll expenses and the consolidation of ZPA's results.

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

The Group registered net finance income of approximately S\$1.2 million in 2Q2016 as compared to net finance costs of S\$458,000 in 2Q2015. The net finance income in 2Q2016 was due mainly to unrealised foreign exchange gains recorded as opposed to net foreign exchange losses in 2Q2015.

**(vii) Tax Expense**

Tax expense was lower by approximately S\$82,000 or 64.1% to S\$46,000 in 2Q2016 as compared to tax expense of S\$128,000 in 2Q2015. This was due mainly to lower estimation of tax provision with the eligibility to claim Productivity Innovation Credit Scheme allowance.

**First half year ended 31 October 2015 ("1H2016") vs first half year ended 31 October 2014 ("1H2015")**

**(i) Revenue**

Revenue increased by approximately S\$4.6 million or 10.1% from S\$45.0 million in 1H2015 to S\$49.6 million in 1H2016. The increase was due mainly to higher revenue in the "projects" business segment of approximately S\$9.5 million with inclusion of ZPA's results as compared to 1H2015, which resulted from higher progress work done and completion of projects delivered in 1H2016. Nonetheless, this increase was offset by lower revenue in the "distribution" and "after sales" business.

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

Correspondingly, cost of sales also increased by approximately S\$4.3 million or 13.3% from S\$32.6 million in 1H2015 to S\$36.9 million in 1H2016. Gross profit remained at similar level.

Gross profit margin was approximately at 25.4% and 27.5% in 1H2016 and 1H2015 respectively. The lower gross margin was due to intense competition experienced.

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**(iii) Other Income**

Lower other income in 1H2016 as compared to 1H2015 was due mainly to a reversal of liability of S\$419,000 no longer required and write-back of provision of obsolete stocks which were sold for S\$101,000 in 1H2015.

**(iv) Distribution Expenses**

Distribution expenses increased by approximately S\$750,000 or 20.8% from S\$3.6 million in 1H2015 to S\$4.4 million in 1H2016. The increase was due mainly to inclusion of ZPA's results and higher payroll expenses as compared to 1H2015.

**(v) Administrative Expenses**

Administrative expenses remained consistently both in 1H2016 and 1H2015. This slight increase was due mainly to higher payroll expenses and the inclusion of ZPA's results; offset against lower legal and professional fees incurred during the period

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

The Group registered net finance income of approximately S\$1.2 million in 1H2016 as compared to net finance costs of S\$430,000 in 1H2015. The net finance income in 1H2016 was due mainly to unrealised foreign exchange gains recorded as opposed to net foreign exchange losses in 1H2015.

**(vii) Tax Expense**

Tax expense was lower by approximately S\$442,000 or 84.2% to S\$83,000 in 1H2016 as compared to tax expense of S\$525,000 in 1H2015. This was due mainly to lower estimation of tax provision with the eligibility to claim Productivity Innovation Credit Scheme allowance.

**STATEMENT OF FINANCIAL POSITION REVIEW**

The Group's shareholders' funds as at 31 October 2015 stood at S\$63.3 million as compared to S\$57.6 million at the end of the immediately preceding financial year end, 30 April 2015.

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

The increase in the property, plant and equipment of approximately S\$25.1 million was due mainly to the progress payments towards construction of the factory building in Tuas, net of depreciation.

**(ii) Land lease prepayment**

Land lease prepayment relates to the lease of a parcel of land located at Tuas entered into by the Group in FY2013. The increase was due mainly to translation adjustment of Japanese Yen against Singapore Dollar and the amortization during the period.

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**(iii) Intangible assets**

The main intangible assets consisted of goodwill and other intangible assets at approximately S\$11.8 million and S\$4.1 million respectively. The decrease was due mainly to amortization during the period.

**(iv) Club memberships**

The decrease in club membership was due to a disposal made in July 2015.

**(v) Inventories**

Inventories decreased by approximately S\$1.3 million from S\$32.4 million as at 30 April 2015 to S\$31.1 million as at 31 October 2015. The decrease was due mainly to completion and deliveries made in the “projects” business segment during the period ended 31 October 2015 and in line with the increased revenue in the “projects” business segment.

**(vi) Trade and other receivables**

Trade and other receivables increased by approximately S\$1.4 million from S\$31.1 million as at 30 April 2015 to S\$32.5 million as at 31 October 2015. This is in line with the increased revenue in the “project” business segment. In addition, the Group also recorded net GST claims from IRAS for one of its subsidiaries.

**(vii) Contract work-in-progress**

Contract work-in-progress increased from S\$9.4 million as at 30 April 2015 to S\$13.0 million as at 31 October 2015 as more contracts won being advanced to work-in-progress stage.

**(viii) Trade and other payables**

Trade and other payables stood at approximately S\$38.0 million as at 31 October 2015, as compared to S\$59.1 million as at 30 April 2015. The decrease of approximately S\$21.1 million was due mainly to (i) 2<sup>nd</sup> tranche payment of price consideration of S\$8.7 million for the acquisition of the MPG Group; (ii) settlement of amount due to trade suppliers; and (iii) reduced advance payment from customers as orders were delivered.

**(ix) Loans and borrowings**

Loans and borrowings stood at approximately S\$61.7 million as at 31 October 2015, an increase of approximately S\$29.0 million from S\$32.7 million as at 30 April 2015. The increase was due mainly to loans drawn down during the period to finance the construction of the new factory building in Tuas.



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**STATEMENT OF CASH FLOW REVIEW**

Net cash used in operating activities was approximately S\$11.6 million for the six months ended 31 October 2015 as compared to net cash generated from operating activities of approximately S\$12.5 million for the corresponding period. This was due mainly to:

- (i) 2<sup>nd</sup> tranche payment of price consideration of S\$8.7 million for the acquisition of the MPG;
- (ii) settlement of amount due to trade suppliers; and
- (iii) reduced advance payment from customers as orders were delivered. These were offset by inventories delivered during the period.

Net cash used in investing activities amounted to approximately S\$28.2 million. This was due mainly to loans drawn down for progress payments towards construction of the factory building in Tuas.

Net cash generated from financing activities was approximately S\$24.6. This was due mainly to loans drawn down for progress payments towards construction of the factory building in Tuas.

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

Not applicable.

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

Going into 2016, although stabilization in the global financial markets has been observed, the general outlook of the industries in which the Group operates in remains weak. The persistent sluggish demand for marine related products has led to some postponement of deliveries and the market for offshore business remains challenging given the low-oil-price environment.

Adding to this, intensified competition in the building and construction industries has affected the Group's related business. Overall, project sizes and profit margins for the Group as a whole have been under pressure.

Nonetheless, the Group will continue to diligently tender for opportunities that may arise in key countries that the Group operates in. The Group's order book remains healthy and is on track to deliver the majority of the current order book in FY2016, with the outstanding order book seeing the Group through to FY2017.

The Group will also continue its concerted efforts in marketing and maximizing its order book. These efforts have helped its subsidiary, which is engaged primarily in the distribution panels and switchboards business, delivered a steady performance during the reporting period.

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In addition, the synergies established between the Group's subsidiaries have generated increased enquiries. This has presented the Group with an opportunity to pursue onshore applications of its subsidiary's switchboard expertise as well as industrial application panels.

Operating in a market with weak demand and tough competition, the Group will continue to take a prudent approach in its operations to improve efficiency, and endeavor to build a robust order book while striving to maintain its performance in a challenging environment.

**11. Dividend**

- a) **Current financial period reported on?**  
**Any dividend declared for the current financial period reported on?**
- None.
- b) **Corresponding period of the immediately preceding financial period**  
**Any dividend declared for the corresponding period of the immediately preceding financial year?**
- None.
- c) **Date payable:**
- Not applicable.
- d) **Books Closure Date:**
- Not applicable.

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

No interim dividend for the six months ended 31 October 2015 was recommended.

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

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

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

The Board of Directors of the Company hereby confirms to the best of its knowledge that nothing has come to its attention which may render the unaudited interim financial results for the six months ended 31 October 2015 to be false or misleading in any material aspect.

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

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

**BY ORDER OF THE BOARD**  
**Mr. Tan Tin Yeow**  
**Chairman and CEO**

10 December 2015