



XMH

XMH HOLDINGS LTD.

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

UNAUDITED THIRD QUARTER (“3Q2017”) AND NINE MONTHS (“9M2017”) FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 JANUARY 2017

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

(In S\$'000) Description	Group					
	Actual 3Q2017	Actual 3Q2016	Change %	Actual 9M2017	Actual 9M2016	Change %
Revenue	19,533	26,948	(27.5)	64,042	76,506	(16.3)
Cost of sales	(14,818)	(19,919)	(25.6)	(50,163)	(56,895)	(11.8)
Gross profit	4,715	7,029	(32.9)	13,879	19,611	(29.2)
Other income	1,508	397	NM	3,491	776	NM
Distribution expenses*	(1,685)	(1,841)	(8.5)	(4,335)	(5,225)	(17.0)
Administrative expenses*	(4,997)	(4,392)	13.8	(14,549)	(11,632)	25.1
Results from operating activities	(459)	1,193	NM	(1,514)	3,530	NM
Finance income	1,459	406	NM	2,969	2,190	35.6
Finance costs	(286)	(328)	(12.8)	(862)	(739)	16.6
Net finance income	1,173	78	NM	2,107	1,451	45.2
Profit before share of results of an associated company	714	1,271	(43.8)	593	4,981	(88.1)
Share of results of an associated company	13	28	(53.6)	(11)	(25)	(56.0)
Profit before tax	727	1,299	(44.0)	582	4,956	(88.3)
Tax expense	(183)	(177)	3.4	(83)	(260)	(68.1)
Profit after tax	544	1,122	(51.5)	499	4,696	(89.4)
Items that may be reclassified subsequently to profit or loss						
<i>Exchange differences arising from translation of the financial statements of the subsidiary corporations</i>	(1,691)	927	NM	(114)	1,958	NM
<i>Net changes in the fair value pertaining to acquisition of a subsidiary corporation</i>	-	-	NM	-	32	NM
<i>Net changes in the fair value of available-for-sale financial assets</i>	(23)	52	NM	(120)	(95)	26.3
<i>Deferred tax arising from available-for-sale financial assets</i>	4	(9)	NM	20	16	25.0
<i>Other comprehensive (expenses) / income for the period, net of tax</i>	(1,710)	970	NM	(214)	1,911	NM
Total comprehensive (expenses) / income for the period	(1,166)	2,092	NM	285	6,607	(95.7)

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(In S\$'000) Description	Group					
	Actual 3Q2017	Actual 3Q2016	Change %	Actual 9M2017	Actual 9M2016	Change %
Profit attributable to:						
Owners of the Company	766	998	(23.2)	1,058	4,593	(77.0)
Non-controlling interests	(222)	124	NM	(559)	103	NM
	544	1,122	(51.5)	499	4,696	(89.4)
Total comprehensive (expenses) / income attributable to:						
Owners of the Company	(944)	1,968	NM	844	6,472	(87.0)
Non-controlling interests	(222)	124	NM	(559)	135	NM
	(1,166)	2,092	NM	285	6,607	(95.7)

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 is arrived after crediting /(charging) the following:

(In S\$'000) Description	Group					
	Actual 3Q2017	Actual 3Q2016	Change %	Actual 9M2017	Actual 9M2016	Change %
Gain/(loss) on disposal of property, plant and equipment	1,100	(107)	NM	1,234	(107)	NM
Share-based payment expense	(29)	(170)	(82.9)	(174)	(510)	(65.9)
Transfer of club membership	-	-	NM	-	(186)	NM
Other miscellaneous income	42	397	(89.4)	355	776	(54.3)
Rental income	354	-	NM	708	-	NM
Dividend income	6	7	(14.3)	29	22	31.8
Allowance for impairment loss on quoted equity securities	(10)	(80)	(87.5)	(40)	(75)	(46.7)
Allowance for trade receivables	(20)	-	NM	(65)	-	NM
Interest income	37	-	NM	72	2	NM
Interest expense	(286)	(328)	(12.8)	(862)	(739)	16.6
Net foreign exchange gain	1,416	399	NM	2,867	2,166	32.4
Amortisation of land lease prepayment	-	(59)	NM	-	(177)	NM
Depreciation of property, plant and equipment	(1,425)	(474)	NM	(4,344)	(1,012)	NM
Amortisation of intangible assets	(301)	(292)	(3.1)	(903)	(923)	(2.2)
Write back of allowance for trade receivables	-	-	NM	-	36	NM
Bad debt recovery	3	-	NM	3	-	NM
Bad debts written-off	(53)	(200)	(73.5)	(57)	(200)	(71.5)
Forfeiture deposits from customers	12	-	NM	1,190	-	NM

Note:

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

**THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS ANNOUNCEMENT
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1(b) A statement of financial position (for the Company and Group), together with a comparative statement as at the end of the immediately preceding financial year.

(In S\$'000) Description	Group		Company	
	31 Jan 2017	30 Apr 2016	31 Jan 2017	30 Apr 2016
ASSETS				
<u>Non-current assets</u>				
Property, plant and equipment	74,208	76,324	66,977	-
Intangible assets	14,473	15,373	-	-
Other financial assets	684	824	-	-
Investment in subsidiary corporations	-	-	31,801	31,801
Investment in associate	196	207	-	-
Trade receivables	2,788	-	-	-
Club memberships	212	209	-	-
Deferred tax assets	24	23	-	-
Total non-current assets	92,585	92,960	98,778	31,801
<u>Current assets</u>				
Inventories	30,665	28,575	-	-
Trade and other receivables	16,653	33,493	8,282	8,371
Prepayment	365	369	23	9
Contract work-in-progress	17,090	14,644	-	-
Cash and short-term fixed deposits	18,983	12,843	830	242
Tax recoverable	196	2	51	-
Total current assets	83,952	89,926	9,186	8,622
TOTAL ASSETS	176,537	182,886	107,964	40,423
LIABILITIES AND EQUITY				
<u>Current liabilities</u>				
Trade and other payables	34,042	46,598	26,760	983
Loans and borrowings	30,794	20,587	2,234	-
Current tax payables	469	1,450	221	147
Total current liabilities	65,305	68,635	29,215	1,130
<u>Non-current liabilities</u>				
Other payables	445	133	445	-
Loans and borrowings	39,735	41,211	39,036	-
Deferred tax liabilities	631	719	-	-
Total non-current liabilities	40,811	42,063	39,481	-
TOTAL LIABILITIES	106,116	110,698	68,696	1,130
NET ASSETS	70,421	72,188	39,268	39,293
EQUITY				
Equity attributable to owners of the Company				
Share capital	39,780	39,780	39,780	39,780
Reserve for own shares	(2,791)	(2,791)	(2,791)	(2,791)
Other reserves	(6,486)	(6,446)	1,993	1,819
Accumulated profits	37,762	38,930	286	485
	68,265	69,473	39,268	39,293
Non-controlling interests	2,156	2,715	-	-
Total equity	70,421	72,188	39,268	39,293
TOTAL EQUITY AND LIABILITIES	176,537	182,886	107,964	40,423

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

Description (in S\$'000)	Group	
	31 Jan 2017	30 Apr 2016
Amount repayable in one year or less, or on demand		
- Secured ⁽¹⁾	30,794	20,587
Amount repayable after one year		
- Secured	39,735	41,211
Total	70,529	61,798

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

- (a) Legal mortgage on factory buildings of the Group; and
- (b) Corporate guarantee by the Company.

Note:

- (1) The type of secured loans payable in one year or less, or on demand consists of the following;

Description (in S\$'000)	Group	
	31 Jan 2017	30 Apr 2016
Bills payables	13,797	11,080
Short term revolving credit	14,632	6,908
Finance leases	93	64
Term loans	2,266	2,535
Bank overdrafts	6	-
Total	30,794	20,587

**THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS ANNOUNCEMENT
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1(d) A consolidated statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

(In S\$'000) Description	3 months ended		9 months ended	
	3Q2017	3Q2016	9M2017	9M2016
<u>Cash flows from operating activities</u>				
Profit before tax	727	1,299	582	4,956
Adjustments for:				
Amortisation of land lease prepayment	-	59	-	177
Amortisation of intangible assets	301	292	903	923
Depreciation of property, plant and equipment	1,425	474	4,344	1,012
(Gain) / loss on disposal of property, plant and equipment	(1,100)	107	(1,234)	107
Share-based payment expense	29	170	174	510
Interest income	(37)	-	(72)	(2)
Interest expense	286	328	862	739
Dividend income from quoted equity securities	(6)	(7)	(29)	(22)
Bad debts written-off	53	200	57	200
Bad debt recovery	(3)	-	(3)	-
Write back of allowance for trade receivables	-	-	-	(36)
Allowance for impairment loss on quoted equity securities	10	80	40	75
Allowance for trade receivables	20	-	65	-
Share of results of an associated company	(13)	(28)	11	25
Transfer of club membership	-	-	-	186
Net unrealised foreign exchange (gain)/loss	(2,375)	413	(2,720)	(518)
	(683)	3,387	2,980	8,332
Changes in inventories	2,335	5,094	(2,090)	6,607
Changes in trade and other receivables	4,455	4,746	13,869	3,388
Changes in prepayment	9	(7)	4	25
Changes in contract in work-in-progress	(1,172)	376	(2,446)	(3,146)
Changes in trade and other payables	(7,946)	(12,188)	(12,244)	(24,501)
Cash generated (used in) / from operations	(3,002)	1,408	73	(9,295)
Income tax paid	(377)	(203)	(1,351)	(1,063)
Net cash (used in) / generated from operating activities	(3,379)	1,205	(1,278)	(10,358)
<u>Cash flows from investing activities</u>				
Interest received	37	-	72	2
Dividends received	6	7	29	22
Proceeds from sale of property, plant and equipment	1,918	-	2,052	82
Payment for acquisition of a subsidiary corporation	-	-	-	(4,356)
Acquisition of property, plant and equipment	(32)	(1,355)	(644)	(25,248)
Net cash generated from / (used in) investing activities	1,929	(1,348)	1,509	(29,498)

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(In S\$'000) Description	3 months ended		9 months ended	
	3Q2017	3Q2016	9M2017	9M2016
<u>Cash flows from financing activities</u>				
Proceeds from borrowings	-	3,636	-	22,892
Repayment of borrowings	(532)	(103)	(1,735)	(317)
Proceeds from short-term revolving credit	4,438	3,515	18,808	18,529
Repayment of short-term revolving credit	(8,072)	(6,700)	(11,076)	(12,560)
Dividends paid	-	-	(2,226)	(3,561)
Proceeds from trust receipts	14,070	5,430	37,502	26,331
Repayment of trust receipts	(10,410)	(7,112)	(34,757)	(27,618)
Proceeds from finance lease liabilities	-	-	200	-
Repayment of finance lease liabilities	(30)	(24)	(75)	(77)
Interest paid	(286)	(328)	(862)	(739)
Net cash (used in) / generated from financing activities	(822)	(1,686)	5,779	22,880
Net (decrease) / increase in cash and cash equivalents	(2,272)	(1,829)	6,010	(16,976)
Cash and cash equivalents at beginning of the period	20,253	9,776	12,768	24,494
Effects of exchange rate fluctuations on cash held	959	135	162	564
Cash and cash equivalents at end of financial period	18,940	8,082	18,940	8,082
Represented by:				
Cash at bank and on hand	9,717	8,087	9,717	8,087
Short-term fixed deposits	9,266	70	9,266	70
	18,983	8,157	18,983	8,157
Less: Fixed deposits under pledged	-	(50)	-	(50)
Fixed deposits	(37)	(20)	(37)	(20)
Bank overdrafts	(6)	-	(6)	-
Effect of exchange rate fluctuation on fixed deposits under pledged	-	(5)	-	(5)
Cash and cash equivalents in the consolidated statement of cash flows	18,940	(8,082)	18,940	(8,082)

**THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS ANNOUNCEMENT
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- 1(e) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

COMPANY Description (in S\$'000)	Share Capital	Treasury Shares	Share Option Reserve	Accumulated Profits / (Losses)	Total
As at 1 May 2016	39,780	(2,791)	1,819	485	39,293
Profit for the period	-	-	-	330	330
Share based payment transactions	-	-	75	-	75
As at 31 July 2016	39,780	(2,791)	1,894	815	39,698
Profit for the period	-	-	-	2,171	2,171
Share based payment transactions	-	-	70	-	70
Dividend paid on ordinary shares	-	-	-	(2,226)	(2,226)
As at 31 October 2016	39,780	(2,791)	1,964	760	39,713
Loss for the period	-	-	-	(474)	(474)
Share based payment transactions	-	-	29	-	29
As at 31 January 2017	39,780	(2,791)	1,993	286	39,268

COMPANY Description (in S\$'000)	Share Capital	Treasury Shares	Share Option Reserve	Accumulated Profits / (Losses)	Total
As at 1 May 2015	35,424	(2,791)	1,320	359	34,312
Profit for the period	-	-	-	90	90
Share based payment transactions	-	-	191	-	191
As at 31 July 2015	35,424	(2,791)	1,511	449	34,593
Profit for the period	-	-	-	3,569	3,569
Share based payment transactions	-	-	149	-	149
Dividend paid on ordinary shares	-	-	-	(3,561)	(3,561)
Issue of ordinary shares	4,356	-	-	-	4,356
As at 31 October 2015	39,780	(2,791)	1,660	457	39,106
Loss for the period	-	-	-	(617)	(617)
Share based payment transactions	-	-	170	-	170
As at 31 January 2016	39,780	(2,791)	1,830	(160)	38,659

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GROUP Description (in S\$'000)	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
As at 1 May 2016	39,780	(2,791)	1,819	75	(8,340)	38,930	69,473	2,715	72,188
Profit/(loss) for the period	-	-	-	-	-	191	191	(148)	43
Other comprehensive (expenses)/income									
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	-	1,303	-	1,303	-	1,303
Net changes in the fair value of available-for-sale financial assets	-	-	-	(42)	-	-	(42)	-	(42)
Deferred tax arising from available-for-sale financial assets	-	-	-	7	-	-	7	-	7
Total other comprehensive (expenses)/income	-	-	-	(35)	1,303	-	1,268	-	1,268
Total comprehensive (expenses)/income for the period	-	-	-	(35)	1,303	191	1,459	(148)	1,311
Transaction with owners, recognised directly in equity									
Contributions by and distributions to owners									
Share based payment transactions	-	-	75	-	-	-	75	-	75
As at 31 July 2016	39,780	(2,791)	1,894	40	(7,037)	39,121	71,007	2,567	73,574
Profit/(loss) for the period	-	-	-	-	-	101	101	(189)	(88)
Other comprehensive (expenses)/income									
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	-	274	-	274	-	274
Net changes in the fair value of available-for-sale financial assets	-	-	-	(55)	-	-	(55)	-	(55)
Deferred tax arising from available-for-sale financial assets	-	-	-	9	-	-	9	-	9
Total other comprehensive (expenses)/income	-	-	-	(46)	274	-	228	-	228
Total comprehensive (expenses)/income for the period	-	-	-	(46)	274	101	329	(189)	140
Transaction with owners, recognised directly in equity									
Contributions by and distributions to owners									
Dividends paid on ordinary shares	-	-	-	-	-	(2,226)	(2,226)	-	(2,226)
Share based payment transactions	-	-	70	-	-	-	70	-	70
Total transaction with owners	-	-	70	-	-	(2,226)	(2,156)	-	(2,156)
As at 31 October 2016	39,780	(2,791)	1,964	(6)	(6,763)	36,996	69,180	2,378	71,558

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GROUP Description (in S\$'000)	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
As at 31 October 2016	39,780	(2,791)	1,964	(6)	(6,763)	36,996	69,180	2,378	71,558
Profit/(loss) for the period	-	-	-	-	-	766	766	(222)	544
Other comprehensive (expenses)/income									
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	-	(1,691)	-	(1,691)	-	(1,691)
Net changes in the fair value of available-for-sale financial assets	-	-	-	(23)	-	-	(23)	-	(23)
Deferred tax arising from available-for-sale financial assets	-	-	-	4	-	-	4	-	4
Total other comprehensive expenses	-	-	-	(19)	(1,691)	-	(1,710)	-	(1,710)
Total comprehensive (expenses)/income for the period	-	-	-	(19)	(1,691)	766	(944)	(222)	(1,166)
Transaction with owners, recognised directly in equity									
Contributions by and distributions to owners									
Share based payment transactions	-	-	29	-	-	-	29	-	29
As at 31 January 2017	39,780	(2,791)	1,993	(25)	(8,454)	37,762	68,265	2,156	70,421

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GROUP Description (in S\$'000)	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
As at 1 May 2015	35,424	(2,791)	1,320	122	(11,007)	34,547	57,615	2,754	60,369
Profit for the period	-	-	-	-	-	710	710	33	743
Other comprehensive income									
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	-	87	-	87	-	87
Net changes in the fair value pertaining to acquisition of a subsidiary corporation	-	-	-	-	-	-	-	32	32
Total other comprehensive income	-	-	-	-	87	-	87	32	119
Total comprehensive income for the period	-	-	-	-	87	710	797	65	862
Transaction with owners, recognised directly in equity									
Contributions by and distributions to owners									
Share based payment transactions	-	-	191	-	-	-	191	-	191
As at 31 July 2015	35,424	(2,791)	1,511	122	(10,920)	35,257	58,603	2,819	61,422
Profit/(loss) for the period	-	-	-	-	-	2,885	2,885	(54)	2,831
Other comprehensive (expenses)/income									
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	-	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
Total other comprehensive (expenses)/income	-	-	-	(122)	944	-	822	-	822
Total comprehensive (expenses)/income for the period	-	-	-	(122)	944	2,885	3,707	(54)	3,653
Transaction with owners, recognised directly in equity									
Contributions by and distributions to owners									
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
Total transaction with owners	4,356	-	149	-	-	(3,561)	944	-	944
As at 31 October 2015	39,780	(2,791)	1,660	-	(9,976)	34,581	63,254	2,765	66,019

**THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS ANNOUNCEMENT
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GROUP Description (in S\$'000)	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
As at 31 October 2015	39,780	(2,791)	1,660	-	(9,976)	34,581	63,254	2,765	66,019
Profit for the period	-	-	-	-	-	998	998	124	1,122
Other comprehensive income									
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	-	927	-	927	-	927
Net changes in the fair value of available-for-sale financial assets	-	-	-	52	-	-	52	-	52
Deferred tax arising from available-for-sale financial assets	-	-	-	(9)	-	-	(9)	-	(9)
Total other comprehensive income	-	-	-	43	927	-	970	-	970
Total comprehensive income for the period	-	-	-	43	927	998	1,968	124	2,092
Transaction with owners, recognised directly in equity									
Contributions by and distributions to owners									
Share based payment transactions	-	-	170	-	-	-	170	-	170
As at 31 January 2016	39,780	(2,791)	1,830	43	(9,049)	35,579	65,392	2,889	68,281

**THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS ANNOUNCEMENT
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- 1(f) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or any other purpose since the end of the previous period reported on.**

As at 31 January 2017, the Company's issued and fully paid up capital (excluding treasury shares) comprises of 111,281,821* (31 January 2016: 445,127,292 before share consolidation was effected) ordinary shares. The changes in the company's share capital in 9M2017 and 9M2016 are set out below.

Description	9M2017	
	Number of Shares*	Share Capital (\$'000)
Balance at beginning and at end of period	111,281,821	39,780

Description	9M2016	
	Number of Shares	Share Capital (\$'000)
Balance at beginning of period	434,126,661	35,424
Issue of ordinary shares	11,000,631	4,356
Balance at end of period	445,127,292	39,780
Balance at end of period after share consolidation of 4:1	111,281,821	39,780

* The Company undertook a share consolidation exercise to consolidate every four (4) existing ordinary shares in the capital of the Company into one (1) ordinary share. The share consolidation was completed and effected on 22 February 2016.

Purchase of treasury shares

There was no share buy-back transaction in 3Q2017. As at 31 January 2017, the total consideration for the treasury shares held under the share buy-back scheme was S\$2,791,000 for a total of 3,230,750 shares.

The number of treasury shares held by the Company represents 2.90% (31 January 2016: 2.90%) of the total number of issued shares (excluding treasury shares) of the Company as at 31 January 2017.

XMH Share Option Scheme

As at 31 January 2017, the outstanding balance of unexercised options under the XMH Share Option Scheme totaled 4,455,000 shares (31 January 2016: 14,305,000 before share consolidation was effected) or 4.00% (31 January 2016: 3.21 %) of total issued shares in the capital of the Company.

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- 1(g) To show the number of shares that may be issued on conversion of all the outstanding convertibles, 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.**

Not applicable.

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

Description	31 January 2017	31 January 2016
Total number of shares issued	114,512,571	458,050,292
Less: Treasury shares	(3,230,750)	(12,923,000)
Total	111,281,821	445,127,292
Total at end of period after share consolidation of 4:1	111,281,821	111,281,821

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

Description	31 January 2017	31 January 2016
Balance at beginning and at end of period	3,230,750	12,923,000
Balance at beginning and at end of period after share consolidation of 4:1	3,230,750	3,230,750

- 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 January 2017 and 31 January 2016 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 year as those adopted for the audited consolidated financial statements for the financial year ended 30 April 2016.

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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.

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 period, after deducting any provision for preference dividends.**

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

Description	3 months ended		9 months ended	
	3Q2017	3Q2016*	9M2017	9M2016*
EPS (based on consolidated net profit attributable to owners):-				
a) Based on the weighted average no. of ordinary shares in issue (cents)	0.69	0.88	0.95	4.16
b) On a fully diluted basis (cents)	0.69	0.88	0.95	4.16
Weighted average no. of shares in issue during the period used in the computing of EPS	111,281,821	111,281,821	111,281,821	110,195,710 ⁽¹⁾
Weighted average no. of shares on fully diluted basis during the period used in the computing of EPS	111,281,821 ⁽²⁾	111,281,821 ⁽³⁾	111,387,594 ⁽²⁾	110,317,234 ⁽³⁾

Notes:

- (1) The figures are computed taking into account the ordinary shares issued for 2nd tranche payment of price consideration of S\$4,356,250 for the acquisition of Mech-Power Generator Pte Ltd and its subsidiary.
- (2) The figures are computed taking into account the potential ordinary shares to be issued for the share options granted in September 2012, 2013, 2014, 2015 and 2016.
- (3) The figures are computed taking into account the potential ordinary shares to be issued for the share options granted in September 2012, 2013, 2014 and 2015.

* Adjusted EPS for share consolidation 4:1 during the FY2016.

7. **Net asset value (for the Company and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
- a) **current financial period reported on; and**
- b) **immediately preceding financial year**

Description	Group		Company	
	31 January 2017	30 April 2016	31 January 2017	30 April 2016
Net asset value per ordinary share based on existing share capital (cents)	61.34	62.43	35.29	35.31
Number of shares at end of the period/year	111,281,821	111,281,821	111,281,821	111,281,821

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

STATEMENT OF COMPREHENSIVE INCOME REVIEW

Quarter ended 31 January 2017 ("3Q2017") vs quarter ended 31 January 2016 ("3Q2016")

(i) Revenue

Revenues decreased by approximately S\$7.4 million or 27.5% from S\$26.9 million in 3Q2016 to S\$19.5 million in 3Q2017. This was due to decrease in revenue recorded in the Project business segment which was affected by weak market sentiment and smaller contract value awarded as compared to previous corresponding period. However, this was partially offset by improved sales from the Distribution business segment.

(ii) Cost of Sales and Gross Profit Margin

Cost of sales decreased by approximately S\$5.1 million or 25.6% from S\$19.9 million in 3Q2016 to S\$14.8 million in 3Q2017.

Gross profit decreased by approximately S\$2.3 million or 32.9% from S\$7.0 million in 3Q2016 to S\$4.7 million in 3Q2017.

Gross profit margin was 24.1% in 3Q2017 as compared to 26.1% of 3Q2016. This was mainly due to intense competition across all business segments.

(iii) Other Income

Other income increased by approximately S\$1.1 million from S\$397,000 in 3Q2016 to S\$1.5 million in 3Q2017. This was due to:

- (i) Gain on disposal of fixed assets of approximately S\$ 1.1 million; and
- (ii) Rental income of approximately S\$354,000 generated from sub-letting part of the new factory building at 55 Tuas Crescent ("Tuas").

The increase was partially offset by lesser government grants and other income received as compared to previous corresponding period.

(iv) Distribution Expenses

Distribution expenses decreased by approximately S\$156,000 or 8.5% from S\$1.8 million in 3Q2016 to S\$1.7 million in 3Q2017. This was mainly due to:

- (i) Reversal of overprovision of exhibition cost of approximately S\$77,000 no longer required; and

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- (ii) Decrease in travelling, marketing and entertainment expenses of approximately S\$79,000.

(v) Administrative Expenses

Administrative expenses increased by approximately S\$605,000 or 13.8%, from S\$4.4 million in 3Q2016 to S\$5.0 million in 3Q2017. This was mainly due to:

- (i) Increase in depreciation charge of approximately S\$895,000 mainly arising from full financial period depreciation charge for new factory completed in late FY2016; and
- (ii) Increase in property taxes of approximately S\$107,000 due to completion of new factory.

This was partially offset by:

- (iii) Decrease in share options expense of approximately S\$212,000 due to lower valuation of FY2016 share options granted in September 2016 as compared to share options granted in prior year;
- (iv) 3Q2016 included non-recurring expenses of S\$107,000 relating to renovation written-off for the old office due to relocation of office to Tuas; and
- (v) 3Q2016 included commission fee of S\$72,000 paid to agent for sourcing of tenants for the new factory. No such fee was incurred in current period.

(vi) Net Finance Income

Net finance income increased by approximately S\$1.1 million from S\$0.1 million in 3Q2016 to S\$1.2 million in 3Q2017. This was mainly due to net increase in foreign exchange gain of approximately S\$1.0 million derived from strengthening of United State Dollars ("USD") and Singapore Dollars ("SGD") against Japanese Yen ("JPY").

(vii) Tax Expenses

Tax expenses increased by approximately S\$6,000 from S\$177,000 in 3Q2016 to S\$183,000 in 3Q2017. This was mainly due to additional tax paid for prior year tax.

Nine months ended 31 January 2017 ("9M2017") vs nine months ended 31 January 2016 ("9M2016")

(i) Revenue

Revenues decreased by approximately S\$12.5 million or 16.3% from S\$76.5 million in 9M2016 to S\$64.0 million in 9M2017. This was due to decrease in revenue recorded in the Project business segment which was affected by weak market sentiment and lower contract value awarded as compared to previous corresponding period. However, this was partially offset by improved sales from the Distribution business segment.

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(ii) Cost of Sales and Gross Profit Margin

Cost of sales decreased by approximately S\$6.7 million or 11.8% from S\$56.9 million in 9M2016 to S\$50.2 million in 9M2017.

Gross profit decreased by approximately S\$5.7 million or 29.2% from S\$19.6 million in 9M2016 to S\$13.9 million in 9M2017.

Gross profit margin decreased from 25.6% in 9M2016 to 21.7% in 9M2017. This was due to intense competition across all business segments.

(iii) Other Income

Other income increased by approximately S\$2.7 million from S\$776,000 in 9M2016 to S\$3.5 million in 9M2017. This was due to:

- (i) Forfeiture of deposits from customers of approximately S\$1.2 million;
- (ii) Gain on disposal of fixed assets of approximately S\$1.2 million; and
- (iii) Rental income of approximately S\$708,000 generated from sub-letting part of the new factory building at 55 Tuas Crescent ("Tuas").

The increase was partially offset by lesser government grants and other income received as compared to previous corresponding period.

(iv) Distribution Expenses

Distribution expenses decreased by approximately S\$890,000 or 17.0%, from S\$5.2 million in 9M2016 to S\$4.3 million in 9M2017. This was mainly due to:

- (i) Decrease in payroll expense of approximately S\$544,000 due mainly to overprovision of bonus in prior year;
- (ii) Reversal of overprovision of exhibition costs of approximately S\$91,000 no longer required; and
- (iii) Lower travelling, marketing and entertainment expenses of approximately S\$266,000.

(v) Administrative Expenses

Administrative expenses increased by approximately S\$2.9 million or 25.1%, from S\$11.6 million in 9M2016 to S\$14.5 million in 9M2017. This was mainly due to:

- (i) Increase in depreciation charge of approximately S\$3.2 million mainly arising from full financial period depreciation charge for the new factory completed in late FY2016;
- (ii) 9M2016 included non-recurring reversal of S\$782,000 liability no longer required; and
- (iii) Increase in property taxes of approximately S\$341,000 arising from the completion of new factory building.

This was partially offset by:

- (iv) Decrease in share options expense of approximately S\$371,000 due to lower valuation of FY2016 share options granted in September 2016 as compared to share options granted in prior year;
- (v) Decrease in office rental expenses of approximately S\$228,000 as compared to previous corresponding period;

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- (vi) Decrease in amortization of intangible assets of approximately S\$166,000 as compared to previous corresponding period;
- (vii) 9M2016 included non-recurring expenses of S\$107,000 relating to renovation written-off for the old office due to relocation of office to Tuas; and
- (viii) Decrease in payroll expense arising from overprovision of bonus in prior year.

(vi) Net Finance Income

Net finance income increased by approximately S\$0.7 million in 9M2017 or 45.2% from S\$1.4 million in 9M2016 to S\$2.1 million in 9M2017. This was mainly due to net increase in foreign exchange gain of approximately S\$701,000 arising from strengthening of USD against JPY. The increase was partially offset by higher finance costs of approximately S\$123,000 due to increased drawings of short-term revolving loans.

(vii) Tax Expenses

Tax expenses decreased by approximately S\$177,000 or 68.1% from S\$260,000 in 9M2016 to S\$83,000 in 9M2017 which in line with lower profit generated.

STATEMENT OF FINANCIAL POSITION REVIEW

The Group's shareholders' funds as at 31 January 2017 stood at S\$68.3 million as compared to S\$69.5 million at the end of the immediate preceding financial year ended on 30 April 2016.

(i) Property, plant and equipment

The decrease in property, plant and equipment of approximately S\$2.1 million was due to:

- a. Depreciation charged during the financial period; and
- b. Disposal of leasehold property in Sungei Kadut.

This was partially offset by:

- c. Translation adjustment of JPY at the time of transfer for factory building in Tuas from a subsidiary (functional currency in JPY) to the Holding Company (functional currency in SGD) in August 2016; and
- d. Acquisition of fixed assets during the financial period.

(ii) Intangible assets

Intangible assets comprised:

- a. Goodwill of approximately S\$11.8 million; and
- b. Order backlog, customer base and intellectual property rights of approximately S\$2.7 million.

The decrease was due to amortization charged during the financial period.

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(iii) Inventories

Inventories increased by approximately S\$2.1 million, from S\$28.6 million as at 30 April 2016 to S\$30.7 million as at 31 January 2017. The increase was mainly to cater for customers' orders.

(iv) Trade and other receivables

Trade and other receivables decreased by approximately S\$16.8 million, from S\$33.5 million as at 30 April 2016 to S\$16.7 million as at 31 January 2017 was mainly due to improved collections during the financial period.

(v) Contract work-in-progress

Contract work-in-progress increased from S\$14.6 million as at 30 April 2016 to S\$17.1 million as at 31 January 2017 due to commencement of contracts.

(vi) Trade and other payables

Trade and other payables stood at approximately S\$34.0 million as at 31 January 2017, as compared to S\$46.6 million as at 30 April 2016. The decrease of approximately S\$12.6 million was mainly due to settlement of trade bills due.

(vii) Loans and borrowings

Loans and borrowings stood at approximately S\$70.5 million as at 31 January 2017, an increase of approximately S\$8.7 million, from S\$61.8 million as at 30 April 2016. The increase was mainly due to drawdown of short-term revolving credit for operation use which was partially offset by the repayment of loan instalment due.

STATEMENT OF CASH FLOW REVIEW

The Group registered a net cash used in operating activities of approximately S\$1.3 million for the nine months ended 31 January 2017. The decrease of approximately S\$9.1 million from net cash used of S\$10.3 million against corresponding period was mainly due to increased collection from trade receivables but was partially offset by purchase of inventories and payment of trade bills.

Net cash generated from investing activities amounted to S\$1.5 million, against the net cash used of S\$29.5 million of previous corresponding period. This was due to:

- (i) Previous corresponding period included payment for acquisition of a subsidiary corporation;
- (ii) Decrease in acquisition of property, plant and equipment in current period as compared to previous corresponding period; and
- (iii) Sales proceeds of approximately S\$2.0 million from disposal of leasehold property in Sungei Kadut.

Net cash generated from financing activities was approximately S\$5.8 million, lower than S\$22.9 million of corresponding period. This was mainly due to drawdown of loans in previous corresponding period to finance the construction of new factory building in Tuas.

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In view of the above, overall net increase in cash was approximately S\$6.0 million in 9M2017 as compared to net cash decrease of S\$17.0 million in 9M2016.

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.

With the offshore marine markets expecting a prolonged downturn, reduced capital expenditure and consolidation remain the ongoing theme. Although the Group continues to monitor rising coal prices, the recovery from an operational aspect remains slow due to oversupply issues and depressed charter rates. Consequently, intense competition persists across the industries that the Group operates in.

Though the Group has seen some success from the synergy built among its segments, it will continue to take a cautious approach and implement the relevant measures to improve cost efficiencies and minimize business risk in the 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 period?**

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.

Not applicable.

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- 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 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 nine months ended 31 January 2017 to be false or misleading in any material aspect.

- 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 Managing Director
7 March 2017