



XMH

XMH HOLDINGS LTD.

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

UNAUDITED SECOND QUARTER (“2QFY2018”) AND FIRST HALF YEAR (“1HFY2018”) FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 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 2QFY2018	Actual 2QFY2017	Change %	Actual 1HFY2018	Actual 1HFY2017	Change %
Revenue	22,056	25,083	(12.1)	40,944	44,509	(8.0)
Cost of sales	(16,484)	(19,784)	(16.7)	(30,366)	(35,345)	(14.1)
Gross profit	5,572	5,299	5.2	10,578	9,164	15.4
Other income	551	1,553	(64.5)	1,042	1,983	(47.5)
Distribution expenses	(1,437)	(1,648)	(12.8)	(2,637)	(2,650)	(0.5)
Administrative expenses	(4,962)	(5,289)	(6.2)	(9,001)	(9,552)	(5.8)
Results from operating activities	(276)	(85)	NM	(18)	(1,055)	(98.3)
Finance income	854	248	NM	984	1,510	(34.8)
Finance costs	(343)	(341)	0.6	(631)	(576)	9.5
Net finance income/(cost)	511	(93)	NM	353	934	(62.2)
Profit/(loss) before share of results of an associated company	235	(178)	NM	335	(121)	NM
Share of results of an associated company	-	(23)	NM	(2)	(24)	(91.7)
Profit/(loss) before tax	235	(201)	NM	333	(145)	NM
Tax (expense)/credit	(77)	113	NM	(120)	100	NM
Profit/(loss) profit after tax	158	(88)	NM	213	(45)	NM
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>	(455)	274	NM	(1,129)	1,577	NM
<i>Net changes in the fair value of available-for-sale financial assets</i>	12	(55)	NM	17	(97)	NM
<i>Deferred tax arising from available-for-sale financial assets</i>	(2)	9	NM	(3)	16	NM
<i>Other comprehensive (expense)/income for the period, net of tax</i>	(445)	228	NM	(1,115)	1,496	NM
Total comprehensive (expense) /income for the period	(287)	140	NM	(902)	1,451	NM

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2017**

(In S\$'000) Description	Group					
	Actual 2QFY2018	Actual 2QFY2017	Change %	Actual 1HFY2018	Actual 1HFY2017	Change %
Profit/(loss) attributable to:						
Owners of the Company	227	101	NM	333	292	14.0
Non-controlling interests	(69)	(189)	(63.5)	(120)	(337)	(64.4)
	158	(88)	NM	213	(45)	NM
Total comprehensive (expenses)/income attributable to:						
Owners of the Company	(218)	329	NM	(782)	1,788	NM
Non-controlling interests	(69)	(189)	(63.5)	(120)	(337)	(64.4)
	(287)	140	NM	(902)	1,451	NM

Note:

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

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2017**

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

(In S\$'000) Description	Group					
	Actual 2QFY2018	Actual 2QFY2017	Change %	Actual 1HFY2018	Actual 1HFY2017	Change %
(Loss)/gain on disposal of property, plant and equipment	(3)	134	NM	(3)	134	NM
Share-based payment expense	(35)	(70)	(50.0)	(67)	(145)	(53.8)
Other miscellaneous income	59	83	(28.9)	147	313	(53.0)
Rental income	484	176	NM	888	354	NM
Dividend income	7	23	(69.6)	7	23	(69.6)
Allowance for impairment loss on quoted equity securities	-	(14)	NM	-	(30)	NM
Allowance for impairment loss on trade receivables	(19)	(16)	18.8	(45)	(45)	-
Interest income	74	33	NM	132	35	NM
Interest expense	(343)	(341)	0.6	(631)	(576)	9.5
Net foreign exchange gain	773	191	NM	845	1,451	(41.8)
Depreciation of property, plant and equipment	(1,331)	(1,440)	(7.6)	(2,668)	(2,919)	(8.6)
Amortisation of intangible assets	(211)	(301)	(29.9)	(424)	(602)	(29.6)
Write-back of allowance for trade receivables	1	-	NM	10	-	NM
Bad debts written-off	(6)	(4)	50.0	(6)	(4)	50.0
Forfeiture deposits from customers	-	1,156	NM	-	1,178	NM
Adjustment for overprovision of tax in respect of prior year	-	150	NM	-	154	NM

Note:

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

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2017**

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

(In S\$'000) Description	Group		Company	
	31 Oct 2017	30 Apr 2017	31 Oct 2017	30 Apr 2017
ASSETS				
<u>Non-current assets</u>				
Property, plant and equipment	66,357	68,707	60,021	61,826
Intangible assets	11,409	11,833	-	-
Other financial assets	732	717	-	-
Investment in subsidiary corporations	-	-	29,140	29,140
Trade receivables	1,360	2,037	-	-
Club memberships	204	213	-	-
Deferred tax assets	305	20	-	-
Total non-current assets	80,367	83,527	89,161	90,966
<u>Current assets</u>				
Inventories	27,565	30,550	-	-
Trade and other receivables	17,844	23,068	1,616	12,583
Prepayment	509	312	67	34
Contract work-in-progress	10,993	10,980	-	-
Cash and short-term fixed deposits	26,292	25,618	860	799
Tax recoverable	12	12	-	-
Total current assets	83,215	90,540	2,543	13,416
TOTAL ASSETS	163,582	174,067	91,704	104,382
LIABILITIES AND EQUITY				
<u>Current liabilities</u>				
Trade and other payables	23,146	30,750	9,986	22,707
Loans and borrowings	31,807	34,821	2,366	2,463
Current tax payables	325	60	26	26
Total current liabilities	55,278	65,631	12,378	25,196
<u>Non-current liabilities</u>				
Other payables	193	260	504	572
Loans and borrowings	40,618	39,228	39,747	38,490
Deferred tax liabilities	684	748	172	172
Total non-current liabilities	41,495	40,236	40,423	39,234
TOTAL LIABILITIES	96,773	105,867	52,801	64,430
NET ASSETS	66,809	68,200	38,903	39,952
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	(7,290)	(6,242)	2,104	2,037
Accumulated profits/(losses)	35,410	35,633	(190)	926
	65,109	66,380	38,903	39,952
Non-controlling interests	1,700	1,820	-	-
Total equity	66,809	68,200	38,903	39,952
TOTAL EQUITY AND LIABILITIES	163,582	174,067	91,704	104,382

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2017**

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 Oct 2017	30 Apr 2017
Amount repayable in one year or less, or on demand		
- Secured ⁽¹⁾	31,807	34,821
Amount repayable after one year		
- Secured	40,618	39,228
Total	72,425	74,049

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 Oct 2017	30 Apr 2017
Bills payables	8,426	11,771
Short term revolving credit	20,792	19,457
Finance leases	103	103
Term loans	2,401	2,496
Bank overdrafts	85	994
Total	31,807	34,821

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2017**

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		6 months ended	
	2QFY2018	2QFY2017	1HFY2018	1HFY2017
<u>Cash flows from operating activities</u>				
Profit/(loss) before tax	235	(201)	333	(145)
Adjustments for:				
Amortisation of intangible assets	211	301	424	602
Depreciation of property, plant and equipment	1,331	1,440	2,668	2,919
Loss/(gain) on disposal of property, plant and equipment	3	(134)	3	(134)
Share-based payment expense	35	70	67	145
Interest income	(74)	(33)	(132)	(35)
Interest expense	343	341	631	576
Dividend income from quoted equity securities	(7)	(23)	(7)	(23)
Bad debt written-off	6	4	6	4
Write-back of allowance for trade receivables	(1)	-	(10)	-
Allowance for impairment loss on:				
- trade receivables	19	16	45	45
- quoted equity securities	-	14	-	30
Share of results of an associated company	-	23	2	24
Net effect of exchange rate changes in consolidating subsidiaries	(175)	1,054	(1,597)	(345)
	1,926	2,872	2,433	3,663
Changes in inventories	(2,256)	(4,786)	2,985	(4,425)
Changes in trade and other receivables	(2,411)	5,859	5,850	9,414
Changes in prepayment	(153)	43	(197)	(5)
Changes in contract in work-in-progress	2,875	(2,969)	(13)	(1,274)
Changes in trade and other payables	722	7,507	(7,671)	(4,298)
Cash generated from operations	703	8,526	3,387	3,075
Income tax paid	(170)	(831)	(204)	(974)
Net cash generated from operating activities	533	7,695	3,183	2,101
<u>Cash flows from investing activities</u>				
Interest received	74	33	132	35
Dividend received	7	23	7	23
Proceeds from sale of property, plant and equipment	-	134	-	134
Acquisition of property, plant and equipment	(145)	(427)	(393)	(612)
Acquisition of intangible assets	-	-	(10)	-
Net cash used in investing activities	(64)	(237)	(264)	(420)

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2017**

(In S\$'000) Description	3 months ended		6 months ended	
	2QFY2018	2QFY2017	1HFY2018	1HFY2017
<u>Cash flows from financing activities</u>				
Proceeds from borrowings	2,533	-	2,533	-
Repayment of borrowings	(589)	(578)	(1,384)	(1,203)
Proceeds from short-term revolving credits	4,136	8,705	8,194	14,370
Repayment of short-term revolving credits	(2,269)	(1,223)	(6,211)	(3,004)
Dividend paid	(556)	(2,226)	(556)	(2,226)
Proceeds from trust receipts	9,204	9,087	21,584	23,432
Repayment of trust receipts	(12,513)	(15,708)	(24,867)	(24,347)
Proceeds from finance lease liabilities	-	200	-	200
Repayment of finance lease liabilities	(25)	(21)	(50)	(45)
Interest paid	(343)	(341)	(631)	(576)
Net cash (used in)/generated from financing activities	(422)	(2,105)	(1,388)	6,601
Net increase in cash and cash equivalents	47	5,353	1,531	8,282
Cash and cash equivalents at beginning of the period	26,614	16,088	24,587	12,768
Effects of exchange rate fluctuations on cash held	(492)	(1,188)	51	(797)
Cash and cash equivalents at end of financial period	26,169	20,253	26,169	20,253
Represented by:				
Cash at bank and on hand	18,405	10,260	18,405	10,260
Short-term fixed deposits	7,887	10,061	7,887	10,061
	26,292	20,321	26,292	20,321
Less: Fixed deposits under pledged	(38)	(38)	(38)	(38)
Bank overdrafts	(85)	(30)	(85)	(30)
Cash and cash equivalents in the consolidated statement of cash flows	26,169	20,253	26,169	20,253

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2017**

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 2017	39,780	(2,791)	2,037	926	39,952
Loss for the period	-	-	-	(247)	(247)
Share-based payment transactions	-	-	32	-	32
As at 31 July 2017	39,780	(2,791)	2,069	679	39,737
Loss for the period	-	-	-	(313)	(313)
Share-based payment transactions	-	-	35	-	35
Dividend paid on ordinary shares	-	-	-	(556)	(556)
As at 31 October 2017	39,780	(2,791)	2,104	(190)	38,903

COMPANY Description (in S\$'000)	Share Capital	Treasury Shares	Share Option Reserve	Accumulated Profits	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

UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2017

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 2017	39,780	(2,791)	2,037	-	(8,279)	35,633	66,380	1,820	68,200
Profit/(loss) for the period	-	-	-	-	-	106	106	(51)	55
Other comprehensive income/(expenses)									
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	-	(674)	-	(674)	-	(674)
Net changes in the fair value of available-for-sale financial assets	-	-	-	5	-	-	5	-	5
Deferred tax arising from available-for-sale financial assets	-	-	-	(1)	-	-	(1)	-	(1)
Total other comprehensive income/(expenses)	-	-	-	4	(674)	-	(670)	-	(670)
Total comprehensive income/(expenses) for the period	-	-	-	4	(674)	106	(564)	(51)	(615)
Transaction with owners, recognised directly in equity									
Contributions by and distributions to owners									
Share-based payment transactions	-	-	32	-	-	-	32	-	32
As at 31 July 2017	39,780	(2,791)	2,069	4	(8,953)	35,739	65,848	1,769	67,617
Profit/(loss) for the period	-	-	-	-	-	227	227	(69)	158
Other comprehensive income/(expenses)									
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	-	(455)	-	(455)	-	(455)
Net changes in the fair value of available-for-sale financial assets	-	-	-	12	-	-	12	-	12
Deferred tax arising from available-for-sale financial assets	-	-	-	(2)	-	-	(2)	-	(2)
Total other comprehensive income/(expenses)	-	-	-	10	(455)	-	(445)	-	(445)
Total comprehensive income/(expenses) for the period	-	-	-	10	(455)	227	(218)	(69)	(287)
Transaction with owners, recognised directly in equity									
Contributions by and distributions to owners									
Dividends paid on ordinary shares	-	-	-	-	-	(556)	(556)	-	(556)
Share-based payment transactions	-	-	35	-	-	-	35	-	35
Total transaction with owners	-	-	35	-	-	(556)	(521)	-	(521)
As at 31 October 2017	39,780	(2,791)	2,104	14	(9,408)	35,410	65,109	1,700	66,809

UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2017

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 for 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

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2017**

- 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 October 2017, the Company's issued and fully paid up capital (excluding treasury shares) comprises of 111,281,821 (31 October 2016: 111,281,821) ordinary shares. The changes in the company's share capital in 6MFY2018 and 6MFY2017 are set out below.

Description	6MFY2018	
	Number of Shares	Share Capital (\$'000)
Balance at beginning and at end of period	111,281,821	39,780

Description	6MFY2017	
	Number of Shares	Share Capital (\$'000)
Balance at beginning and at end of period	111,281,821	39,780

Purchase of treasury shares

There was no share buy-back transaction in 2QFY2018. As at 31 October 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 October 2016: 2.90%) of the total number of issued shares (excluding treasury shares) of the Company as at 31 October 2017.

XMH Share Option Scheme

As at 31 October 2017, the outstanding balance of unexercised options under the XMH Share Option Scheme totaled 5,456,500 shares (31 October 2016: 4,630,000) or 4.80% (31 October 2016: 4.04%) of total issued shares in the capital of the Company.

- 1(g) State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a call that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Not applicable. There were no outstanding convertibles, shares held as treasury shares or subsidiary holdings during the financial period.

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2017**

- 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 October 2017	31 October 2016
Total number of shares issued	114,512,571	114,512,571
Less: Treasury shares	(3,230,750)	(3,230,750)
Total	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 October 2017	31 October 2016
Balance at beginning and at end of period	3,230,750	3,230,750

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

During the financial period, there was no transaction pertaining to subsidiary holdings.

- 2. Whether the figures have been audited, or reviewed and in accordance with which 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 2017 and 31 October 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 2017.

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

Not applicable.

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2017**

- 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		6 months ended	
	2QFY2018	2QFY2017	1HFY2018	1HFY2017
EPS (based on consolidated net profit attributable to owners):-				
a) Based on the weighted average no. of ordinary shares in issue (cents)	0.20	0.09	0.30	0.26
b) On a fully diluted basis (cents)	0.20	0.09	0.30	0.26
Weighted average no. of shares in issue during the period used in the computing of EPS	111,281,821 ⁽¹⁾	111,281,821 ⁽²⁾	111,281,821 ⁽¹⁾	111,281,821 ⁽²⁾
Weighted average no. of shares on fully diluted basis during the period used in the computing of EPS	111,465,621 ⁽¹⁾	111,412,417 ⁽²⁾	111,367,442 ⁽¹⁾	111,367,194 ⁽²⁾

Notes:

- (1) The figures are computed taking into account the potential ordinary shares to be issued for the share options granted in September 2013, 2014, 2015, 2016 and 2017.
(2) The figures are computed taking into account the potential ordinary shares to be issued for the share options granted in September 2012, 2013, 2014, 2015 and 2016.

- 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 October 2017	30 April 2017	31 October 2017	30 April 2017
Net asset value per ordinary share based on existing share capital (cents)	58.51	59.65	34.96	35.90
Number of shares at end of the period/year	111,281,821	111,281,821	111,281,821	111,281,821

- 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

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2017**

- 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 October 2017 (“2QFY2018”) vs quarter ended 31 October 2016 (“2QFY2017”)

(i) Revenue

Revenues decreased by approximately S\$3.0 million or 12.1% from S\$25.1 million in 2QFY2017 to S\$22.1 million in 2QFY2018. This was due to a decrease in revenue recorded in the Project business segment owing to competition and deferment of projects by customers. However, this was partially offset by improved sales from Distribution business segment.

(ii) Cost of Sales and Gross Profit Margin

Cost of sales decreased by approximately S\$3.3 million or 16.7% from S\$19.8 million in 2QFY2017 to S\$16.5 million in 2QFY2018.

Gross profit increased by approximately S\$0.3 million or 5.2% from S\$5.3 million in 2QFY2017 to S\$5.6 million in 2QFY2018.

Gross profit margin was 25.3% in 2QFY2018 as compared to 21.1% in 2QFY2017. All the business segments recorded increased margins in 2QFY2018 due to better margins achieved from sales and some projects completed.

(iii) Other Income

Other income decreased by approximately S\$1.0 million from S\$1.6 million in 2QFY2017 to S\$0.6 million in 2QFY2018. This was because 2QFY2017 included:

- (i) Forfeiture of deposits from customers of approximately S\$1.2 million; and
- (ii) Gain on disposal of fixed assets of approximately S\$0.1 million.

The decrease was partially offset by the increase in rental income of approximately S\$0.3 million from sub-letting part of the premises of the factory building in 2QFY2018.

(iv) Distribution Expenses

Distribution expenses decreased by approximately S\$0.2 million or 12.8%, from S\$1.6 million in 2QFY2017 to S\$1.4 million in 2QFY2018. This was mainly due to the decrease in payroll expenses and benefits of approximately S\$0.3 million arising from the lower bonus provision and lower headcount in 2QFY2018.

The decrease was partially offset by increase in travelling, marketing and entertainment expenses of approximately S\$0.1 million.

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2017**

(v) Administrative Expenses

Administrative expenses decreased by approximately S\$0.3 million or 6.2%, from S\$5.3 million in 2QFY2017 to S\$5.0 million in 2QFY2018. This was mainly due to:

- (i) Decrease in amortisation of intangible assets of approximately S\$0.1 million;
- (ii) Decrease in depreciation charge of approximately S\$0.1 million; and
- (iii) Decrease in property taxes of approximately S\$0.1 million owing to refund of property tax that arose from overpayment made in advance during construction period in year 2015.

(vi) Net Finance Income/(Cost)

The Group registered net finance income of approximately S\$511,000 in 2QFY2018 as compared to net finance cost of approximately S\$93,000 in 2QFY2017. This was mainly due to net increase in foreign exchange gain of approximately S\$582,000 arising from strengthening of United State Dollars and Singapore dollars ("SGD") against Japanese Yen ("JPY") in 2QFY2018 as compared to 2QFY2017.

(vii) Tax Expense/Credit

The Group recorded tax expense of approximately S\$77,000 in 2QFY2018 as compared to tax credit of S\$113,000 in 2QFY2017. This was due mainly to the provision for tax in current period.

First half year ended 31 October 2017 ("1HFY2018") vs first half year ended 31 October 2016 ("1HFY2017")

(i) Revenue

Revenues decreased by approximately S\$3.6 million or 8.0% from S\$44.5 million in 1HFY2017 to S\$40.9 million in 1HFY2018. This was due to lower revenue recorded by both Distribution and Project business segments owing to competition, judicious spending by customers and deferment of projects.

(ii) Cost of Sales and Gross Profit Margin

Cost of sales decreased by approximately S\$5.0 million or 14.1% from S\$35.3 million in 1HFY2017 to S\$30.3 million in 1HFY2018.

Gross profit increased by approximately S\$1.4 million or 15.4% from S\$9.2 million in 1HFY2017 to S\$10.6 million in 1HFY2018.

Gross profit margin was 25.8% in 1HFY2018 as compared to 20.6% of 1HFY2017. All the three business segments recorded increased margins in 1HFY2018 resulting from better margins achieved from sales and completion of some projects.

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2017**

(iii) Other Income

Other income decreased by approximately S\$1.0 million from S\$2.0 million in 1HFY2017 to S\$1.0 million in 1HFY2018. This was because 1HFY2017 included:

- (i) Forfeiture of deposits from customers of approximately S\$1.2 million;
- (ii) Gain on disposal of fixed assets of approximately S\$0.1 million; and
- (iii) Higher government grants and rebates of approximately S\$0.2 million.

The decrease was partially offset by increase in rental income of approximately S\$0.5 million from sub-letting part of the premises of the factory building.

(iv) Administrative Expenses

Administrative expenses decreased by approximately S\$0.6 million or 5.8%, from S\$9.6 million in 1HFY2017 to S\$9.0 million in 1HFY2018. This was mainly due to:

- (i) Decrease in amortisation of intangible assets of approximately S\$0.3 million;
- (ii) Decrease in depreciation charge of approximately S\$0.2 million; and
- (iii) Lower share-based payment expense of approximately S\$0.1 million.

(v) Net Finance Income/(cost)

Net finance income decreased by approximately S\$0.5 million or 62.2% from S\$0.9 million in 1HFY2017 to S\$0.4 million in 1HFY2018. This was mainly due to net decrease in foreign exchange gain by approximately S\$0.6 million. This was because in 1HFY2017, there was realized foreign exchange gain derived from the transfer of SGD loans for the existing factory building from a subsidiary (functional currency in JPY) to the holding company (functional currency in SGD) in 1HFY2017.

(vi) Tax Expense

The Group recorded tax expense of approximately S\$120,000 in 1HFY2018 as compared to tax credit of S\$100,000 in 1HFY2017. This was due mainly to the provision for tax in current period.

STATEMENT OF FINANCIAL POSITION REVIEW

The Group's shareholders' funds as at 31 October 2017 stood at S\$65.1 million as compared to S\$66.4 million at the end of the immediate preceding financial year ended on 30 April 2017.

(i) Property, plant and equipment

The decrease in property, plant and equipment of approximately S\$2.3 million was mainly because of depreciation charge of approximately S\$2.7 million in current period and partially offset by acquisition of assets of approximately S\$0.4 million.

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2017**

(ii) Intangible assets

Intangible assets comprised of:

- a. Goodwill of approximately S\$9.4 million; and
- b. Customer base and intellectual property rights of approximately S\$2.0 million.

The decrease was through amortisation charged during the financial period.

(iii) Inventories

Inventories decreased by approximately S\$3.0 million, from S\$30.6 million as at 30 April 2017 to S\$27.6 million as at 31 October 2017. The decrease was due to delivery to customers in 1HFY2018.

(iv) Trade and other receivables

Trade and other receivables decreased by approximately S\$5.3 million, from S\$23.1 million as at 30 April 2017 to S\$17.8 million as at 31 October 2017 was mainly due to collections during the financial period.

(v) Trade receivables (Non-current assets)

This relates to trade receivable from a customer with an agreed long term repayment tenure. The decrease was due to installment payment received.

(vi) Trade and other payables

Trade and other payables stood at approximately S\$23.1 million as at 31 October 2017, as compared to S\$30.8 million as at 30 April 2017. The decrease of approximately S\$7.7 million was mainly due to:

- a. Settlement of amount due to trade suppliers; and
- b. Lesser advance payments received.

(vii) Loans and borrowings

Loans and borrowings stood at approximately S\$72.4 million as at 31 October 2017, a decrease of approximately S\$1.6 million, from S\$74.0 million as at 30 April 2017. The decrease was mainly due to repayment of bank loans, bills payables and bank overdrafts for operation use.

STATEMENT OF CASH FLOW REVIEW

The Group generated net cash of approximately S\$3.2 million from operating activities in 1HFY2018 as compared to net cash generated of approximately S\$2.1 million in corresponding period. The increase was mainly due to lower inventories as a result of sales. The increase was partially offset by:

- (i) Decreased receipts from customers; and
- (ii) Increased payments to trade suppliers.

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2017**

Net cash used in investing activities amounted to approximately S\$0.3 million. This was mainly due to acquisition of equipment and intangible assets by subsidiary corporations.

The net cash used in financing activities for current period was approximately S\$1.4 million as compared to a net cash generated of approximately S\$6.6 million in corresponding period. This was the result of a net increase in payment of trust receipts and higher repayment of short-term revolving credits.

In view of the above, overall net increase in cash was approximately S\$1.5 million in 1HFY2018 as compared to S\$8.3 million in 1HFY2017.

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.

In spite of the increases in oil and coal prices in 2017, the Group continues to face intense price competition as the positive effects have yet to be passed downstream and tug boat charter rates remain lacklustre. Although the outlook for certain segments within the industries that the Group operates in may have improved, the Group expects that tough conditions will continue for the foreseeable future as companies remain in cost-savings mode.

As a total power generating solutions provider, the Group will continue to promote its ability to cater holistic solutions to customers, and actively pursue any viable opportunities in related sectors to secure contracts. The Group will maintain a prudent stance and continue to monitor its cost efficiencies and any developments in the market with the focus on preserving its margins in this 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.

**UNAUDITED SECOND QUARTER AND FIRST HALF YEAR FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 OCTOBER 2017**

d) Books Closure Date:

Not applicable.

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

Not applicable.

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 six months ended 31 October 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
11 December 2017