



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

**Condensed Interim Consolidated Financial
Statements
For the Second Half Year and Financial Year
Ended 30 April 2022**

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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

(In S\$'000) Description	Note	Group					
		Actual 2HFY2022	Actual 2HFY2021	Change %	Actual FY2022	Actual FY2021	Change %
Revenue	4	38,633	35,500	8.8	71,886	64,197	12.0
Cost of sales		(27,675)	(26,187)	5.7	(52,268)	(48,393)	8.0
Gross profit		10,958	9,313	17.7	19,618	15,804	24.1
Other income		1,006	1,524	(34.0)	2,049	3,780	(45.8)
Distribution expenses		(1,991)	(1,983)	0.4	(3,805)	(3,503)	8.6
Administrative expenses		(7,013)	(7,445)	(5.8)	(13,416)	(13,404)	0.1
Net impairment losses on financial assets		(479)	(546)	(12.3)	(504)	(778)	(35.2)
Results from operating activities		2,481	863	NM	3,942	1,899	NM
Finance income		823	366	NM	1,342	463	NM
Finance costs		(435)	(471)	(7.6)	(780)	(926)	(15.8)
Net finance income/(costs)		388	(105)	NM	562	(463)	NM
Profit before tax	6	2,869	758	NM	4,504	1,436	NM
Income tax expense	7	(863)	(1,091)	(20.9)	(1,429)	(1,165)	22.7
Profit/(loss) after tax		2,006	(333)	NM	3,075	271	NM
Items that are or may be reclassified subsequently to profit or loss							
<i>Exchange differences arising from translation of the financial statements of the subsidiary corporations</i>		(2,143)	(1,724)	24.3	(2,678)	(1,996)	34.2
<i>Other comprehensive loss for the period/year, net of tax</i>		(2,143)	(1,724)	24.3	(2,678)	(1,996)	34.2
Total comprehensive (loss)/income for the period/year		(137)	(2,057)	(93.3)	397	(1,725)	NM

Note:

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

(In S\$'000) Description	Note	Group					
		Actual 2HFY2022	Actual 2HFY2021	Change %	Actual FY2022	Actual FY2021	Change %
Profit/(loss) attributable to:							
Owners of the Company		1,933	225	NM	2,990	944	NM
Non-controlling interests		73	(558)	NM	85	(673)	NM
		2,006	(333)	NM	3,075	271	NM
Total comprehensive income/(loss) attributable to:							
Owners of the Company		(191)	(1,520)	(87.4)	231	(1,077)	NM
Non-controlling interests		54	(537)	NM	166	(648)	NM
		(137)	(2,057)	(93.3)	397	(1,725)	NM
Earnings per share attributable to the owners of the Company during the financial period/year:							
Basic (SGD in cent)		1.77	0.21		2.74	0.86	
Diluted (SGD in cent)		1.77	0.21		2.74	0.86	

Note:

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

B. Condensed interim statements of financial position.

(In S\$'000) Description	Note	Group		Company	
		30 Apr 2022	30 Apr 2021	30 Apr 2022	30 Apr 2021
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	10	43,569	46,616	39,906	42,684
Right-of-use assets	14	5,715	6,031	5,645	5,915
Investment in subsidiary corporations		-	-	11,297	11,297
Intangible assets	11	8,506	8,506	-	-
Other financial assets	12	375	350	-	-
Club memberships		180	207	-	-
Deferred tax assets		299	491	-	-
Total non-current assets		58,644	62,201	56,848	59,896
<u>Current assets</u>					
Inventories		28,902	22,179	-	-
Trade and other receivables		9,147	19,903	18,860	1,972
Prepayment		582	183	14	13
Contract assets		18,675	13,193	-	-
Cash and short-term deposits	13	16,008	7,661	1,458	589
Tax recoverable		25	10	-	-
Total current assets		73,339	63,129	20,332	2,574
TOTAL ASSETS		131,983	125,330	77,180	62,470
EQUITY AND LIABILITIES					
<u>Current liabilities</u>					
Trade and other payables		23,405	13,165	1,584	8,292
Deferred grant income		-	115	-	5
Contract liabilities		1,420	457	-	-
Loans and borrowings	15	15,359	16,389	2,048	2,228
Current tax payables		2,258	1,533	1,525	1,459
Total current liabilities		42,442	31,659	5,157	11,984
Net current assets/(liabilities)		30,897	31,470	15,175	(9,410)
<u>Non-current liabilities</u>					
Other payables		40	14	40	204
Loans and borrowings	15	42,147	46,816	32,322	34,158
Deferred tax liabilities		133	143	-	-
Total non-current liabilities		42,320	46,973	32,362	34,362
TOTAL LIABILITIES		84,762	78,632	37,519	46,346

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

(In S\$'000) Description	Note	Group		Company	
		30 Apr 2022	30 Apr 2021	30 Apr 2022	30 Apr 2021
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the Company					
Share capital	16	39,780	39,780	39,780	39,780
Reserve for own shares		(3,303)	(3,292)	(3,303)	(3,292)
Other reserves		(9,639)	(6,880)	2,292	2,292
Accumulated profits/(losses)		20,496	17,506	892	(22,656)
		47,334	47,114	39,661	16,124
Non-controlling interests		(113)	(416)	-	-
Total equity		47,221	46,698	39,661	16,124
TOTAL EQUITY AND LIABILITIES		131,983	125,330	77,180	62,470

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

C. Condensed interim statements of changes in equity

Attributable to owners of the Company

GROUP Description (in S\$'000)	Share Capital	Reserve for Own Shares	Share Option Reserve	Foreign Currency Translation Reserve	Accumulated Profits	Total	Non- controlling Interests	Total Equity
FY2022								
At 1 May 2021	39,780	(3,292)	2,292	(9,172)	17,506	47,114	(416)	46,698
Profit for the financial year	-	-	-	-	2,990	2,990	85	3,075
Other comprehensive loss								
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	(2,759)	-	(2,759)	81	(2,678)
Other comprehensive loss for the financial year, net of tax	-	-	-	(2,759)	-	(2,759)	81	(2,678)
Total comprehensive income/(loss) for the financial year	-	-	-	(2,759)	2,990	231	166	397
Changes in ownership interest in subsidiary corporation								
Subscription of shares of a subsidiary corporation	-	-	-	-	-	-	137	137
Contributions by and distributions to owners								
Purchase of treasury shares	-	(11)	-	-	-	(11)	-	(11)
At 30 April 2022	39,780	(3,303)	2,292	(11,931)	20,496	47,334	(113)	47,221

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

Attributable to owners of the Company

GROUP Description (in S\$'000)	Share Capital	Reserve for Own Shares	Share Option Reserve	Foreign Currency Translation Reserve	Accumulated Profits	Total	Non- controlling Interests	Total Equity
FY2021								
At 1 May 2020	39,780	(3,292)	2,292	(7,151)	16,562	48,191	165	48,356
Profit/(loss) for the financial year	-	-	-	-	944	944	(673)	271
Other comprehensive loss								
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	(2,021)	-	(2,021)	25	(1,996)
Other comprehensive loss for the financial year, net of tax	-	-	-	(2,021)	-	(2,021)	25	(1,996)
Total comprehensive income/(loss) for the financial year	-	-	-	(2,021)	944	(1,077)	(648)	(1,725)
Changes in ownership interest in subsidiary corporations								
Subscription of shares of a subsidiary corporation	-	-	-	-	-	-	67	67
At 30 April 2021	39,780	(3,292)	2,292	(9,172)	17,506	47,114	(416)	46,698

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

COMPANY Description (in S\$'000)	Share Capital	Reserve for own Shares	Share Option Reserve	Accumulated Losses	Total
FY2022					
At 1 May 2021	39,780	(3,292)	2,292	(22,656)	16,124
Total comprehensive income for the financial year	-	-	-	23,548	23,548
Purchase of treasury shares	-	(11)	-	-	(11)
At 30 April 2022	39,780	(3,303)	2,292	892	39,661

COMPANY Description (in S\$'000)	Share Capital	Reserve for own Shares	Share Option Reserve	Accumulated Losses	Total
FY2021					
At 1 May 2020	39,780	(3,292)	2,292	(20,884)	17,896
Total comprehensive loss for the financial year	-	-	-	(1,772)	(1,772)
At 30 April 2021	39,780	(3,292)	2,292	(22,656)	16,124

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

D. Condensed interim consolidated statement of cash flows

(In S\$'000) Description	Note	12 months ended	
		FY2022	FY2021
Cash flows from operating activities			
Profit before tax		4,504	1,436
Adjustments for:			
Amortisation of intangible assets	6	-	41
Depreciation of right-of-use assets	6	329	539
Depreciation of property, plant and equipment	6	3,078	3,466
(Gain)/loss on disposal of property, plant and equipment	6	(17)	2
Property, plant and equipment written-off	6	-	92
Intangible assets written-off	6	-	23
Interest income	6	(23)	(32)
Interest expense	6	780	926
Allowance/(write-back of allowance) for trade and other receivables	6	513	(119)
(Write-back of impairment loss)/impairment loss on receivables and contract assets	6	(20)	897
Impairment loss on intangible assets	6	-	41
Reversal of impairment loss on club membership	6	-	(36)
Bad debts written-off	6	11	7
Recovery of bad debt	6	-	(7)
Fair value gain on quoted equity securities	6	(26)	(140)
Gain on termination of right-of-use assets and lease liabilities	6	-	(60)
Inventories written-down	6	309	168
Impairment loss on stocks obsolescence	6	7	689
Net unrealised foreign exchange gain		(1,400)	(1,787)
		8,045	6,146
(Increase)/decrease in inventories		(7,039)	6,615
Decrease/(increase) in trade and other receivables		10,380	(9,704)
(Increase)/decrease in prepayment		(399)	233
Increase in contract assets		(5,610)	(4,748)
Increase/(decrease) in trade and other payables		10,266	(2,777)
Decrease in deferred grant income		(115)	(291)
Increase in contract liabilities		963	235
Cash generated from/(used in) operations		16,491	(4,291)
Income tax paid, net		(535)	(35)
Net cash generated from/(used in) operating activities		15,956	(4,326)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

(In S\$'000) Description	Note	12 months ended	
		FY2022	FY2021
<u>Cash flows from investing activities</u>			
Interest received	6	23	32
Proceeds from sale of property, plant and equipment		17	6
Acquisition of property, plant and equipment		(91)	(292)
Prepayment of leases		(9)	-
Net proceeds from other financial assets		-	197
Net cash used in investing activities		(60)	(57)
<u>Cash flows from financing activities</u>			
Proceed from borrowings		-	5,000
Repayment of borrowings		(4,929)	(1,472)
Proceeds from revolving credit facility		10,000	10,453
Repayment of revolving credit facility		(6,969)	(16,917)
Proceeds from trust receipts		17,589	17,978
Repayment of trust receipts		(20,977)	(15,688)
Repayment of principal portion of lease liabilities		(31)	(223)
Interest paid		(780)	(899)
Purchase of treasury shares		(11)	-
Capital injection from non-controlling interests		137	67
Net cash used in financing activities		(5,971)	(1,701)
Net increase/(decrease) in cash and cash equivalents		9,925	(6,084)
Cash and cash equivalents at the beginning of the year		7,641	14,143
Effect of exchange rate fluctuations on cash and cash equivalents		(1,578)	(418)
Cash and cash equivalents at the end of the year		15,988	7,641
Represented by:			
Cash at bank and on hand		15,988	7,641
Short-term deposits		20	20
	13	16,008	7,661
Less: Pledged fixed deposits		(20)	(20)
Cash and cash equivalents in the condensed interim consolidated statement of cash flows		15,988	7,641

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

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

These condensed interim consolidated financial statements for the six months and financial year ended 30 April 2022 comprise the Company and its subsidiaries (collectively, the Group).

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

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

2. Basis of preparation

The condensed interim financial statements for the full financial year ended 30 April 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore and IAS 34 Interim Financial Reporting, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 30 April 2021 (“last annual financial statements”). The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 31 October 2021.

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

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

2.1. New and amended standards adopted by the Group

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

2. Basis of preparation (cont'd)

2.2. Use of judgements and estimates

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

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

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

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

Determination of functional currency

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

Revenue recognition for project revenue

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

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

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

2. Basis of preparation (cont'd)

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

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

3. Seasonal operations

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

4. Segment and revenue information

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

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

The Group is organised into three reportable segments, namely:

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

Other operations relate to general corporate activities.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

4. Segment and revenue information (cont'd)

4.1 Reportable segments

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

2HFY2022 (in S\$'000)	Distribution	After-sales	Projects	Segments Total	Others	Elimination	Total	Note
External revenue	12,556	5,402	20,675	38,633	-	-	38,633	A
Inter-segment revenue	6,107	2,264	-	8,371	1,051	(9,422)	-	
Total revenue	18,663	7,666	20,675	47,004	1,051	(9,422)	38,633	
Interest income	-	-	-	-	35	(27)	8	B
Interest expense	(12)	(6)	(178)	(196)	(243)	4	(435)	C
Depreciation	(8)	(21)	(126)	(155)	(1,533)	1	(1,687)	
Employee benefits expenses	(467)	(450)	(2,705)	(3,622)	(2,070)	-	(5,692)	
Other non-cash expenses	23	(278)	(380)	(635)	10	-	(625)	D
Reportable segmental profit/(loss) before tax	3,168	1,756	1,328	6,252	21,732	(25,115)	2,869	E
Income tax expense							(863)	
Profit for the period							2,006	

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

4. Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

2HFY2021 (in S\$'000)	Distribution	After-sales	Projects	Segments Total	Others	Elimination	Total	Note
External revenue	12,195	5,202	18,103	35,500	-	-	35,500	A
Inter-segment revenue	3,683	1,807	-	5,490	1,021	(6,511)	-	
Total revenue	15,878	7,009	18,103	40,990	1,021	(6,511)	35,500	
Interest income	-	-	-	-	28	(12)	16	B
Loss on disposal of property, plant and equipment	-	-	(2)	(2)	-	-	(2)	C
Property, plant and equipment written-off	-	-	-	-	(92)	-	(92)	
Intangible assets written-off	-	-	-	-	(23)	-	(23)	
Interest expense	(3)	(8)	(188)	(199)	(265)	(7)	(471)	
Depreciation	(10)	(17)	(226)	(253)	(1,840)	71	(2,022)	
Amortisation	(12)	-	-	(12)	(5)	-	(17)	
Reversal of impairment loss on club membership	3	6	-	9	27	-	36	
Impairment loss on intangible assets	(41)	-	-	(41)	-	-	(41)	
Employee benefits expenses	(475)	(447)	(2,687)	(3,609)	(2,078)	-	(5,687)	
Other non-cash expenses	(163)	(104)	(496)	(763)	(530)	-	(1,293)	D
Reportable segmental profit/(loss) before tax	1,218	1,146	1,012	3,376	(2,654)	36	758	E
Income tax expense							(1,091)	
Loss for the period							(333)	

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

4. Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

FY2022 (in S\$'000)	Distribution	After-sales	Projects	Segments Total	Others	Elimination	Total	Note
External revenue	23,436	10,404	38,046	71,886	-	-	71,886	A
Inter-segment revenue	11,342	4,219	-	15,561	2,081	(17,642)	-	
Total revenue	34,778	14,623	38,046	87,447	2,081	(17,642)	71,886	
Interest income	-	-	1	1	86	(64)	23	B
Gain on disposal of property, plant and equipment	17	-	-	17	-	-	17	C
Interest expense	(16)	(14)	(308)	(338)	(462)	20	(780)	
Depreciation	(17)	(36)	(250)	(303)	(3,108)	4	(3,407)	
Employee benefits expenses	(839)	(850)	(5,207)	(6,896)	(4,079)	-	(10,975)	D
Other non-cash expenses	(59)	(362)	(396)	(817)	23	-	(794)	
Reportable segmental profit/(loss) before tax	5,706	3,009	2,014	10,729	19,113	(25,338)	4,504	
Income tax expense							(1,429)	E
Profit for the year							3,075	
Reportable segment assets	12,689	12,594	50,488	75,771	81,700	(25,488)	131,983	F
Capital Expenditure	-	9	63	72	19	-	91	
Reportable segment liabilities	12,433	5,189	35,902	53,524	56,588	(25,350)	84,762	G

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

4. Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

FY2021 (in S\$'000)	Distribution	After-sales	Projects	Segments Total	Others	Elimination	Total	Note
External revenue	20,512	9,588	34,097	64,197	-	-	64,197	A
Inter-segment revenue	6,264	3,317	-	9,581	2,064	(11,645)	-	
Total revenue	26,776	12,905	34,097	73,778	2,064	(11,645)	64,197	
Interest income	-	-	1	1	43	(12)	32	B
Loss on disposal of property, plant and equipment	-	-	(2)	(2)	-	-	(2)	C
Property, plant and equipment written-off	-	-	-	-	(92)	-	(92)	
Intangible assets written-off	-	-	-	-	(23)	-	(23)	
Interest expense	(9)	(21)	(283)	(313)	(587)	(26)	(926)	
Depreciation	(20)	(43)	(447)	(510)	(3,637)	142	(4,005)	
Amortisation	(25)	-	-	(25)	(16)	-	(41)	
Reversal of impairment loss on club membership	3	6	-	9	27	-	36	
Impairment loss on intangible assets	(41)	-	-	(41)	-	-	(41)	
Employee benefits expenses	(754)	(774)	(4,692)	(6,220)	(3,401)	-	(9,621)	
Other non-cash expenses	(148)	(81)	(748)	(977)	(518)	-	(1,495)	
Reportable segmental profit/(loss) before tax	2,704	1,752	1,477	5,933	(4,406)	(91)	1,436	E
Income tax expense							(1,165)	
Profit for the year							271	
Reportable segment assets	13,589	17,329	45,734	76,652	66,404	(17,726)	125,330	F
Capital Expenditure	7	-	308	315	32	-	347	
Reportable segment liabilities	6,333	7,084	26,634	40,051	55,538	(16,957)	78,632	G

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

4. Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

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

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

	Group			
	2HFY2022	2HFY2021	FY2022	FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
Unrealised (profit)/loss from unsold stocks	(273)	66	(480)	(38)
Dividend income	(24,784)	-	(24,784)	-
Interest expense	4	(7)	20	(26)
Interest income	(27)	(12)	(64)	(12)
Elimination of intercompany transactions	(35)	(11)	(30)	(15)
	(25,115)	36	(25,338)	(91)

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

4. Segment and revenue information (cont'd)

4.1 Reportable segments (cont'd)

	Group	
	FY2022	FY2021
	S\$'000	S\$'000
Inter-segment liabilities	25,297	16,904
Accrual	53	53
	25,350	16,957

4.2 Disaggregation of Revenue

2HFY2022 (In S\$'000)	Group			
Description	6 months ended 30 April 2022			
Segments	Distribution	After-sales	Projects	Total Revenue
Primary geographical markets				
Singapore	321	1,465	20,429	22,215
Indonesia	11,125	2,963	–	14,088
Vietnam	850	198	–	1,048
Other countries	260	776	246	1,282
	12,556	5,402	20,675	38,633
<u>Timing of transfer of goods and services</u>				
At a point in time	12,556	5,402	–	17,958
Over time	–	–	20,675	20,675
	12,556	5,402	20,675	38,633

2HFY2021 (In S\$'000)	Group			
Description	6 months ended 30 April 2021			
Segments	Distribution	After-sales	Projects	Total Revenue
Primary geographical markets				
Singapore	22	1,540	18,065	19,627
Indonesia	11,129	2,572	–	13,701
Vietnam	529	527	–	1,056
Other countries	515	563	38	1,116
	12,195	5,202	18,103	35,500
<u>Timing of transfer of goods and services</u>				
At a point in time	12,195	5,202	–	17,397
Over time	–	–	18,103	18,103
	12,195	5,202	18,103	35,500

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

4. Segment and revenue information (cont'd)

4.2 Disaggregation of Revenue (cont'd)

FY2022 (In S\$'000) Description	Group 12 months ended 30 April 2022			
Segments	Distribution	After-sales	Projects	Total Revenue
Primary geographical markets				
Singapore	412	2,884	37,762	41,058
Indonesia	20,496	5,287	–	25,783
Vietnam	850	758	–	1,608
Other countries	1,678	1,475	284	3,437
	23,436	10,404	38,046	71,886
<u>Timing of transfer of goods and services</u>				
At a point in time	23,436	10,404	–	33,840
Over time	–	–	38,046	38,046
	23,436	10,404	38,046	71,886

FY2021 (In S\$'000) Description	Group 12 months ended 30 April 2021			
Segments	Distribution	After-sales	Projects	Total Revenue
Primary geographical markets				
Singapore	56	2,646	27,731	30,433
Indonesia	18,498	5,000	–	23,498
Vietnam	928	1,007	–	1,935
Other countries	1,030	935	6,366	8,331
	20,512	9,588	34,097	64,197
<u>Timing of transfer of goods and services</u>				
At a point in time	20,512	9,588	–	30,100
Over time	–	–	34,097	34,097
	20,512	9,588	34,097	64,197

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

4. Segment and revenue information (cont'd)

4.3 Contract assets and contract liabilities

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

(In S\$'000) Description	Group	
	30 Apr 2022	30 April 2021
Trade receivables	4,984	15,610
Contract assets	18,675	13,193
Contract liabilities	(1,420)	(457)

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

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

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

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

(In S\$'000) Description	Group	
	30 Apr 2022	30 April 2021
Contract assets reclassified to receivables	(8,393)	(4,091)
Changes in estimate of transaction price	(47)	321
Impairment loss on contract assets	(128)	(497)

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

(In S\$'000) Description	Group	
	30 Apr 2022	30 April 2021
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	457	222

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 April 2022 and 30 April 2021:

(In S\$'000) Description	Note	Group		Company	
		30 Apr 2022	30 Apr 2021	30 Apr 2022	30 Apr 2021
Financial assets at fair value through profit or loss					
- Quoted equity securities	12	375	350	-	-
Financial assets at amortised cost					
- Trade receivables		5,193	15,619	-	-
- Other receivables and deposits (excluding prepayment)		2,546	3,420	187	376
- Amount due from subsidiaries		-	-	18,673	1,596
- Cash and short-term deposits	13	16,008	7,661	1,458	589
Total financial assets		24,122	27,050	20,318	2,561
Presented as					
Non-current assets		375	350	-	-
Current assets		23,747	26,700	20,318	2,561
		24,122	27,050	20,318	2,561
Financial Liabilities at amortised cost					
- Bank borrowings	15	57,404	63,072	34,370	36,386
- Lease liabilities	15	102	133	-	-
- Trade payables		11,702	6,134	-	-
- Advance deposits		6,642	2,990	-	-
- Other payables and accrual		5,002	3,974	1,543	1,431
- Amounts due to subsidiaries		-	-	-	6,984
Total financial liabilities		80,852	76,303	35,913	44,801
Presented as					
Non-current liabilities		42,187	46,830	32,362	34,362
Current liabilities		38,665	29,473	3,551	10,439
		80,852	76,303	35,913	44,801

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

6. Profit before taxation

6.1 Significant items

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

(In S\$'000) Description	Group			
	2HFY2022	2HFY2021	FY2022	FY2021
Income				
Fair value gain on quoted equity securities	15	110	26	140
Gain on disposal of property, plant and equipment	–	–	17	–
Gain on termination of right-of-use assets and lease liabilities	–	60	–	60
Government grants and rebates	67	92	124	683
Jobs Support Scheme (JSS)	–	270	110	831
Net foreign exchange gain	815	350	1,319	431
Rental income	770	857	1,548	1,830
Recovery of transportation expense from customers	13	52	41	75
Scrap sales	47	18	48	36
Insurance claim	35	–	35	–
Interest income on bank deposits	8	16	23	32
Reversal of impairment loss on club membership	–	36	–	36
Others	59	29	100	89
Expenses				
Amortisation of intangible assets	–	(17)	–	(41)
Loss on disposal of property, plant and equipment	–	(2)	–	(2)
Property, plant and equipment written-off	–	(92)	–	(92)
Intangible assets written-off	–	(23)	–	(23)
Impairment loss on intangible assets	–	(41)	–	(41)
Interest expense on loans and borrowings	(435)	(471)	(780)	(926)
Depreciation of property, plant and equipment	(1,522)	(1,804)	(3,078)	(3,466)
Depreciation of right-of-use assets	(165)	(218)	(329)	(539)
Reversal of/(impairment loss) on financial assets:				
- trade and other receivables	101	(294)	148	(400)
- contract assets	(27)	(313)	(128)	(497)
Bad debts written-off	(10)	(5)	(11)	(7)
Recovery of bad debt	–	7	–	7
(Allowance)/write-back of allowance for trade and other receivables	(543)	59	(513)	119
Net impairment loss on receivables and contract assets	(479)	(546)	(504)	(778)
Government grants expenses – rent concessions	–	–	–	(217)
Inventories written-down	(309)	(168)	(309)	(168)
Reversal of/(impairment loss) on stocks obsolescence	148	(689)	(7)	(689)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

6.2 Related party transactions

For the 12 months ended 30 April 2022, the Group had no significant related party transactions.

7. Taxation

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

(In S\$'000) Description	Group			
	2HFY2022	2HFY2021	FY2022	FY2021
Current income tax expense				
Current period/year	(454)	(420)	(1,040)	(494)
Under provision in prior period/year	(409)	(667)	(380)	(667)
Foreign tax expense	-	(4)	(9)	(4)
	(863)	(1,091)	(1,429)	(1,165)

8. Dividends

Group	
2022	2021
\$'000	\$'000

Proposed but not recognised as a liability as at 30 April:

Dividends on ordinary shares, subject to shareholders' approval at the AGM:

- Final and special exempt (one-tier) dividend for 2022: 0.7 cents
(2021: Nil) per share

764	-
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9. Net Asset Value

Description	Group		Company	
	30 Apr 2022	30 Apr 2021	30 Apr 2022	30 Apr 2021
Net asset value per share (cents)	43.35	43.11	36.33	14.75
Number of shares in issue	109,182,721	109,282,221	109,182,721	109,282,221

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

10. Property plant and equipment

In prior year, the Group acquired motor vehicle amounted to S\$55,000 by means of leases. The cash outflow of property, plant and equipment amounted to S\$91,000 (30 April 2021: S\$292,000).

11. Intangible assets

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

(In S\$'000)	Group Intellectual property rights		
Description	Goodwill	rights	Total
Cost:			
At 1 May 2020	9,393	579	9,972
Written-off	–	(35)	(35)
Currency translation differences	–	(42)	(42)
	9,393	502	9,895
At 30 April 2021 and 1 May 2021	–	(66)	(66)
	9,393	436	9,829
Accumulated amortisation and impairment loss:			
At 1 May 2020	887	470	1,357
Amortisation for the year	–	41	41
Written-off	–	(12)	(12)
Impairment loss	–	41	41
Currency translation differences	–	(38)	(38)
	887	502	1,389
At 30 April 2021 and 1 May 2021	–	(66)	(66)
	887	436	1,323
Net carrying amount:			
At 30 April 2021	8,506	–	8,506
At 30 April 2022	8,506	–	8,506

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

11. Intangible assets (cont'd)

11.1 Goodwill impairment

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

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

The VIU was based on discounted cash flow projections over a period of 5 years. The discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the 5 years period are as follows:

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

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

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

Sensitivity to changes in assumption

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

12. Financial assets at fair value through profit or loss

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

(In S\$'000) Description	Group	
	30 Apr 2022	30 Apr 2021
Quoted equity securities	375	350

During the financial year 2022, the Group recognise fair value gain on quoted equity securities S\$26,000 (30 April 2021: S\$140,000).

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

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

Fair value hierarchy

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

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

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

Level 3 – Unobservable inputs for the asset or liability.

Group Description	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
30 April 2022				
Assets measured at fair value				
<u>Financial assets</u>				
Equity securities at fair value through profit or loss				
– quoted equity securities	375	–	–	375
30 April 2021				
Assets measured at fair value				
<u>Financial assets</u>				
Equity securities at fair value through profit or loss				
– quoted equity securities	350	–	–	350

13. Cash and short-term deposits

(In S\$'000) Description	Group		Company	
	30 Apr 2022	30 Apr 2021	30 Apr 2022	30 Apr 2021
Cash at banks and on hand	15,988	7,641	1,458	589
Short-term deposits	20	20	–	–
	16,008	7,661	1,458	589

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

14. Right-of-use assets

Group as lessee

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

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

During the financial year, the Group had total cash outflows for lease liabilities of S\$30,000 (30 April 2021: S\$223,000). The Group also had cash additions to right-of-use assets and lease liabilities of S\$9,000 (30 April 2021: non-cash additions of S\$100,000).

15. Bank borrowings

(In S\$'000) Description	Group	
	30 April 2022	30 April 2021
Loans and borrowings		
Amount repayable in one year or less, or on demand		
- Secured ⁽¹⁾	15,352	16,382
Amount repayable after one year		
- Secured	42,147	46,810
Total	57,499	63,192

⁽¹⁾ Excluded from the loans and borrowings above are lease liabilities of S\$7,000 which are secured over the right-of-use assets as at 30 April 2022 (30 April 2021: S\$13,000).

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

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

16. Share capital

Description (Ordinary shares excluding treasury shares)	The Group and the Company			
	30 April 2022		30 April 2021	
	Number of Shares	Share Capital (S\$'000)	Number of Shares	Share Capital (S\$'000)
Balance at beginning of year	109,282,221	39,780	109,282,221	39,780
Purchase of treasury shares	(99,500)	-	-	-
Balance at end of year	109,182,721	39,780	109,282,221	39,780

Purchase of treasury shares

In 2HFY2022, pursuant to the share buyback mandate approved by the Shareholders at the annual general meeting held on 27 August 2021, the Company purchased 99,500 of its own shares (2HFY2021: Nil). There were no sales, transfers, disposal, cancellation and/or use of treasury shares in 2HFY2022 (2HFY2021: Nil). As at 30 April 2022, the total consideration for the treasury shares held under the share buy-back scheme was S\$3,303,000 (30 April 2021: S\$3,292,000) for a total of 5,329,850 shares (30 April 2021: 5,230,350 shares).

The number of treasury shares held by the Company represents 4.88% (30 April 2021: 4.79%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company as at 30 April 2022.

XMH Share Option Scheme

As at 30 April 2022, the outstanding balance of unexercised options under the XMH Share Option Scheme total 1,047,750 shares (30 April 2021: 1,929,500 shares) or 0.96% (30 April 2021: 1.77%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company.

17. Subsequent events

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

F. Other information required pursuant by listing rule appendix 7.2

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

The condensed consolidated statement of financial position of XMH Holdings Ltd. and its subsidiaries as at 30 April 2022 and the related condensed consolidated profit and other comprehensive income/(loss), condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the second half and financial year then ended and certain explanatory notes have not been audited or reviewed.

2. Review of the performance of the Group

Second half year ended 30 April 2022 (“2HFY2022”) vs second half year ended 30 April 2021 (“2HFY2021”)

(i) Revenue

Revenue increased by approximately S\$3.1 million or 8.8% from S\$35.5 million in 2HFY2021 to S\$38.6 million in 2HFY2022. All three business segments have recorded increased revenue as follow:

- a. Project segment recorded an increase of approximately 14.2% or S\$2.6 million from S\$18.1 million in 2HFY2021 to S\$20.7 million in 2HFY2022. This was mainly due to projects completed and income recognition based on performance obligation for one major contract in 2HFY2022;
- b. Distribution segment recorded an increase of 3.0% or S\$0.4 million from S\$12.2 million in 2HFY2021 to S\$12.6 million in 2HFY2022. This was mainly due to demand for engines to build tugboats in Indonesia; and
- c. After-sales service segment recorded an increase of 3.8% or S\$0.2 million from S\$5.2 million in 2HFY2021 to S\$5.4 million in 2HFY2022. This was because of rising global demand for transportation of goods. As a result, vessel utilization rate has increased, resulting in increased need for spare parts to support operational maintenance for the vessels.

(ii) Cost of Sales and Gross Profit Margin

Cost of sales increased by approximately S\$1.5 million or 5.7% from S\$26.2 million in 2HFY2021 to S\$27.7 million in 2HFY2022 in line with increase in revenue.

Gross profit increased by S\$1.6 million or 17.7% from approximately S\$9.3 million in 2HFY2021 to S\$11.0 million in 2HFY2022. This was due mainly to increase in revenue and gross profit margin.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

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

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

Gross profit margin increased from 26.2% in 2HFY2021 to 28.4% in 2HFY2022. The increased margin was attributable to better margins from both the Distribution and After sales segments. This was partially offset by decreased from the Project segment.

(iii) Other Income

Other income decreased from S\$1.5 million in 2HFY2021 to S\$1.0 million in 2HFY2022. This was mainly due to a decrease in financial grants received from the government and marginal decrease in rental income.

(iv) Administrative Expenses

Administrative expenses decreased by approximately S\$0.4 million or 5.8%, from S\$7.4 million in 2HFY2021 to S\$7.0 million in 2HFY2022. This was due mainly to decrease in:

- a. depreciation of property, plant and equipment and depreciation of right-of-use assets of approximately S\$0.4 million in 2HFY2022 as compared to 2HFY2021; and
- b. sublet fees of S\$0.1 million in 2HFY2022.

The decrease was partially offset by increase in professional fees and staff costs of S\$0.07 million and S\$0.04 million respectively.

(v) Net Impairment Losses on Financial Assets

Net impairment losses on financial assets decreased from S\$0.6 million in 2HFY2021 to S\$0.5 million in 2HFY2022. This was due mainly to lower provision of expected credit losses as a result of significant decrease in trade receivables partially offset by increase in contract assets as at 30 April 2022.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

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

(vi) Net Finance Income/(Costs)

The Group recorded a net finance income of S\$0.4 million in 2HFY2022 as compared to net finance cost of S\$0.1 million in 2HFY2021. This was due mainly to:

- a. net increase in foreign exchange gain of approximately S\$0.5 million from S\$0.3 million in 2HFY2021 to S\$0.8 million in 2HFY2022. The net foreign exchange gain was due to the strengthening of United State Dollar ("USD") and Singapore Dollar ("SGD") against Japanese Yen ("JPY"), and strengthening of SGD against Europe ("Euro") in 2HFY2022; and
- b. interest cost on loans and trade facilities decreased by approximately S\$0.04 million arising from lower term loan interest in line with decrease in total outstanding loan balances and early repayment.

(vii) Income Tax Expense

The Group's tax expense of approximately S\$0.9 million in 2HFY2022 as compared to S\$1.1 million in 2HFY2021. The lower tax expense was due to additional provision made to the disallowed capital allowance claimed in 2HFY2021.

Full year ended 30 April 2022 ("FY2022") vs full year ended 30 April 2021 ("FY2021")

(i) Revenue

The Group recorded an increase in revenue of 12.0% or S\$7.7 million from S\$64.2 million in FY2021 to S\$71.9 million in FY2022. All three business segments have recorded increased revenue as follows:

- a. Project segment recorded an increase of approximately 11.6% or S\$3.9 million from S\$34.1 million in FY2021 to S\$38.0 million in FY2022. This was mainly due to completion of more projects and income recognition based on performance obligation for one major contract in FY2022;
- b. Distribution segment recorded an increase of 14.3% or S\$2.9 million from S\$20.5 million in FY2021 to S\$23.4 million in FY2022. This was mainly due to demand for engines to build tugboats in Indonesia; and
- c. After-sales service segment recorded an increase of 8.5% or approximately S\$0.8 million from S\$9.6 million in FY2021 to S\$10.4 million in FY2022. This was because of rising global demand for transportation of goods. As a result, vessel utilization rate has increased, resulting in increased need for spare parts to support operational maintenance for the vessels.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

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

(i) Cost of Sales and Gross Profit Margin

Cost of sales increased by approximately S\$3.9 million or 8.0% from S\$48.4 million in FY2021 to S\$52.3 million in FY2022 in line with increase in revenue.

(ii) Cost of Sales and Gross Profit Margin

Gross profit increased by approximately S\$3.8 million or 24.1% from S\$15.8 million in FY2021 to S\$19.6 million in FY2022.

Gross profit margin improved by 2.7 percentage point to 27.3% in FY2022 as compared to 24.6% in FY2021. This was mainly due to improved margins achieved by both Distribution and After-sales business segments.

(iii) Other Income

Other income decreased by approximately S\$1.7 million from S\$3.8 million in FY2021 to S\$2.1 million in FY2022. This was due mainly to decrease in:

- a. financial grants of approximately S\$1.3 million in FY2022 mainly derived from the Job Support Scheme, rental waiver, enhanced work-life scheme and foreign worker levy rebates; and
- b. rental income of approximately S\$0.3 million.

(iv) Distribution Expenses

Distribution expenses increased by approximately S\$0.3 million or 8.6%, from S\$3.5 million in FY2021 to S\$3.8 million in FY2022. This was mainly due to increased staff cost of approximately S\$0.3 million.

(v) Administrative Expenses

Administrative expenses increased by approximately S\$0.01 million or 0.1%, from S\$13.41 million in FY2021 to S\$13.42 million in FY2022. This was due mainly to increased staff cost of approximately S\$1.0 million as a result of annual increment and bonus provision in current financial year, whereas FY2021 included unpaid leave taken by certain employees and reversal of over provision of bonus for FY2020. Also, the followings partially offset the increased administrative expenses:

- a. decrease in depreciation of property, plant and equipment and right-of-use assets of approximately S\$0.6 million;
- b. FY2021 included grant expenses of approximately S\$0.2 million pertaining to rental waiver for tenants, none in FY2022; and

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

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

(v) Administrative Expenses (cont'd)

- c. FY2021 included loss on written-off of fixed assets, impairment and amortization of intangible assets of approximately S\$0.2 million, none in FY2022.

(vi) Net Impairment Losses on Financial Assets

Net impairment losses on financial assets decreased from S\$0.8 million in FY2021 to S\$0.5 million in FY2022. This was due mainly to lower provision of expected credit losses as a result of significant decrease in trade receivables due to collection and partially offset by increase in contract assets as at 30 April 2022.

(vii) Net Finance Income/(Costs)

The Group recorded a net finance income of approximately S\$0.6 million in FY2022 as compared to a net finance cost of S\$0.5 million in FY2021. This was due mainly to:

- a. net foreign exchange gain of approximately S\$1.3 million in FY2022 as compared to S\$0.4 million in FY2021. The net foreign exchange gain was due to the strengthening of USD and SGD against JPY and strengthening of SGD against Euro in FY2022; and
- b. interest cost on loans and trade facilities decreased by approximately S\$0.2 million arising from lower term loan interest in line with decrease in total outstanding loan balances and early repayment.

(viii) Income Tax Expense

The Group's tax expense increased to S\$1.4 million in FY2022 as compared to S\$1.2 million in FY2021 in line with increased taxable profit in FY2022.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

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

STATEMENT OF FINANCIAL POSITION REVIEW

The Group's shareholders' funds as at 30 April 2022 stood at S\$47.3 million as compared to S\$47.1 million at the end of the immediate preceding financial year ended on 30 April 2021.

(i) Property, Plant and Equipment

Property, plant and equipment decreased by approximately S\$3.0 million from S\$46.6 million as at 30 April 2021 to S\$43.6 million as at 30 April 2022. This was mainly because of depreciation charges during the financial year.

(ii) Right-of-use Assets

Right-of-use assets decreased by approximately S\$0.3 million from S\$6.0 million as at 30 April 2021 to S\$5.7 million as at 30 April 2022. This was mainly due to annual amortization charge during the financial year.

(iii) Inventories

Inventories increased by approximately S\$6.7 million, from S\$22.2 million as at 30 April 2021 to S\$28.9 million as at 30 April 2022. The increase was mainly to cater for committed projects to be delivered.

(iv) Trade and Other Receivables

Trade and other receivables decreased by approximately S\$10.8 million, from S\$19.9 million as at 30 April 2021 to S\$9.1 million as at 30 April 2022 due mainly to collection during the financial year.

(v) Contract Assets

Contract assets increased by S\$5.5 million from S\$13.2 million as at 30 April 2021 to S\$18.7 million as at 30 April 2022. This was due to progression of works during the financial year.

(vi) Trade and Other Payables

Trade and other payables increased by S\$10.2 million from S\$13.2 million as at 30 April 2021 to S\$23.4 million as at 30 April 2022. This was due mainly to increase purchase of inventory and deposit received from customers during the financial year.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

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

STATEMENT OF FINANCIAL POSITION REVIEW (CONT'D)

(vii) Loans and Borrowings

Loans and borrowings decreased by approximately S\$5.7 million from S\$63.2 million as at 30 April 2021 to S\$57.5 million as at 30 April 2022. The decrease was due mainly to the repayment of term loan instalments and trade bills partially offset by the drawdown of revolving credit facility during the financial year.

STATEMENT OF CASH FLOW REVIEW

The Group registered net cash generated of approximately S\$16.0 million from the operating activities in FY2022 as compared to net cash used of approximately S\$4.3 million in FY2021. This was due mainly to:

- a. decrease in trade and other receivables of approximately S\$20.1 million;
- b. increase in trade and other payables of approximately S\$13.0 million;
- c. increase in contract assets of \$0.8 million; and
- d. increase in contract liabilities of approximately S\$0.7 million.

This was partially offset by the increase in inventories and income tax payment of approximately S\$13.7 million and S\$0.5 million respectively.

Net cash used in investing activities was S\$60,000 in FY2022 as compared to S\$57,000 in FY2021. This was due mainly to proceed from disposal of quoted equities securities of approximately S\$197,000 in FY2021, none in FY2022. This was partially offset by:

- a. less acquisition of property, plant and equipment and right-of-use assets of approximately S\$192,000 from S\$292,000 in FY2021 to S\$100,000 in FY2022; and
- b. proceeds from disposal of property, plant and equipment of approximately S\$17,000 in FY2022 as compared to S\$6,000 in FY2021.

The net cash used in financing activities in current year was approximately S\$6.0 million as compared to S\$1.7 million in prior year. This was due mainly to:

- a. net settlement of trade bills in FY2022 as compared to net usage in trade bills in FY2021;
- b. repayment of loans in FY2022 as compared to net drawdown of bridging loans in FY2021; and
- c. net increase in usage of revolving credit facility in FY2022 as compared to net settlement in FY2021.

In view of the above, overall net increase in cash was approximately S\$9.9 million in FY2022 as compared to net decrease in cash of approximately S\$6.1 million in FY2021.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

Not applicable.

- 4. A commentary at the date of announcement of the significant trends and the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

As COVID 19 restrictions start to ease, economic activities have started to increase which had led to an increase in demand for mineral resources/commodities. The demand for transportation of mineral resources/commodities is expected to increase which in turn will give rise to an increase in demand for engines for new or replacement tugboats. We have achieved a strong committed order book notwithstanding the uncertainties in the global markets caused by COVID 19, the conflicts in Europe and the concerns associated with material costs and delivery timelines due to global demand shocks and supply chain congestion. The Group will continue to stay vigilant, remain focused on its core business and also to manage its inventory level so as to mitigate supply chain difficulties due to the disruption caused by both COVID-19 and the conflict in Europe.

For our project business, we continue to see strong demand for data centres and the general commercial and industrial sectors. We will continue to focus on these segments and at the same time work on enhancing cost management to sustain margins and mitigate any increase in our costs.

Given the challenging and uncertain environment, the Group will continue to remain nimble, adaptable and resilient. We will constantly improvise our operational procedures where necessary so as to address and adapt to changes where necessary and prepare ourselves for any unexpected events.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

5. Dividend information

5a. Current financial period reported on?

Any dividend recommended for the current financial period reported on?

Yes.

	FY2022
Name of dividend	Final
Dividend type	Cash
Amount	0.25 cents per share
Tax rate	Tax exempt (one-tier)

	FY2022
Name of dividend	Special
Dividend type	Cash
Amount	0.45 cents per share
Tax rate	Tax exempt (one-tier)

5b. Corresponding period of the immediately preceding financial period

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

No.

5c. Date payable.

The proposed dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting. It will be paid on 20 September 2022.

5d. Books closure date.

Notice is hereby given that the Register of Members and the Transfer Books of the Company will be closed on 12 September 2022 ("Book Closure Date") for the purpose of determining shareholders' entitlement to the final and special dividend. Duly completed registrable transfer of ordinary shares received by the Company's Share Registrar, Tricor Barbinder Share Registration Services of, 80 Robinson Road, #02-00, Singapore 068898 up to 5pm on 9 September 2022 ("Entitlement Date"), will be registered to determine shareholders' entitlement to the final and special dividend. The proposed dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting.

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

Not Applicable.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 APRIL 2022

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

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

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

- 8. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

Description (in S\$'000)	FY2022	FY2021
	Proposed	Paid
Ordinary	273	–
Special	491	–
Total	764	–

- 9. Report of persons occupying managerial positions who are related to a director, CEO or substantial shareholder.**

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tan Fuyuan	38	Nephew of Mr. Tan Tin Yeow (Chairman & Managing Director) and Ms. Tan Guat Lian (Executive Director – Human Resource & Administration)	Responsible for managing the Product Support Sales, Parts Department. Year when position was first held: 2017	Nil

- 10. 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
Singapore
27 June 2022