



XMH

XMH HOLDINGS LTD.

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

UNAUDITED THIRD QUARTER (“3QFY2018”) AND NINE MONTHS (“9MFY2018”) FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 JANUARY 2018

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 3QFY2018	Actual 3QFY2017	Change %	Actual 9MFY2018	Actual 9MFY2017	Change %
Revenue	14,051	19,533	(28.1)	54,995	64,042	(14.1)
Cost of sales	(9,857)	(14,818)	(33.5)	(40,223)	(50,163)	(19.8)
Gross profit	4,194	4,715	(11.0)	14,772	13,879	6.4
Other income	1,414	1,508	(6.2)	2,456	3,491	(29.6)
Distribution expenses	(1,428)	(1,685)	(15.3)	(4,065)	(4,335)	(6.2)
Administrative expenses	(4,590)	(4,997)	(8.1)	(13,591)	(14,549)	(6.6)
Results from operating activities	(410)	(459)	(10.7)	(428)	(1,514)	(71.7)
Finance income	72	1,459	(95.1)	211	2,969	(92.9)
Finance costs	(1,333)	(286)	NM	(1,119)	(862)	29.8
Net finance (cost)/income	(1,261)	1,173	NM	(908)	2,107	NM
(Loss)/profit before share of results of an associated company	(1,671)	714	NM	(1,336)	593	NM
Share of results of an associated company	(9)	13	NM	(11)	(11)	NM
(Loss)/profit before tax	(1,680)	727	NM	(1,347)	582	NM
Tax credit/(expense)	395	(183)	NM	275	(83)	NM
(Loss)/profit after tax	(1,285)	544	NM	(1,072)	499	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>	249	(1,691)	NM	(880)	(114)	NM
<i>Net changes in the fair value of available-for-sale financial assets</i>	155	(23)	NM	172	(120)	NM
<i>Deferred tax arising from available-for-sale financial assets</i>	(26)	4	NM	(29)	20	NM
<i>Other comprehensive income/(expense) for the period, net of tax</i>	378	(1,710)	NM	(737)	(214)	NM
Total comprehensive (expense)/income for the period	(907)	(1,166)	(22.2)	(1,809)	285	NM

**UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 JANUARY 2018**

(In S\$'000) Description	Group					
	Actual 3QFY2018	Actual 3QFY2017	Change %	Actual 9MFY2018	Actual 9MFY2017	Change %
(Loss)/profit attributable to:						
Owners of the Company	(1,223)	766	NM	(890)	1,058	NM
Non-controlling interests	(62)	(222)	(72.1)	(182)	(559)	(67.4)
	(1,285)	544	NM	(1,072)	499	NM
Total comprehensive (expenses)/income attributable to:						
Owners of the Company	(845)	(944)	(10.5)	(1,627)	844	NM
Non-controlling interests	(62)	(222)	(72.1)	(182)	(559)	(67.4)
	(907)	(1,166)	(22.2)	(1,809)	285	NM

Note:

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

**UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 JANUARY 2018**

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

(In S\$'000) Description	Group					
	Actual 3QFY2018	Actual 3QFY2017	Change %	Actual 9MFY2018	Actual 9MFY2017	Change %
Gain on disposal of property, plant and equipment	26	1,100	(97.6)	23	1,234	(98.1)
Share-based payment expense	(38)	(29)	31.0	(105)	(174)	(39.7)
Other miscellaneous income	88	42	NM	235	355	(33.8)
Rental income	415	354	17.2	1,303	708	84.0
Dividend income	7	6	16.7	14	29	(51.7)
Allowance for impairment loss on quoted equity securities	-	(10)	NM	-	(40)	NM
Allowance for impairment loss on trade receivables	(57)	(20)	NM	(102)	(65)	56.9
Interest income	65	37	75.7	197	72	NM
Interest expense	(349)	(286)	22.0	(980)	(862)	13.7
Net foreign exchange (loss)/gain	(985)	1,416	NM	(140)	2,867	NM
Depreciation of property, plant and equipment	(1,323)	(1,425)	(7.2)	(3,991)	(4,344)	(8.1)
Amortisation of intangible assets	(253)	(301)	(15.9)	(677)	(903)	(25.0)
Write-back of allowance for trade receivables	-	-	NM	10	-	NM
Bad debts written-off	-	(53)	NM	(6)	(57)	(89.5)
Bad debt recovery	-	3	NM	-	3	NM
Forfeiture deposits from customers	887	12	NM	887	1,190	(25.5)
Adjustment for overprovision/ (underprovision) of tax in respect of prior year	270	(65)	NM	270	89	NM

Note:

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

**UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 JANUARY 2018**

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 Jan 2018	30 Apr 2017	31 Jan 2018	30 Apr 2017
ASSETS				
<u>Non-current assets</u>				
Property, plant and equipment	65,349	68,707	59,108	61,826
Intangible assets	11,315	11,833	-	-
Other financial assets	861	717	-	-
Investment in subsidiary corporations	-	-	29,140	29,140
Trade receivables	1,022	2,037	-	-
Club memberships	205	213	-	-
Deferred tax assets	304	20	-	-
Total non-current assets	79,056	83,527	88,248	90,966
<u>Current assets</u>				
Inventories	26,901	30,550	-	-
Trade and other receivables	13,536	23,068	1,792	12,583
Prepayment	477	312	25	34
Contract work-in-progress	10,349	10,980	-	-
Cash and short-term fixed deposits	26,423	25,618	620	799
Tax recoverable	15	12	-	-
Total current assets	77,701	90,540	2,437	13,416
TOTAL ASSETS	156,757	174,067	90,685	104,382
LIABILITIES AND EQUITY				
<u>Current liabilities</u>				
Trade and other payables	15,971	30,750	9,783	22,707
Loans and borrowings	33,822	34,821	2,322	2,463
Current tax payables	-	60	-	26
Total current liabilities	49,793	65,631	12,105	25,196
<u>Non-current liabilities</u>				
Other payables	253	260	564	572
Loans and borrowings	40,116	39,228	39,213	38,490
Deferred tax liabilities	655	748	172	172
Total non-current liabilities	41,024	40,236	39,949	39,234
TOTAL LIABILITIES	90,817	105,867	52,054	64,430
NET ASSETS	65,940	68,200	38,631	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	(6,874)	(6,242)	2,142	2,037
Accumulated profits/(losses)	34,187	35,633	(500)	926
	64,302	66,380	38,631	39,952
Non-controlling interests	1,638	1,820	-	-
Total equity	65,940	68,200	38,631	39,952
TOTAL EQUITY AND LIABILITIES	156,757	174,067	90,685	104,382

**UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 JANUARY 2018**

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

Description (in S\$'000)	Group	
	31 Jan 2018	30 Apr 2017
Amount repayable in one year or less, or on demand		
- Secured ⁽¹⁾	33,822	34,821
Amount repayable after one year		
- Secured	40,116	39,228
Total	73,938	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 Jan 2018	30 Apr 2017
Bills payables	9,300	11,771
Short term revolving credit	21,977	19,457
Finance leases	103	103
Term loans	2,363	2,496
Bank overdrafts	79	994
Total	33,822	34,821

**UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 JANUARY 2018**

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

(In S\$'000) Description	3 months ended		9 months ended	
	3QFY2018	3QFY2017	9MFY2018	9MFY2017
<u>Cash flows from operating activities</u>				
(Loss)/profit before tax	(1,680)	727	(1,347)	582
Adjustments for:				
Amortisation of intangible assets	253	301	677	903
Depreciation of property, plant and equipment	1,323	1,425	3,991	4,344
Gain/(loss) on disposal of property, plant and equipment	(26)	(1,100)	(23)	(1,234)
Share-based payment expense	38	29	105	174
Interest income	(65)	(37)	(197)	(72)
Interest expense	349	286	980	862
Dividend income from quoted equity securities	(7)	(6)	(14)	(29)
Bad debt written-off	-	53	6	57
Bad debt recovery	-	(3)	-	(3)
Write-back of allowance for trade receivables	-	-	(10)	-
Allowance for impairment loss on:				
- trade receivables	57	20	102	65
- quoted equity securities	-	10	-	40
Share of results of an associated company	9	(13)	11	11
Net effect of exchange rate changes in consolidating subsidiaries	310	(2,375)	(1,287)	(2,720)
	561	(683)	2,994	2,980
Changes in inventories	664	2,335	3,649	(2,090)
Changes in trade and other receivables	4,601	4,455	10,451	13,869
Changes in prepayment	32	9	(165)	4
Changes in contract in work-in-progress	644	(1,172)	631	(2,446)
Changes in trade and other payables	(7,126)	(7,946)	(14,797)	(12,244)
Cash (used in)/generated from operations	(624)	(3,002)	2,763	73
Income tax refund/(paid)	32	(377)	(172)	(1,351)
Net cash (used in)/generated from operating activities	(592)	(3,379)	2,591	(1,278)
<u>Cash flows from investing activities</u>				
Interest received	65	37	197	72
Dividend received	7	6	14	29
Proceeds from sale of property, plant and equipment	25	1,918	25	2,052
Acquisition of property, plant and equipment	(170)	-	(563)	(644)
Acquisition of intangible assets	(159)	(32)	(169)	-
Net cash (used in)/generated from investing activities	(232)	1,929	(496)	1,509

**UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 JANUARY 2018**

(In S\$'000) Description	3 months ended		9 months ended	
	3QFY2018	3QFY2017	9MFY2018	9MFY2017
<u>Cash flows from financing activities</u>				
Proceeds from borrowings	-	-	2,533	-
Repayment of borrowings	(586)	(532)	(1,970)	(1,735)
Proceeds from short-term revolving credits	5,524	4,438	13,718	18,808
Repayment of short-term revolving credits	(4,437)	(8,072)	(10,648)	(11,076)
Dividend paid	-	-	(556)	(2,226)
Proceeds from trust receipts	11,229	14,070	32,813	37,502
Repayment of trust receipts	(10,414)	(10,410)	(35,281)	(34,757)
Proceeds from finance lease liabilities	-	-	-	200
Repayment of finance lease liabilities	(27)	(30)	(77)	(75)
Interest paid	(349)	(286)	(980)	(862)
Net cash generated/(used in) from financing activities	940	(822)	(448)	5,779
Net increase/(decrease) in cash and cash equivalents	116	(2,272)	1,647	6,010
Cash and cash equivalents at beginning of the period	26,169	20,253	24,587	12,768
Effects of exchange rate fluctuations on cash held	20	959	71	162
Cash and cash equivalents at end of financial period	26,305	18,940	26,305	18,940
Represented by:				
Cash at bank and on hand	10,443	9,717	10,443	9,717
Short-term fixed deposits	15,980	9,266	15,980	9,266
	26,423	18,983	26,423	18,983
Less: Fixed deposits under pledged	(19)	-	(19)	-
Fixed deposits	(20)	(37)	(20)	(37)
Bank overdrafts	(79)	(6)	(79)	(6)
Cash and cash equivalents in the consolidated statement of cash flows	26,305	18,940	26,305	18,940

**UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 JANUARY 2018**

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
Loss for the period	-	-	-	(310)	(310)
Share-based payment transactions	-	-	38	-	38
As at 31 January 2018	39,780	(2,791)	2,142	(500)	38,631

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
Loss for the period	-	-	-	(474)	(474)
Share-based payment transactions	-	-	29	-	29
As at 31 January 2017	39,780	(2,791)	1,993	286	39,268

UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 JANUARY 2018

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 THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 JANUARY 2018

GROUP Description (in S\$'000)	Share Capital	Treasury Shares	Share Option Reserve	Fair Value Reserve	Foreign Currency Translation Reserve	Accumulated Profits	Attributable to Owners of the Company	Non- controlling Interests	Total
As at 31 October 2017	39,780	(2,791)	2,104	14	(9,408)	35,410	65,109	1,700	66,809
Loss for the period	-	-	-	-	-	(1,223)	(1,223)	(62)	(1,285)
Other comprehensive income/(expenses)									
Exchange differences arising from translation of the financial statements of the subsidiary corporations	-	-	-	-	249	-	249	-	249
Net changes in the fair value for available-for-sale financial assets	-	-	-	155	-	-	155	-	155
Deferred tax arising from available-for-sale financial assets	-	-	-	(26)	-	-	(26)	-	(26)
Total other comprehensive income	-	-	-	129	249	-	378	-	378
Total comprehensive income/(expenses) for the period	-	-	-	129	249	(1,223)	(845)	(62)	(907)
Transaction with owners, recognised directly in equity									
Contributions by and distributions to owners									
Share-based payment transactions	-	-	38	-	-	-	38	-	38
As at 31 January 2018	39,780	(2,791)	2,142	143	(9,159)	34,187	64,302	1,638	65,940

UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 JANUARY 2018

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 THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 JANUARY 2018

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

**UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS
ANNOUNCEMENT FOR THE PERIOD ENDED 31 JANUARY 2018**

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

As at 31 January 2018, the Company's issued and fully paid up capital (excluding treasury shares) comprises of 111,281,821 (31 January 2017: 111,281,821) ordinary shares. The changes in the company's share capital in 9MFY2018 and 9MFY2017 are set out below.

Description	9MFY2018	
	Number of Shares	Share Capital (\$'000)
Balance at beginning and at end of period	111,281,821	39,780

Description	9MFY2017	
	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 3QFY2018. As at 31 January 2018, the total consideration for the treasury shares held under the share buy-back scheme was S\$2,791,000 for a total of 3,230,750 shares.

The number of treasury shares held by the Company represents 2.90% (31 January 2017: 2.90%) of the total number of issued shares (excluding treasury shares) of the Company as at 31 January 2018.

XMH Share Option Scheme

As at 31 January 2018, the outstanding balance of unexercised options under the XMH Share Option Scheme totaled 5,416,500 shares (31 January 2017: 4,455,000) or 4.87% (31 January 2017: 4.00%) of the total number of issued shares (excluding treasury shares) 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.

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

Description	31 January 2018	31 January 2017
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 January 2018	31 January 2017
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 January 2018 and 31 January 2017 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.

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6. (Loss)/earnings per ordinary share (“(L)/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.

(Loss)/earnings per ordinary share for the period based on net (loss)/profit attributable to shareholders:-

Description	3 months ended		9 months ended	
	3QFY2018	3QFY2017	9MFY2018	9MFY2017
(L)/EPS (based on consolidated net (loss)/profit attributable to owners):-				
a) Based on the weighted average no. of ordinary shares in issue (cents)	(1.10)	0.69	(0.80)	0.95
b) On a fully diluted basis (cents)	(1.10)	0.69	(0.80)	0.95
Weighted average no. of shares in issue during the period used in the computing of (L)/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 (L)/EPS	111,465,071 ⁽¹⁾	111,281,821 ⁽²⁾	111,410,267 ⁽¹⁾	111,387,594 ⁽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 January 2018	30 April 2017	31 January 2018	30 April 2017
Net asset value per ordinary share based on existing share capital (cents)	57.78	59.65	34.71	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

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- b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

STATEMENT OF COMPREHENSIVE INCOME REVIEW

Quarter ended 31 January 2018 (“3QFY2018”) vs quarter ended 31 January 2017 (“3QFY2017”)

(i) Revenue

Revenues decreased by approximately S\$5.4 million or 28.1% from S\$19.5 million in 3QFY2017 to S\$14.1 million in 3QFY2018. This was due to lower revenue recorded by both Distribution and Project business segments due mainly to delay in commencement of projects.

(ii) Cost of Sales and Gross Profit Margin

Cost of sales decreased by approximately S\$4.9 million or 33.5% from S\$14.8 million in 3QFY2017 to S\$9.9 million in 3QFY2018.

Gross profit decreased by approximately S\$0.5 million or 11.0% from S\$4.7 million in 3QFY2017 to S\$4.2 million in 3QFY2018.

Gross profit margin was 29.8% in 3QFY2018 as compared to 24.1% in 3QFY2017. All the business segments recorded increased margins in 3QFY2018 due to better margins achieved from sales and completion of some projects.

(iii) Other Income

Other income decreased by approximately S\$0.1 million or 6.2%, from S\$1.5 million in 3QFY2017 to S\$1.4 million in 3QFY2018. This was because 3QFY2017 included a one-off gain on disposal of fixed assets of approximately S\$1.1 million which was partially offset by:

- (i) Forfeiture of deposits from customers of approximately S\$0.9 million in 3QFY2018; and
- (ii) Increase in rental income of approximately S\$0.1 million from sub-letting part of the premises of the factory building in 3QFY2018.

(iv) Distribution Expenses

Distribution expenses decreased by approximately S\$0.3 million or 15.3%, from S\$1.7 million in 3QFY2017 to S\$1.4 million in 3QFY2018. This was due mainly to the decrease in staff costs of approximately S\$0.4 million.

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

(v) Administrative Expenses

Administrative expenses decreased by approximately S\$0.4 million or 8.1%, from S\$5.0 million in 3QFY2017 to S\$4.6 million in 3QFY2018. This was due mainly to:

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- (i) Decrease in staff costs of approximately S\$0.3 million;
- (ii) Decrease in amortisation of intangible assets of approximately S\$0.1 million; and
- (iii) Decrease in depreciation charge of approximately S\$0.1 million.

The decrease was partially offset by an increase in maintenance cost of approximately S\$0.1 million incurred in respect of the factory building in 3QFY018.

(vi) Net Finance (Cost)/Income

There is net finance cost of approximately S\$1.3 million in 3QFY2018 as compared to net finance income of approximately S\$1.2 million in 3QFY2017. This was mainly due to net foreign exchange loss of approximately S\$1.0 million arising from weakening of United State Dollars (“USD”) and Singapore dollars (“SGD”) against Japanese Yen (“JPY”) in 3QFY2018 as compared to the net foreign exchange gain of S\$1.4 million in 3QFY2017.

(vii) Tax Credit/Expense

The Group recorded tax credit of approximately S\$395,000 in 3QFY2018 as compared to tax expense of S\$183,000 in 3QFY2017. This was due mainly to reversal of overprovision of tax in prior years.

Nine months ended 31 January 2018 (“9MFY2018”) vs nine months ended 31 January 2017 (“9MFY2017”)

(i) Revenue

Revenue decreased by approximately S\$9.0 million or 14.1% from S\$64.0 million in 9MFY2017 to S\$55.0 million in 9MFY2018. This was due to lower revenue recorded by both Project and Distribution business segments owing to competition, cautious spending by customers and slow market recovery.

(ii) Cost of Sales and Gross Profit Margin

Cost of sales decreased by approximately S\$10.0 million or 19.8% from S\$50.2 million in 9MFY2017 to S\$40.2 million in 9MFY2018.

Gross profit increased by approximately S\$0.9 million or 6.4% from S\$13.9 million in 9MFY2017 to S\$14.8 million in 9MFY2018.

Gross profit margin was 26.9% in 9MFY2018 as compared to 21.7% in 9MFY2017. All the three business segments recorded increased margins in 9MFY2018 resulting from better margins achieved from sales and completion of some projects.

(iii) Other Income

Other income decreased by approximately S\$1.0 million from S\$3.5 million in 9MFY2017 to S\$2.5 million in 9MFY2018. This was due to:

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- (i) Decrease in gain on disposal of fixed assets of approximately S\$1.2 million because 9MFY2017 included a one-off gain on disposal of property;
- (ii) Decrease in forfeiture of deposits from customers of approximately S\$0.3 million; and
- (iii) Lesser government grants and rebates of approximately S\$0.1 million.

The decrease was partially offset by increase in rental income of approximately S\$0.6 million from sub-letting part of the premises of the factory building.

(iv) Distribution Expenses

Distribution expenses decreased by approximately S\$0.2 million or 6.2%, from S\$4.3 million in 9MFY2017 to S\$4.1 million in 9MFY2018. This was due mainly to:

- (i) Decrease in staff costs of approximately S\$0.3 million; and
- (ii) Decrease in bank charges of approximately S\$0.1 million in 9MFY2018.

The decrease was partially offset by increase in travelling, marketing and entertainment expenses of approximately S\$0.2 million.

(v) Administrative Expenses

Administrative expenses decreased by approximately S\$0.9 million or 6.6%, from S\$14.5 million in 9MFY2017 to S\$13.6 million in 9MFY2018. This was due mainly to:

- (i) Decrease in amortisation of intangible assets of approximately S\$0.4 million;
- (ii) Decrease in depreciation charge of approximately S\$0.3 million;
- (iii) Decrease in legal and professional fees of approximately S\$0.1 million; and
- (iv) Decrease in share-based payment expense of approximately S\$0.1 million.

(vi) Net Finance (Cost)/Income

There is net finance cost of approximately S\$0.9 million in 9MFY2018 as compared to net finance income of S\$2.1 million in 9MFY2017. This was mainly because 9MFY2017 included a net foreign exchange gain of approximately S\$1.8 million 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). For 9MFY2018, the Group suffer a net foreign exchange loss of S\$0.1 million.

(vii) Tax Credit/Expense

The Group recorded tax credit of approximately S\$275,000 in 9MFY2018 as compared to tax expense of S\$83,000 in 9MFY2017. This was due mainly to reversal of overprovision of tax in prior years.

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STATEMENT OF FINANCIAL POSITION REVIEW

The Group's shareholders' funds as at 31 January 2018 stood at S\$64.3 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\$3.4 million was mainly because of depreciation charge of approximately S\$4.0 million in current period which was partially offset by acquisition of assets of approximately S\$0.6 million.

(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\$1.9 million.

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

(iii) Inventories

Inventories decreased by approximately S\$3.7 million, from S\$30.6 million as at 30 April 2017 to S\$26.9 million as at 31 January 2018 due to delivery to customers in 9MFY2018.

(iv) Trade and other receivables

Trade and other receivables decreased by approximately S\$9.6 million, from S\$23.1 million as at 30 April 2017 to S\$13.5 million as at 31 January 2018 due mainly 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 installments received.

(vi) Trade and other payables

Trade and other payables stood at approximately S\$16.0 million as at 31 January 2018, as compared to S\$30.8 million as at 30 April 2017. The decrease of approximately S\$14.8 million was mainly due to:

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

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(vii) Loans and borrowings

Loans and borrowings stood at approximately S\$73.9 million as at 31 January 2018, a decrease of approximately S\$0.1 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 partially offset by higher drawdown of short-term loans.

STATEMENT OF CASH FLOW REVIEW

The Group generated net cash of approximately S\$2.6 million from operating activities in 9MFY2018 as compared to net cash used of approximately S\$1.3 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 receipt from customers; and
- (ii) Increased payments to trade suppliers.

Net cash used in investing activities amounted to approximately S\$0.5 million. This was mainly due to acquisition of equipment and intangible assets by subsidiaries.

The net cash used in financing activities for current period was approximately S\$0.4 million as compared to a net cash generated of approximately S\$5.8 million in corresponding period. This was the result of a net increase in payment of trust receipts and lower drawdown of short-term revolving credits.

In view of the above, overall net increase in cash was approximately S\$1.6 million in 9MFY2018 as compared to S\$6.0 million in 9MFY2017.

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.

Sentiments in the offshore marine and coal industries have shown some improvement, underpinned by the stabilisation of oil and coal prices. The near term outlook remains challenging as stiff competition persists, but the Group is cautiously optimistic that a slow recovery is underway. Recently, the Group has experienced some increase in enquires but conversion of these into sales is expected to be gradual.

The outlook for onshore segments remains encouraging. The Group will continue to hone the integration of its service offerings and use its combined technical knowledge to cater comprehensive power generating solutions to viable opportunities in the region.

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On the whole, the Group will maintain close ties with existing customers to increase the prospect of repeat business and focus on remaining cost efficient in order to preserve margins and mitigate price competition pressure.

The Group will continue to monitor the developments in the respective markets and remain prudent and methodical in its approach to opportunities which may surface.

11. Dividend

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

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

Not applicable.

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

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

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

The Board of Directors of the Company hereby confirms to the best of its knowledge that nothing has come to its attention which may render the unaudited interim financial results for the nine months ended 31 January 2018 to be false or misleading in any material aspect.

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

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

BY ORDER OF THE BOARD
Mr. Tan Tin Yeow
Chairman and Managing Director
8 March 2018