



XMH HOLDINGS LTD.
(Incorporated in Singapore)
(Company Registration No.: 201010562M)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL OF SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

XMH Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) was placed on the watch-list due to Financial Entry Criterion with effect from 4 December 2019 (“**Watchlist**”).

Pursuant to Rule 1313(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Board of Directors of the Company wishes to provide a quarterly update on the financial results, future direction and other material development that may have a significant impact on the Group’s financial position.

Financial Results

Revenue, cost of goods sold and gross profits for Q1FY2023 increased by about 67.2%, 78.6% and 36.9% respectively as compared with the corresponding quarter in FY2022. This was mainly due to the following factors:

- 1) Increase in revenue for the Distribution segment due to the increase in demand for engines to build tugboats as demand for tugboat transportation has increased; and
- 2) Increase in revenue for the Project segment as a result of progressive fulfilment of our performance obligations over time on some of the major projects.

Future Direction and Other Material Development

Although the Group has achieved an increase in revenue and profits for Q1FY2023, the Group remains cautious in terms of its outlook given that the conflict in Europe coupled with the global uncertainties brought about by the ongoing geopolitical tensions continue to disrupt the supply chain and costs of materials. To mitigate the impact on the Group’s business, the Group will continue to focus on further improving its operational capabilities, strengthening its existing business and cost-tightening measures across its business segments. In addition, the Group will also continue to manage its inventory level so as to mitigate any possible shortfall in the near future due to supply chain disruptions.

The Group has been considering the requirements of the Listing Manual of SGX-ST regarding exiting the watchlist (the current expiry date of the 36-month cure period is 2 December 2022) and will update shareholders in due course.

BY ORDER OF THE BOARD

Tan Tin Yeow
Chairman and Managing Director
12 September 2022