



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

**FURTHER EXTENSION OF TIME TO COMPLY WITH
THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") LISTING MANUAL
REGARDING EXITING FROM WATCH-LIST**

1. INTRODUCTION

The Board of Directors of XMH Holdings Ltd. (the "**Company**") refers to the Company's announcement dated 2 November 2023 regarding its submission of the application to the SGX-ST for a further extension of the Cure Period by 12 months from 4 December 2023, to meet the requirements set out in Rule 1314 of the Listing Manual for its removal from the Watch-list (the "**Further Extension Application**").

2. FURTHER EXTENSION OF TIME GRANTED BY THE SGX-ST FOR REMOVAL FROM THE WATCH-LIST

The Company is pleased to announce that the SGX-ST has on 22 November 2023 approved the Further Extension Application and extended the Cure Period by another 12 months to 4 December 2024 (the "**Waiver**"). The Waiver is subject to the following conditions (the "**Conditions**"):

- (a) that the Company announces the Waiver, the reasons for seeking the Waiver, the conditions as required under Rule 107 of the Listing Manual, and if the Conditions have been satisfied. If the Conditions have not been met on the date of the announcement, the Company must make an update announcement when the Conditions have all been met; and
- (b) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company (the "**Confirmation**").

3. RATIONALE FOR SEEKING THE WAIVER

For the 6-month period from 1 May 2023 to 31 October 2023, the average daily market capitalisation of the Company was below the prescribed threshold of S\$40 million. As such, the Company was not able to exit from the Watch-List pursuant to Rule 1314 of the Listing Manual.

Practice Note 13.2 Paragraph 4.2(1) of the Listing Manual provides that the Company may apply to the SGX-ST for an extension to the Cure Period and the SGX-ST may, if the circumstances warrant it, grant an extension of up to 12 months if (a) the Company satisfies at least one of the requirements under Rule 1314 of the Listing Manual and (b) has achieved healthy cash flow from its operating activities, based on its audited full year consolidated accounts for the most recently completed financial year.

The Waiver was sought on the following basis:

- (a) the Company has recorded a consolidated pre-tax profit for FY2023, being the most recently completed financial year, and has thereby satisfied one of the requirements under Rule 1314. In this regard, it is noted that the pre-tax profit for FY2023 represents an increase of more than 1.3 times that of FY2022;
- (b) the Company has also achieved healthy cash flow from its operating activities for FY2023, thus fulfilling the requirement stated under Practice Note 13.2 Paragraph 4.2(1). It is noted that cash flow for FY2023 increased by approximately 71% compared to that for FY2022;
- (c) as at 30 April 2023, the Group's net asset value ("**NAV**") was approximately S\$49.9 million and NAV per share was 45.53 Singapore cents, which is an increase of 2.18 Singapore cents or 5.0% as compared to that as at 30 April 2022. It is also noted that the last done market closing price of S\$0.315 on 16 May 2023 and S\$0.24 per share on 1 November 2023, which suggests that the Company's share price is undervalued as compared to the NAV per share of 45.53 Singapore cents;
- (d) for the 6-month period from 1 June 2022 to 30 November 2022, the Company had a (volume-weighted) average daily market capitalisation of S\$23,084,001; for the 6-month period from 1 December 2022 to 31 May 2023, it was S\$27,640,044; and for the 6-month period from 1 May 2023 to 31 October 2023, S\$37,101,583. It is noted that there was an *increase* in the market capitalisation of the Company over the said periods, with the market capitalisation for the latest 6-month period being close to the S\$40 million prescribed threshold; and
- (e) at the Company's most recent AGM held on 28th August 2023, and consistent with the written responses to SIAS and shareholder's queries which were released on SGXNet on 24 August 2023, the Board shared with the shareholders present at the said AGM on the efforts and considerations taken by the Company to exit the Watchlist. The Company explained to Shareholders that certain factors such as share price are not within the Company's control. Shareholders noted the Group's consistent improvements in its financial results, whereby, the Group not only managed to achieve three (3) consecutive years of profitability amidst the unprecedented Covid-19 pandemic, global supply chain disruptions, the ongoing geopolitical tensions and conflicts as well as interest rates hikes, it was also able to distribute dividends for the second consecutive year running. The Company also received feedback from Shareholders that corporate actions, if taken, may not necessarily guarantee that the requisite market capitalisation to exit the Watchlist will be achieved.

4. SATISFACTION OF CONDITIONS

Following the release by the Company of this announcement and the submission of the Confirmation, the Company wishes to inform that the Conditions have been satisfied.

BY ORDER OF THE BOARD

Tan Tin Yeow
Chairman and Managing Director
23 November 2023