



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

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 announcements dated 3 December 2019 regarding (i) the Company being placed on the watch-list due to the financial entry criterion ("**Watch-list**") with effect from 4 December 2019 and (ii) the Company having to meet the requirements of Rule 1314 of the Listing Manual within 36 months from 4 December 2019 for its removal from the Watch-list (the "**Cure Period**"), failing which the SGX-ST would delist the Company or suspend trading in the Company's shares with a view to delisting the Company.

The Company had on 31 October 2022 made an announcement that it had submitted an application to the SGX-ST for an extension of the Cure Period by 12 months from 2 December 2022 to meet the requirements set out in Rule 1314 of the Listing Manual for its removal from the Watch-list (the "**Extension Application**").

2. 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 1 December 2022 approved the Extension Application and extended the Cure Period by 12 months to 4 December 2023. The SGX-ST's approval is subject to the conditions that the Company announces the grant of the extension pursuant to the Extension Application, the reasons for seeking the extension and the conditions of such extension as required under Rule 107 of the Listing Manual, and if the conditions have been satisfied (the "**Conditions**"). 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.

3. RATIONALE FOR SEEKING FURTHER EXTENSION OF TIME

For the 6-month period from 28 April 2022 to 27 October 2022 prior to the Extension Application, the Company had an average daily market capitalisation of S\$24,675,831. 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.

3.1 The Company's consolidated pre-tax profit

Since being placed on the Watch-List, the Company has made concerted efforts to increase its profitability. The Company recorded a consolidated pre-tax profit for the financial year ended 30 April 2022 ("**FY2022**"), being the most recently completed financial year, thus satisfying one of the requirements under Rule 1314 and also Practice Note 13.2 Paragraph 4.2(1) of the Listing Manual of the Listing Manual.

3.2 Healthy cash flow from operating activities

For FY2022, the Group recorded a net cash generated from operating activities of approximately S\$16.0 million, as compared to net cash used of S\$4.3 million in FY2021. The Company had thus achieved a healthy cash flow from its operating activities for FY2022, fulfilling the other requirement of Practice Note 13.2 Paragraph 4.2(1) of the Listing Manual.

3.3 Net Asset Value of the Company and its subsidiaries ("**NAV**")

The NAV as at 30 April 2022 was approximately S\$47.3 million and NAV per share was 43.35 Singapore cents, compared to the last done market closing price of S\$0.145 on 10 May 2022 and S\$0.18 per share on 21 October 2022, prior to the Extension Application.

3.4 Extension of time to meet full requirements of Rule 1314 of the Listing Manual

The Company intends to continue to explore the necessary steps to meet the other requirement of Rule 1314 of the Listing Manual, that of the Company having an average daily market capitalisation of S\$40 million or more for a period of 6 months prior to the end of the Extension Application, and would require more time in this regard and to this end.

4. SATISFACTION OF CONDITIONS

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

BY ORDER OF THE BOARD

Tan Tin Yeow
Chairman and Managing Director
2 December 2022