



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

THIRD QUARTER (“3Q2012”) AND NINE MONTHS (“9M2012”) FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 JANUARY 2012

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.

	Group					
	3Q2012	3Q2011	Change	9M2012	9M2011	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	14,318	19,485	(26.5%)	36,114	53,369	(32.3%)
Cost of sales	(10,451)	(13,948)	(25.1%)	(26,547)	(37,961)	(30.1%)
Gross profit	3,867	5,537	(30.2%)	9,567	15,408	(37.9%)
Other income	1,938	91	Nm	3,835	210	Nm
Distribution expenses	(694)	(688)	0.9%	(2,038)	(2,064)	(1.3%)
Administrative expenses	(897)	(1,812)	(50.5%)	(2,480)	(2,764)	(10.3%)
Other expenses	-	-	Nm	(678)	-	Nm
Results from operating activities	4,214	3,128	34.7%	8,206	10,790	(23.9%)
Finance income	85	3,821	Nm	186	2,652	(93.0%)
Finance cost	(11)	(38)	(71.1%)	(478)	(145)	Nm
Net finance income/(cost)	74	3,783	Nm	(292)	2,507	Nm
Profit before income tax	4,288	6,911	(38.0%)	7,914	13,297	(40.5%)
Income tax expense	(678)	(1,199)	43.5%	(1,283)	(2,143)	(40.1%)
Profit for the period	3,610	5,712	(36.8%)	6,631	11,154	(40.6%)
Exchange differences arising from translation of the financial statements of the subsidiaries whose functional currency is different from that of the Company	(45)	2,981	Nm	(156)	1,178	Nm
Impairment on financial assets available-for-sale transferred to profit or loss	11	-	Nm	439	-	Nm
Net changes in the fair value of financial assets available-for-sale	(21)	(121)	(82.6%)	(144)	(85)	Nm
Deferred tax arising from net changes in the fair value of financial assets available-for-sale	2	20	90.0%	(50)	14	Nm
Other comprehensive (expenses)/income for the period, net of income tax	(53)	2,880	Nm	89	1,107	Nm
Total comprehensive income for the period	3,557	8,592	(58.6%)	6,720	12,261	(45.2%)
Profit attributable to owners of the Company	3,610	5,712	(36.8%)	6,631	11,154	(40.6%)
Total comprehensive income attributable to owners of the Company	3,557	8,592	(58.6%)	6,720	12,261	(45.2%)

Financial Statements Announcement

For the financial quarter ended 31 January 2012

Note: Prior to the initial public offering (IPO) of the Company, the Company and its subsidiaries undertook a group restructuring exercise (Restructuring Exercise) as described on Page 63 of the IPO prospectus. The group Restructuring Exercise is considered to be a transfer of equity interests under common control and have been accounted for in a manner similar to the pooling of interests method. The historical consolidated financial statements of Xin Ming Hua Pte. Ltd. group acquired by the Company pursuant to the Restructuring Exercise were presented as the Group's consolidated financial statements for the period ended 31 January 2011 and the historical consolidated results of Xin Ming Hua Pte. Ltd. group for the period from 1 May 2010 to 24 June 2010 were included in the consolidated results of the Group for the period ended 31 January 2011. Such a manner of presentation reflects the economic substance of the combining enterprise, although the Company was not incorporated, nor was the legal parent-subsidiary relationship established until 24 June 2010 on which the Restructuring Exercise was completed.

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

	Group					
	3Q2012	3Q2011	Change	9M2012	9M2011	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Other income including interest income	1,938	91	Nm	3,835	210	Nm
Depreciation of property, plant and equipment	(81)	(67)	20.9%	(220)	(308)	(28.6%)
Interest on borrowings	-	(38)	Nm	(41)	(145)	(71.7%)
Foreign exchange gain	61	3,658	Nm	33	2,406	Nm
Impairment on financial assets available-for-sale transferred to profit or loss	(11)	-	Nm	(439)	-	Nm
Reversal of allowance for impairment loss on trade receivables	-		Nm	-	50	Nm

Nm denotes not meaningful

Financial Statements Announcement
For the financial quarter ended 31 January 2012

1(b)(i) A statement of financial position (for the Company and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31 January 2012	30 April 2011	31 January 2012	30 April 2011
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	941	946	-	-
Other financial assets	4,428	2,191	-	-
Investment in subsidiaries	-	-	900	900
Club memberships	306	306	-	-
Deferred tax assets	66	90	-	-
	5,741	3,533	900	900
Current assets				
Inventories	25,892	18,454	-	-
Trade and other receivables	5,255	6,358	175	2,026
Cash and cash equivalents	41,868	53,862	17,835	19,799
	73,015	78,674	18,010	21,825
Total assets	78,756	82,207	18,910	22,725
Equity attribute to equity holder of the Company				
Share capital	21,068	21,068	21,068	21,068
Treasury shares	(1,274)	-	(1,274)	-
Reserves	(2,963)	(3,052)	-	-
Accumulated profits/(losses)	22,946	20,315	(1,008)	(1,199)
Total equity	39,777	38,331	18,786	19,869
Non-current liabilities				
Loans and borrowings	-	593	-	-
	-	593	-	-
Current liabilities				
Trade and other payables	38,079	39,319	124	2,856
Loans and borrowings	-	1,723	-	-
Current tax payable	900	2,241	-	-
	38,979	43,283	124	2,856
Total liabilities	38,979	43,876	124	2,856
Total equity and liabilities	78,756	82,207	18,910	22,725

Financial Statements Announcement
For the financial quarter ended 31 January 2012

1(b)(ii) 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:

Amount repayable in one year or less, or on demand

- Secured
- Unsecured

Amount repayable after one year

- Secured
- Unsecured

GROUP	
31 January 2012	30 April 2011
S\$'000	S\$'000
-	1,723
-	-
-	1,723
-	593
-	-
-	593
-	2,316

Details of any collaterals

The Group's banking facilities were secured by the following:-

- a) Legal mortgage on a leasehold building of a subsidiary; and
- b) Corporate guarantee by the Company.

Financial Statements Announcement
For the financial quarter ended 31 January 2012

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

	Group	
	9M2012	9M2011
	S\$'000	S\$'000
Cash flows from operating activities		
Profit for the period	6,631	11,154
Adjustments for:		
Depreciation of property, plant and equipment	220	308
Net finance cost	292	(2,507)
Income tax expenses	1,283	2,143
	8,426	11,098
Change in inventories	(5,593)	771
Change in trade and other receivables	1,763	(1,984)
Change in trade and other payables	(5,172)	5,299
Cash (used in)/generated from operating activities	(576)	15,184
Income taxes paid	(1,923)	(2,449)
Net cash (used in)/generated from operating activities	(2,499)	12,735
Cash flows from investing activities		
Interest received	48	2
Dividend received	106	43
Proceeds from disposal of other investments	-	137
Purchase of listed equity securities	(2,017)	-
Acquisition of property, plant and equipment	(210)	(34)
Net cash (used in)/generated from investing activities	(2,073)	148
Cash flows from financing activities		
Proceeds from borrowings	1,072	2,595
Proceeds received/receivable from issuance of ordinary shares, net of issue expenses	-	20,196
Repayment of borrowings	(3,388)	(5,834)
Payment of finance lease liabilities	-	(28)
Purchase of treasury shares	(1,274)	-
Dividends paid	(4,000)	(12,000)
Interest paid	(41)	(145)
Net cash (used in)/generated from financing activities	(7,631)	4,784
Net (decrease)/increase in cash and cash equivalents	(12,203)	17,667
Cash and cash equivalents at beginning of the period	53,862	33,098
Effect of exchange rate fluctuations on cash held	209	2,267
Cash and cash equivalents at end of the period	41,868	53,032

Financial Statements Announcement
For the financial quarter ended 31 January 2012

1(d)(i) 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.

	Group					
	Share capital	Fair value reserve	Foreign currency translation reserve	Treasury shares	Accumulated Profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 May 2011	21,068	(229)	(2,823)	-	20,315	38,331
Total comprehensive income for the period						
Profit for the period	-	-	-	-	6,631	6,631
Other comprehensive income						
Exchange differences arising from translation of the financial statements of the subsidiaries whose functional currency is different from that of the Company	-	-	(156)	-	-	(156)
Impairment on financial assets available-for-sale transferred to profit or loss	-	439	-	-	-	439
Net changes in the fair value of financial assets available-for-sale	-	(144)	-	-	-	(144)
Deferred tax arising from net changes in the fair value of financial assets available-for-sale	-	(50)	-	-	-	(50)
Total other comprehensive income	-	245	(156)	-	-	89
Transaction with owners, recorded directly in equity	-	245	(156)	-	6,631	6,720
Contributions by and distributions to owners						
Dividend to equity holders	-	-	-	-	(4,000)	(4,000)
Purchase of treasury shares	-	-	-	(1,274)	-	(1,274)
Total transaction with owners	-	-	-	(1,274)	(4,000)	(5,274)
At 31 January 2012	21,068	16	(2,979)	(1,274)	22,946	39,777
At 1 May 2010	900	(204)	(2,993)	-	11,328	9,031
Total comprehensive income for the period						
Profit for the period	-	-	-	-	11,154	11,154
Other comprehensive income						
Exchange differences arising from translation of the financial statements of the subsidiaries whose functional currency is different from that of the Company	-	-	1,178	-	-	1,178
Net changes in the fair value of financial assets available-for-sale	-	(85)	-	-	-	(85)
Deferred tax arising from net changes in the fair value of financial assets available-for-sale	-	14	-	-	-	14
Total other comprehensive income	-	(71)	1,178	-	-	1,107
Transaction with owners, recorded directly in equity	-	(71)	1,178	-	11,154	12,261
Contributions by and distributions to owners						
Issue of ordinary shares, net of issue expenses	20,168	-	-	-	-	20,168
Transaction with owners	20,168	-	-	-	-	20,168
At 31 January 2011	21,068	(275)	(1,815)	-	22,482	41,460

Financial Statements Announcement
For the financial quarter ended 31 January 2012

	Company			
	Share capital	Accumulated losses	Treasury shares	Total
	S\$'000	S\$'000	S\$'000	S\$'000
At 1 May 2011	21,068	(1,199)	-	19,869
Profit for the period	-	4,191	-	4,191
Dividend to equity holders	-	(4,000)	-	(4,000)
Purchase of treasury shares	-	-	(1,274)	(1,274)
At 31 January 2012	21,068	(1,008)	(1,274)	18,786
As at date of incorporation	-*	-	-	-
Restructuring exercise ^(#)	900	-	-	900
Issuance of ordinary shares, net of issue expenses	20,168	-	-	20,168
At 31 January 2011	21,068	-	-	21,068

* As at the date of incorporation on 17 May 2010, the issued share capital was S\$3.

Pursuant to the Restructuring Exercise, the Company entered into a share swap agreement to acquire the entire share capital of Xin Ming Hua Pte. Ltd. at a consideration of S\$900,000 which was satisfied by the issue of 315,000,000 shares of the Company to the then shareholders of Xin Ming Hua Pte. Ltd.

Financial Statements Announcement
For the financial quarter ended 31 January 2012

1(d)(ii) 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. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

Purchase of treasury shares

The Company commenced its share buy-backs in September 2011. As at 31 January 2012, the Company's issued and fully paid up capital (excluding treasury shares) comprises 391,964,003 (30 April 2011: 400,000,003) ordinary shares. The changes during 3Q2012 and 3Q2011 are set out as below.

3Q2012	
Number of shares	Share Capital (S\$)
As at 1 November 2011	398,280,003 21,067,947
Purchase of treasury shares	(6,316,000) -
As at 31 January 2012	391,964,003 21,067,947

3Q2011	
Number of shares	Share Capital (S\$)
As at 1 November 2010	315,000,003 900,003
Issuance of ordinary shares ⁽¹⁾	85,000,000 20,196,133
As at 31 January 2011	400,000,003 21,096,136

Notes:

(1) On 26 January 2011, 85,000,000 new ordinary shares were issued to the public at S\$0.25 per share pursuant to the Company's IPO.

The number of treasury shares held by the Company represents 2.05% of the total number of issued shares (excluding treasury shares) of the Company as at 31 January 2012. The Company did not hold any treasury shares as at 30 April 2011.

The total consideration for the purchase of treasury shares since the launch of the share buy-back scheme was S\$1,274,000 for total of 8,036,000 shares.

XMH Share Option Scheme

The Company granted 3,819,000 share options to the eligible participants of the Company and its subsidiaries under the XMH Share Option Scheme on 19 September 2011. As at 31 January 2012, the outstanding balance of unexercised options under the XMH Share Option Scheme totaled 3,819,000 (31 January 2011: Nil) or 0.96% of total issued shares in the capital of the Company.

**Financial Statements Announcement
For the financial quarter ended 31 January 2012**

1(d)(iii) To show the total number of issued shares excluding treasury shares 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.

	31 January 2012	30 April 2011
Total number of shares issued	400,000,003	400,000,003
Less: Treasury shares	(8,036,000)	-
Issued shares excluding treasury shares	391,964,003	400,000,003

1(d)(iv) 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.

Please refer to 1(d)(ii).

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 2011 and 31 January 2012 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.

Other than the adoption of new and revised Financial Reporting Standards (FRS) which came into effect during the current financial period, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited consolidated financial statements for the year ended 30 April 2011.

Among the changes to Financial Reporting Standards is FRS 24 Related Party Disclosures which became effective from 1 January 2011.

FRS 24 Related Party Disclosures

Revised FRS 24 modifies the definition of a related party and simplifies disclosures for government-related entities. The Group does not expect any significant impact on its financial position or performance, however, disclosures regarding related party transactions and balances may be affected when this revised Standard is applied for the Group's financial statements for the year ending 30 April 2012.

Financial Statements Announcement
For the financial quarter ended 31 January 2012

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.**

The adoption of the new and revised FRS is assessed to have no material impact to the results of the Group and of the Company for the period ended 31 January 2012.

6. **Earnings per ordinary share (“EPS”) of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per ordinary share for the period based on net profit attributable to shareholders:-

	Group			
	3Q2012	3Q2011	9M2012	9M2011
EPS (based on consolidated net profit attributable to equity holders):-				
a) Based on the weighted average number of ordinary shares in issue (cents)	0.91	1.79	1.66	3.52
b) On a fully diluted basis (cents)	0.91	1.79	1.66	3.52
Weighted average number of shares in issue during the period used in the computing of EPS	395,312,068 ⁽²⁾	320,543,481 ⁽¹⁾	398,354,543 ⁽²⁾	316,847,829 ⁽¹⁾
On fully diluted basis during the period used in the computing of EPS	396,171,130 ⁽³⁾	320,543,481 ⁽¹⁾	399,109,562 ⁽³⁾	316,847,829 ⁽¹⁾

Note:

- (1) The consolidated financial statements of the Group have been prepared to reflect the operations of the Company and its subsidiaries as a single economic enterprise and consist of those companies under common control for the period ended 31 January 2011. In calculating earnings per share for the period ended 31 January 2011, the number of shares in issue is on the basis of the completion of the Restructuring Exercise as set out in the Note to Section 1(a)(i).
- (2) The figures are computed taking into account the purchase of treasury shares during the quarter.
- (3) The figures are computed taking into account the purchase of treasury shares and potential ordinary shares issued for the share options granted in September 2011.

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**

	Group		Company	
	31 January 2012	30 April 2011	31 January 2012	30 April 2011
Net asset value per ordinary share based on existing share capital (cents)	10.15	9.58	4.79	4.97
Number of shares at end of the period	391,964,003	400,000,003	391,964,003	400,000,003

Financial Statements Announcement
For the financial quarter ended 31 January 2012

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

Notes to the statement of comprehensive income

Quarter ended 31 January 2012 ("3Q2012") vs quarter ended 31 January 2011 ("3Q2011")

(i) Revenue

The decrease in revenue of approximately S\$5.2 million or 26.5% from approximately S\$19.5 million for 3Q2011 to approximately S\$14.3 million for 3Q2012 was due mainly to a decrease of approximately S\$5.5 million from the "distribution and value-added products & services" business segment, offset by an increase of approximately S\$0.3 million in "after sales services, trading & others" business segment. This was due to: (i) the re-scheduling of deliveries by our customers (citing factors such as projects delays); (ii) cancellation of order by a customer; (iii) delays in the supply of some components; and (iv) economic uncertainty in the global markets.

(ii) Cost of Sales and Gross Profit Margin

Cost of sales decreased by approximately S\$3.4 million or 25.1% from approximately \$13.9 million for 3Q2011 to approximately S\$10.5 million for 3Q2012, in line with the decline in the Group's revenue.

Gross profit reduced by approximately S\$1.6 million or 30.2% from approximately S\$5.5 million in 3Q2011 to approximately S\$3.9 million in 3Q2012. This translated to a reduction in gross profit margin from 28.4% in 3Q2011 to 27.0% in 3Q2012. This was primarily due to the lower margin achieved for the "after sales services, trading & others" business segment.

(iii) Other Income

Other income increased by approximately S\$1.8 million. This was due mainly to the one-time gain arising from the deposit forfeited from a customer.

(iv) Administrative Expenses

Administrative expenses decreased by approximately S\$0.9 million from approximately S\$1.8 million for 3Q2011 to approximately S\$0.9 million for 3Q2012. This was due mainly to the inclusion of listing expenses of approximately S\$1.4 million in 3Q2011.

Financial Statements Announcement
For the financial quarter ended 31 January 2012

(v) Net Finance Cost

In 3Q2012, the Group registered lower net finance income approximately S\$0.1 million as compared to S\$3.8 million in 3Q2011. The net finance income for 3Q2011 comprised mainly of foreign exchange gains arising from the translation of foreign currency monetary assets and liabilities of the subsidiaries to their functional currency, which is the Japanese Yen.

Nine months ended 31 January 2012 (“9M2012”) vs nine months ended 31 January 2011 (“9M2011”)

(i) Revenue

The decrease in revenue of approximately S\$17.3 million or 32.3% from approximately S\$53.4 million for 9M2011 to approximately S\$36.1 million for 9M2012 was due mainly to the decrease of approximately S\$17.3 million from the “distribution and value-added products & services” business segment. This was due mainly to: (i) the re-scheduling of deliveries by our customers (citing factors as projects delays); (ii) cancellation of order by customer; (iii) delays in the supply of some components; and (iv) uncertainty in global markets.

(ii) Cost of Sales and Gross Profit Margin

Cost of sales decreased by approximately S\$11.5 million or 30.1% from approximately S\$38.0 million in 9M2011 to approximately S\$26.5 million for 9M2012, in line with the decline in the Group’s revenue.

Gross profit reduced by approximately S\$5.8 million or 37.9% from approximately S\$15.4 million in 9M2011 to approximately S\$9.6 million in 9M2012. This translated to a gross profit margin of 26.5% in 9M2012, which was lower than that of 28.9% in 9M2011. This was primarily due to the lower margin achieved for the “distribution and value-added products & services” business segment.

(iii) Other Income

Other income increased by approximately S\$3.6 million and this was due mainly to the one-time gain arising from the deposits forfeited from a customer.

(iv) Administrative Expenses

Administrative expenses decreased by approximately S\$0.3 million from approximately S\$2.8 million for 9M2011 to approximately S\$2.5 million for 9M2012. This was due mainly to the inclusion of listing expenses of approximately S\$1.4 million in 9M2011 offset by the increase in payroll & benefits and listing compliance costs.

(v) Other Expenses

Other expenses increased by approximately S\$0.7 million due mainly to the deposit forfeited by a supplier arising from the cancellation of orders by a customer.

Financial Statements Announcement

For the financial quarter ended 31 January 2012

(vi) Net Finance Cost

In 9M2012, the Group registered net finance cost approximately S\$0.3 million due mainly to the impairment on financial assets available-for-sales transferred in from fair value reserve. Net finance income of approximately S\$2.5 million for 9M2011 comprised mainly of foreign exchange gains arising from the translation of foreign currency monetary assets and liabilities of the subsidiaries to their functional currency, which is the Japanese Yen.

Notes to statements of financial position

(i) Property, plant and equipment

The decrease in property, plant and equipment was due mainly to the purchase of motor vehicle offset by the depreciation provided for property, plant and equipment.

(ii) Other financial assets

Other financial assets increased by approximately S\$2.2 million from approximately S\$2.2 million as at 30 April 2011 to approximately S\$4.4 million as at 31 January 2012 due mainly to the purchase of listed equity securities.

(iii) Inventories

Inventories increased by approximately S\$7.4 million from approximately S\$18.5 million as at 30 April 2011 to approximately S\$25.9 million as at 31 January 2012, due mainly to the re-scheduling of deliveries by our customers.

(iv) Trade and other receivables

Trade and other receivables decreased by approximately S\$1.1 million from approximately S\$6.4 million as at 30 April 2011 to approximately S\$5.3 million as at 31 January 2012 due mainly to the subsequent collection of trade receivables after the end of April 2011.

(v) Trade and other payables

Trade and other payables decreased by approximately S\$1.2 million from approximately S\$39.3 million as at 30 April 2011 to approximately S\$38.1 million as at 31 January 2012, due mainly to the settlement of trade payables.

(vi) Loans and borrowings (non-current and current)

Loans and borrowings were fully settled as at 31 January 2012.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

**Financial Statements Announcement
For the financial quarter ended 31 January 2012**

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

Indonesia continues to be the Group's major market. The country is rich in mineral resources and the Group is confident of the long-term potential of Indonesia's market based on the continued global demand for natural resources. With the gradual implementation of the Cabotage Rule in Indonesia, the demand for domestic shipment is poised to stay robust. In this macro-environment, the demand for marine vessels, particularly for tugs and barges, is expected to remain stable and the Group is cautiously optimistic on this segment.

In the Indian market, the enquiry level and demand remain healthy and the Group is involved in preliminary tenders for certain projects.

The Group experienced a drop in the revenue due to the re-scheduling of deliveries by some customers affected by project delays and delays in the supply of certain component. In respect of project delays, the Group has been gradually clearing the contracts and obtaining payments for these projects. In respect of the delays in the supply of certain component, the Group does not expect the full recovery of the supply of such components in the near future. The Management will monitor the situation and will seek alternative source(s) of supply where possible.

With a substantial amount of cash and cash balances on the balance sheet, the Group continues to explore feasible opportunities for mergers and acquisitions ("M&A") to grow inorganically. The Group will release appropriate and timely announcements on such M&A opportunities as and when there are definite developments, in accordance with the requirements of the listing rules.

Barring any unforeseen circumstances, the Group expects to remain profitable for the financial year ending 30 April 2012 (i.e. FY2012).

11. Dividend

a) Current financial period reported on?

Any dividend declared for the current financial period reported on?

No interim dividend for the nine months ended 31 January 2012 has been recommended.

b) Corresponding period of the immediately preceding financial period

Not applicable

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

c) Date payable:

Not Applicable

d) Books Closure Date:

Not Applicable

**Financial Statements Announcement
For the financial quarter ended 31 January 2012**

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

No interim dividend for the nine months ended 31 January 2012 has been recommended.

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 obtained a general mandate for interested person transaction(s) from the shareholders.

14. Confirmation pursuant to the 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 financial period for the nine months ended 31 January 2012 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

United Overseas Bank Limited (“UOB”) was the manager, underwriter and placement agent for the initial public offering of XMH Holdings Ltd.. UOB assumes no responsibility for the contents of this announcement.
