



XMH HOLDINGS LTD.

Company No. : 201010562M

(the "Company")

(Incorporated in Singapore)

RESPONSE TO QUERIES FROM SGX-ST ON THE COMPANY'S FOURTH QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT MADE ON 26 JUNE 2012 FOR THE FINANCIAL PERIOD ENDED 30 APRIL 2012 (THE "ANNOUNCEMENT")

The Board of Directors of XMH Holdings Ltd. (the "**Company**") wishes to announce the information set out below in response to queries from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in respect of the Announcement.

Queries of SGX-ST

- a) We note that "Trade and others receivables" increased 135.4% from S\$6.4m to S\$15.0m, when "Revenue" decreased 11.4% from S\$70.2m to S\$62.2m. The Company disclosed that the increase was "due mainly to the increase in revenues for 4Q2012". In respect of the above, please provide the following information:-
- (i) Debtors turnover days for the full year ended 30 April 2012, as compared to the previous period, and elaborate on material variance, if any; and
 - (ii) Directors' views on the risk of debts collectability, and the basis for their views.
- b) Paragraph 9 of Appendix 7.2 of the Listing Manual requires the Company to state whether there is any variance between a forecast or prospect statement (previously disclosed to shareholders) and the actual financial results.

Paragraph 9 of Appendix 7.2 is applicable.

As disclosed in its financial results on 13 March 2012, "Barring any unforeseen circumstances, the Group expects to remain profitable for the financial year ending 30 April 2012 (i.e. FY2012)." Please confirm whether there is any variance between the prospect statement as previously disclosed and its actual financial results.

Company's responses

- (a) (i) Debtors turnover days for: (A) the full year ended 30 April 2012 ("**FY2012**"); as compared to (B) the full year ended 30 April 2011 ("**FY2011**") is as follows:

	FY2012	FY2011	Variance (%)
Revenues (S\$'000)	62,249	70,237	(11.4)
Trade and other receivables (S\$'000) ⁽¹⁾	14,967	6,358	135.4
Debtors Turnover Days ⁽²⁾	76	25	

Notes:

- 1) Trade and other receivables comprises of trade debtors, other debtors, deposits, advance to suppliers and staffs, and prepayments.
- 2) For the purpose of the computation on debtors turnover days, the figures of trade debtors will be used. Debtors turnover days = trade debtors / revenues x 365 days.

Debtors turnover days increased by 51 days due mainly to the sales deliveries in 4Q2012 for "distribution and value-added products & services" business segment of S\$10.6 million, which the amount of S\$10.5 million was settled subsequent to the end of FY2012.

- (ii) Our Directors are of the view that our risk of debts collectability is low because the amount of S\$10.5 million that was settled subsequent to the end of FY2012.
- (b) The following prospect statement was stated in the Group's financial results on 13 March 2012 (the "**Prospect Statement**"):

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

The Company confirms that there is no variance between the Prospect Statement as previously disclosed and its actual financial results.

BY ORDER OF THE BOARD

TAN TIN YEOW
Chairman and CEO

3 July 2012

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.
