



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

**FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 JULY 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.**

	<b>Group</b>		
	<b>3 months ended 31 July 2012</b>	<b>3 months ended 31 July 2011</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Revenue	21,916	12,270	78.6%
Cost of sales	(15,707)	(8,930)	75.9%
<b>Gross profit</b>	<b>6,209</b>	<b>3,340</b>	<b>85.9%</b>
Other income	15	93	(83.9%)
Distribution expenses	(996)	(742)	34.2%
Administrative expenses	(869)	(609)	42.7%
<b>Results from operating activities</b>	<b>4,359</b>	<b>2,082</b>	<b>109.4%</b>
Finance income	67	9	Nm
Finance costs <sup>(1)</sup>	(1,529)	(231)	Nm
<b>Net finance costs</b>	<b>(1,462)</b>	<b>(222)</b>	<b>Nm</b>
<b>Profit before income tax</b>	<b>2,897</b>	<b>1,860</b>	<b>55.8%</b>
Income tax expense	(731)	(335)	118.2%
<b>Profit for the period</b>	<b>2,166</b>	<b>1,525</b>	<b>42.0%</b>
Exchange differences arising from translation of the financial statements of the subsidiaries whose functional currency is different from that of the Company	673	677	(0.6%)
Net changes in the fair value of financial assets available-for-sale	(15)	(5)	200.0%
Deferred tax arising from financial assets available-for-sale	3	1	200.0%
<b>Other comprehensive income for the period, net of income tax</b>	<b>661</b>	<b>673</b>	<b>(1.8%)</b>
<b>Total comprehensive income for the period</b>	<b>2,827</b>	<b>2,198</b>	<b>28.6%</b>
<b>Profit attributable to owners of the Company</b>	<b>2,166</b>	<b>1,525</b>	<b>42.0%</b>
<b>Total comprehensive income attributable to owners of the Company</b>	<b>2,827</b>	<b>2,198</b>	<b>28.6%</b>

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**Footnote:**

**(1) Finance costs**

<b>Group</b>		
<b>3 months ended 31 July 2012</b>	<b>3 months ended 31 July 2011</b>	<b>Change</b>
<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>

Interest on borrowings	-	(26)	Nm
Net foreign exchange loss	(1,529)	(205)	Nm
	<u>(1,529)</u>	<u>(231)</u>	<u>Nm</u>

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

<b>Group</b>		
<b>3 months ended 31 July 2012</b>	<b>3 months ended 31 July 2011</b>	<b>Change</b>
<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>

Other income	15	93	(83.9%)
Interest income	48	9	Nm
Interest on borrowings	-	(26)	Nm
Depreciation of property, plant and equipment	(80)	(61)	31.1%
Net foreign exchange loss	(1,529)	(205)	Nm

Nm denotes not meaningful

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**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.**

	<b>Group</b>		<b>Company</b>	
	<b>31 July 2012</b>	<b>30 April 2012</b>	<b>31 July 2012</b>	<b>30 April 2012</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	2,451	1,975	-	-
Other financial assets	2,170	6,822	-	-
Investment in subsidiaries	-	-	900	900
Club memberships	486	306	-	-
Deferred tax assets	16	13	-	-
	<b>5,123</b>	<b>9,116</b>	<b>900</b>	<b>900</b>
<b>Current assets</b>				
Inventories	28,775	26,118	-	-
Trade and other receivables	5,852	14,967	135	1,769
Cash and cash equivalents	51,543	39,233	17,657	16,921
	<b>86,170</b>	<b>80,318</b>	<b>17,792</b>	<b>18,690</b>
<b>Total assets</b>	<b>91,293</b>	<b>89,434</b>	<b>18,692</b>	<b>19,590</b>
<b>Equity attribute to equity holder of the Company</b>				
Share capital	21,068	21,068	21,068	21,068
Treasury shares	(2,218)	(2,218)	(2,218)	(2,218)
Reserves	(1,458)	(2,119)	85	85
Accumulated profits	27,995	25,829	(847)	(931)
<b>Total equity</b>	<b>45,387</b>	<b>42,560</b>	<b>18,088</b>	<b>18,004</b>
<b>Current liabilities</b>				
Trade and other payables	43,455	45,121	604	1,586
Current tax payable	2,451	1,753	-	-
	<b>45,906</b>	<b>46,874</b>	<b>604</b>	<b>1,586</b>
<b>Total liabilities</b>	<b>45,906</b>	<b>46,874</b>	<b>604</b>	<b>1,586</b>
<b>Total equity and liabilities</b>	<b>91,293</b>	<b>89,434</b>	<b>18,692</b>	<b>19,590</b>

**Financial Statements Announcement**  
**For the financial period ended 31 July 2012**

**1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:**

The Group has no outstanding borrowings and debt securities at 31 July 2012 and certain banking facilities which are secured by the following:

- (a) Legal mortgage on a leasehold building of a subsidiary;
- (b) Corporate guarantee by the Company; and
- (c) Pledge of structured deposits of a subsidiary.

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**For the financial period ended 31 July 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.

	3 months ended 31 July 2012	3 months ended 31 July 2011
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit for the period	2,166	1,525
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	80	61
Interest income	(48)	(9)
Interest expenses	-	26
Dividend income	(16)	-
Net foreign exchange loss	1,529	205
Income tax expenses	731	335
	4,442	2,143
Change in inventories	(2,657)	1,275
Change in trade and other receivables	9,115	1,419
Change in trade and other payables	(1,669)	(13,465)
Cash generated from/(used in) operating activities	9,230	(8,628)
Income taxes paid	-	(473)
<b>Net cash generated from/(used in) operating activities</b>	<b>9,230</b>	<b>(9,101)</b>
<b>Cash flows from investing activities</b>		
Interest received	48	9
Dividend received	16	-
Acquisition of club membership	(180)	-
Acquisition of property, plant and equipment	(556)	(194)
<b>Net cash used in investing activities</b>	<b>(672)</b>	<b>(185)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	1,072
Repayment of borrowings	-	(423)
Proceeds from structured deposits	4,652	-
Interest paid	-	(26)
<b>Net cash generated from financing activities</b>	<b>4,652</b>	<b>623</b>
<b>Net increase/(decreased) in cash and cash equivalents</b>	<b>13,210</b>	<b>(8,663)</b>
Cash and cash equivalents at beginning of the period	39,233	53,862
Effect of exchange rate fluctuations on cash held	(900)	460
<b>Cash and cash equivalents at end of the period</b>	<b>51,543</b>	<b>45,659</b>

## Financial Statements Announcement

### For the financial period ended 31 July 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	Treasury shares	Share option reserve	Fair value reserve	Foreign currency translation reserve	Accumulated Profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 May 2012</b>	21,068	(2,218)	85	27	(2,231)	25,829	42,560
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	2,166	2,166
<b>Other comprehensive income/(expense)</b>							
Exchange differences arising from translation of the financial statements of the subsidiaries whose functional currency are different from that of the Company	-	-	-	-	673	-	673
Impairment loss on financial assets available-for-sale transferred to profit or loss	-	-	-	-	-	-	-
Net changes in the fair value of financial assets available-for-sale	-	-	-	(15)	-	-	(15)
Deferred tax arising from financial assets available-for-sale	-	-	-	3	-	-	3
<b>Total other comprehensive income</b>	-	-	-	(12)	673	-	661
<b>Transaction with owners, recorded directly in equity</b>	-	-	-	-	-	-	-
<b>At 31 July 2012</b>	21,068	(2,218)	85	15	(1,558)	27,995	45,387
<b>At 1 May 2011</b>	21,068	-	-	(229)	(2,823)	20,315	38,331
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	-	-	1,525	1,525
<b>Other comprehensive income/(expense)</b>							
Exchange differences arising from translation of the financial statements of the subsidiaries whose functional currency are different from that of the Company	-	-	-	-	677	-	677
Net changes in the fair value of financial assets available-for-sale	-	-	-	(5)	-	-	(5)
Deferred tax arising from financial assets available-for-sale	-	-	-	1	-	-	1
<b>Total other comprehensive income</b>	-	-	-	(4)	677	-	673
<b>Transaction with owners, recorded directly in equity</b>	-	-	-	-	-	-	-
<b>At 31 July 2011</b>	21,068	-	-	(233)	(2,146)	21,840	40,529

**Financial Statements Announcement**  
**For the financial period ended 31 July 2012**

	<b>Company</b>				
	<b>Share capital</b>	<b>Treasury shares</b>	<b>Share option reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>At 1 May 2012</b>	<b>21,068</b>	<b>(2,218)</b>	<b>85</b>	<b>(931)</b>	<b>18,004</b>
Profit for the period	-	-	-	84	84
<b>At 31 July 2012</b>	<b>21,068</b>	<b>(2,218)</b>	<b>85</b>	<b>(847)</b>	<b>18,088</b>
<b>At 1 May 2011</b>	<b>21,068</b>	-	-	<b>(1,199)</b>	<b>19,869</b>
Profit for the period	-	-	-	44	44
<b>At 31 July 2011</b>	<b>21,068</b>	-	-	<b>(1,155)</b>	<b>19,913</b>

**Financial Statements Announcement**  
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**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 undertook a share buy-back during the financial year ended 30 April 2012. As at 31 July 2012, the Company’s issued and fully paid up capital (excluding treasury shares) comprises 386,261,003 (31 July 11: 400,000,003) ordinary shares. The changes during 1Q2013 and 1Q2012 are set out below.

1Q2013	
Number of shares	Share Capital (S\$)
As at 1 May 2012 and 31 July 2012	386,261,003      21,067,947
1Q2012	
Number of shares	Share Capital (S\$)
As at 1 May 2011 and 31 July 2011	400,000,003      21,067,947

The number of treasury shares held by the Company represents 3.43% of the total number of issued shares (including treasury shares) of the Company as at 31 July 2012. The Company did not hold any treasury shares as at 31 July 2011.

The total consideration for the purchase of treasury shares since the launch of the share buy-back scheme was S\$2,218,000 for a total of 13,739,000 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 July 2012, the outstanding balance of unexercised options under the XMH Share Option Scheme totaled 3,819,000 (31 July 2011: Nil) or 0.95% of total issued shares in the capital of the Company.



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**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 July 2012	30 April 2012
Total number of shares issued	400,000,003	400,000,003
Less: Treasury shares	(13,739,000)	(13,739,000)
<b>Total</b>	<b>386,261,003</b>	<b>386,261,003</b>

**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.**

Not applicable.

**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 July 2011 and 31 July 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.**

Except as disclosed in item 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those adopted for the audited consolidated financial statements for the financial year ended 30 April 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 Financial Reporting Standard ("FRS") is assessed to have no material impact to the results of the Group and of the Company for the period ended 31 July 2012.

**Financial Statements Announcement  
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- 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	
3 months ended 31 July 2012	3 months ended 31 July 2011

EPS (based on consolidated net profit attributable to equity holders):-

a) Based on the weighted average number of ordinary shares in issue	0.56	0.38
b) On a fully diluted basis (cents)	0.56	0.38

Weighted average number of shares in issue during the period used in the computing of EPS

386,261,003	400,000,003
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- 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 July 2012	30 April 2012	31 July 2012	30 April 2012

Net asset value per ordinary share based on existing share capital (cents)

11.75	11.02	4.68	4.66
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Number of shares at end of the period

386,261,003	386,261,003	386,261,003	386,261,003
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**Financial Statements Announcement**  
**For the financial period ended 31 July 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 July 2012 ("1Q2013") vs quarter ended 31 July 2011 ("1Q2012")**

**(i) Revenue**

The increase in revenue of approximately S\$9.6 million or 78.6% from approximately S\$12.3 million for 1Q2012 to approximately S\$21.9 million for 1Q2013 was due mainly to an increase of approximately S\$8.7 million from the "distribution and value-added products & services" business segment due to the clearing of back-log orders from customers and approximately S\$0.9 million in "after sales services, trading & others" business segment.

**(ii) Cost of Sales and Gross Profit Margin**

Cost of sales increased by approximately S\$6.8 million or 75.9% from approximately S\$8.9 million for 1Q2012 to approximately S\$15.7 million for 1Q2013, in line with the increase in the Group's revenue.

Gross profit increased by approximately S\$2.9 million or 85.9% from approximately S\$3.3 million for 1Q2012 to approximately S\$6.2 million for 1Q2013. There was a slight increase in the gross profit margin of approximately 27.2% for 1Q2012 to 28.3% for 1Q2013. This was primarily due to the higher margin achieved for the "distribution and value-added products & services" business segment.

**(iii) Distribution Expenses**

Distribution expenses increased by approximately S\$0.3 million from approximately S\$0.7 million for 1Q2012 to approximately S\$1.0 million for 1Q2013. This was mainly due to the payroll & benefit of approximately S\$0.1 million and marketing & promotion of approximately S\$0.1 million.

**(iv) Administrative Expenses**

Administrative expenses increased by approximately S\$0.3 million from approximately S\$0.6 million for 1Q2012 to approximately S\$0.9 million for 1Q2013. This was mainly due to the increase of payroll & benefits of approximately S\$0.1 million and professional fees of approximately S\$0.1 million.

**(v) Net Finance Costs**

In 1Q2013, the Group registered net finance costs of approximately S\$1.5 million as compared to the net finance costs of approximately S\$0.2 million in 1Q2012. The net finance costs for 1Q2013 comprised mainly foreign exchange losses arising from the translation of foreign currency denominated monetary assets and liabilities of the subsidiaries to their functional currency, which is Japanese Yen.

## **Financial Statements Announcement For the financial period ended 31 July 2012**

### **Notes to statements of financial position**

#### **(i) Property, plant and equipment**

The increase in property, plant and equipment was due mainly to the purchase of motor vehicle and the construction of a warehouse adjacent to the existing building of the Group.

#### **(ii) Other financial assets**

Others financial assets decreased by approximately S\$4.6 million from approximately S\$6.8 million as at 30 April 2012 to approximately S\$2.2 million as at 31 July 2012, due mainly to the maturity of structured deposits.

#### **(iii) Inventories**

Inventories increased by approximately S\$2.7 million from approximately S\$26.1 million as at 30 April 2012 to approximately S\$28.8 million as at 31 July 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\$9.1 million from approximately S\$15.0 million as at 30 April 2012 to approximately S\$5.9 million as at 31 July 2012 due mainly to the collection of outstanding trade receivables subsequent to 30 of April 2012.

#### **(v) Trade and other payables**

Trade and other payables decreased by approximately S\$1.6 million from approximately S\$45.1 million as at 30 April 2012 to approximately S\$43.5 million as at 31 July 2012, due mainly to the decrease in trade payables of S\$4.0 million, offset by the increase in non-refundable deposits from customers of S\$2.4 million.

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

There is no variance between the Prospect Statement as previously disclosed and its actual financial results.

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**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**

The market sentiments in the Group's macro operating environment is currently sanguine. Market demand for raw materials, in particular coal, has weakened which may adversely impact our future sales. Despite the foregoing, we remain cautiously optimistic that the Group will be able to maintain the same level of sales in the next financial quarter.

The Group has made significant progress in clearing back-log orders from its customers during the financial quarter under review. As a result, the Group recorded positive cash flow from its operating activities during this quarter.

We are actively sourcing for sales leads in new markets such as India and Vietnam, and will update our stakeholders once these leads materialise. Our subsidiary, XMH Engineering Pte. Ltd., has recently received healthy orders for packaged solutions. In addition, the Group has received orders for the new products which it currently represents.

**11. Dividend**

**a) Current financial period reported on?**

**Any dividend declared for the current financial period reported on?**

No interim dividend for the three months ended 31 July 2012 is 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.

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

No interim dividend for the three months ended 31 July 2012 is recommended.

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- 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 quarter ended 31 July 2012 to be false or misleading in any material respect.

**BY ORDER OF THE BOARD**

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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.

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