XMH Holdings Ltd.
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FOR IMMEDIATE RELEASE

XMH reports FY2018 results

- **The Group saw revenue decrease by 19.2% to S$72.9 million for FY2018 as a result of the competitive environment and customer delays**
- **Reduced revenue, other income and finance income led the Group to report a net loss attributable to shareholders of S$3.5 million for FY2018, despite reducing total operating expenses**
- **Positive net cash generated from operating activities was approximately S$0.5 million for FY2018**
- **In spite of the headwinds, the Group continues to strengthen its order book with new order wins, seek opportunities in new markets and monitor developments as the marine offshore industry gradually recovers**

Singapore, 29 June 2018 – XMH Holdings Ltd., ("XMH", "新明华控股" or the "Group"), a diesel engine, propulsion and power generating solution provider in the marine and industrial sectors, today reported its financial results for the three months (**"4QFY2018"**) and twelve months ended 30 April 2018 (**"FY2018"**).

Financial Highlights	4QFY2018 S$'000	4QFY2017 S$'000	% Change	FY2018 S$'000	FY2017 S$'000	% Change
Revenue	17,891	26,109	***(31.5)***	72,886	90,151	***(19.2)***
Gross Profit	3,042	7,915	***(61.6)***	17,814	21,794	***(18.3)***
Gross Profit Margin	*17.0%*	*30.3%*	***(13.3) pp***	*24.4%*	*24.2%*	***0.2 pp***
EBITDA	(1,236)	(2,036)	***(39.3)***	3,065	8,727	***(64.9)***
Other Income	569	664	***(14.3)***	3,025	4,155	***(27.2)***
Operating Expenses*	6,359	7,280+	***(12.7)***	24,015	26,164+	***(8.2)***
Net Loss Attributable to Owners of the Company	(2,579)	(2,129)	***21.1***	(3,469)	(1,071)	***NM***
Adjusted Net (Loss)/Profit	(2,579)	500+	***NM***	(3,469)	1,558+	***NM***
Basic (LPS)/EPS (cents)#	(2.32)	0.45+	***NM***	(3.12)	1.40+	***NM***

: Includes distribution expenses and administrative expenses

pp: Percentage points

+: Excluding one-time non-cash impairment of S$2.6 million in relation to intangible assets for 4QFY2017 and FY2017

#: Based on weighted average number of shares of 111,281,821 for 4QFY2018 and FY2018 (4QFY2017 and FY2017: 111,281,821)

NM: not meaningful

Revenue decreased by 19.2% year-on-year ("yoy") to S$72.9 million for FY2018 due to a decrease in revenue recorded by the Project and Distribution business segments, which were affected by competitive market conditions, customers delay of collection and commencement of projects.

Gross profit decreased by 18.3% yoy to S$17.8 million for FY2018 with marginal increase in gross profit margin from 24.2% for FY2017 to 24.4% for FY2018.

Other income decreased by about S$1.2 million to S$3.0 million for FY2018, due mainly to decreased gain on disposals of fixed assets and club memberships, decreased forfeiture of deposits from customers and absence of write-off of liabilities in FY2018. The decrease was partially offset by an increase in rental income generated from sub-letting part of the factory building.

Excluding the one-time non-cash impairment in FY2017, total operating expenses decreased by 8.2% yoy to S$24.0 million for FY2018. Administrative expenses decreased by 19.7% yoy to S$18.2 million for FY2018, mainly due to decreases in amortization of intangible assets, staff costs, legal and professional fees, property tax, share-based payment expense, and an absence of impairment loss on goodwill. Distribution expenses decreased by 5.0% yoy to S$5.8 million for FY2018, as a result of decreases in staff costs and bank charges.

Net finance cost was approximately S$1.3 million for FY2018 as compared to net finance income of S$1.4 million in FY2017, mainly due to foreign exchange losses suffered in FY2018.

The Group reported a net loss attributable to owners of the company of S$3.5 million for FY2018.

The Group generated net cash from operating activities of S$0.5 million for FY2018. As of 30 April 2018, the Group had a net asset value per share of 55.36 Singapore cents.

Commenting on the Group's financial performance, Mr. Elvin Tan Tin Yeow, Chairman and Managing Director, commented, ***"This year, stiff competition prevailed and coupled with unfortunate customer delays, revenue and financial performance experienced a decline. However, we have continued to minimise operating costs, bringing down our expenses during the year.***

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As we enter into a new financial year, we believe that there is a gradual pickup in industry sentiments, which is reflected in our recent order wins. Overall, opportunities are beginning to present themselves in new and existing markets for the Group and we will put our best foot forward to convert these opportunities into tangible results."

Business Updates / Outlook

The Group continues to face headwinds in the offshore marine and coal industries as aggressive competition continues to slow its recovery in the near term. However, improving oil prices since the second half of 2017 have lifted the medium-term outlook of the offshore marine industry in general.

In spite of the strong competition in several of the industries the Group operates in, the Group managed to secure new contracts spreading across several sectors such as utilities, data centres, marine vessels and industrials. The total value of these new contracts secured over the preceding four months was approximately S$30.0 million, strengthening its order book going into FY2019.

As a gradual recovery is underway, the Group will maintain a keen eye on any developments in the region and continue to promote its comprehensive power generating solutions to capture viable opportunities.

--- The End---

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ABOUT XMH HOLDINGS LTD. (BLOOMBERG TICKER XMH: SP)

XMH Holdings Ltd. ("XMH" or the "Group") started as a small machinery repair and maintenance shop on Kitchener Road in 1955. With a history of over 60 years, the Group is now a reputable and trusted name as a diesel engine, propulsion and power generating solutions provider in the marine and industrial sectors across Asia. Over the years, the Group has expanded its primary product offerings to include distributorship, agency and dealership rights from reputable brands such as Mitsubishi, Akasaka, Taiyo, Niigata Power Systems and Kamome (Japan), D-I and Doosan (South Korea), SOLÉ, Korsør, Reintjes, CENTA (Europe), SGP (India), ABB (Switzerland), Lilaas (Norway), Logstrup (Denmark) and Siemens (Germany).

The Group continued to advance, scaling up the value-chain with the introduction of "AceGen", its in-house range of power generating sets, and "XMH IPS", a one-stop integrated solution to vessel owners requiring diesel engine (or electricity) driven propeller-based propulsion systems to power its vessels. These additions enhanced the Group's capabilities in providing customised and comprehensive solutions to its customers' diverse needs. The acquisition of Mech-Power Generator Pte Ltd and its subsidiary ("MPG") was completed in September 2013. MPG is a leading manufacturer in the sale, assembly, testing, installation, commissioning and maintenance of diesel powered generator sets. Following the acquisition of MPG, in March 2015, the Group also acquired 80% shareholdings in the issued and paid up capital of Z-Power Automation Pte. Ltd. ("ZPA"). ZPA is a leading system integrator for power, control and system solutions providing the Group with enhanced exposure to new markets and a wider product portfolio.

With these acquisitions, the Group's business activities can be broadly categorised into (i) distribution and provision of value-added products and services; (ii) after-sales services, trading and others; and (iii) projects. Projects comprise assembly and installation of standby generator sets and provision of related services; and design and manufacture of marine switchboards, remote control distribution system and marine automation products.

For more information please visit www.xmh.com.sg

Issued for and on behalf of XMH Holdings Ltd.

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