

XMH Holdings Ltd.

No. 44 Sungei Kadut Avenue

Singapore 729667

Tel: (65) 6368 0188 Fax: (65) 6368 0633

Website: www.xmh.com.sg

CO. REG. NO.: 201010562M



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FOR IMMEDIATE RELEASE

XMH's earnings up 5.9% y-o-y to S\$9.5 million in FY2012

- Earnings boasted by one-time off gain of S\$3.9 million
- Recommends a final tax exempt cash dividend of 1.00 Singapore cent per share, representing high dividend payout ratio of 41.7%
- Weak market conditions may persist but strong balance sheet and with solid cash balance equips the Group to explore strategic M&A to scale up and diversify operations

Singapore, 26 June 2012 – 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, registered 5.9% year-on-year (“y-o-y”) increase in net profit attributable to shareholders to S\$9.5 million for financial year ended 30 April 2012 (“FY2012”).

Financial Highlights:

	4Q2012 S\$'000	4Q2011 S\$'000	% Change	FY2012 S\$'000	FY2011 S\$'000	% Change
Revenue	26,135	16,868	54.9	62,249	70,237	(11.4)
Gross Profit	6,089	4,083	49.1	15,656	19,491	(19.7)
Gross Profit Margin	23.3%	24.2%	-	25.2%	27.8%	-
Operating Expenses*	3,024	2,108	43.5	8,220	6,937	18.5
Net Profit Attributable to Equity Holders	2,883	(2,168)	NM	9,514	8,987	5.9

Net Margin	11.0%	-	-	15.3%	12.8%	-
Basic EPS (cents)[#]	0.73	(0.54)	NM	2.40	2.67	(10.1)

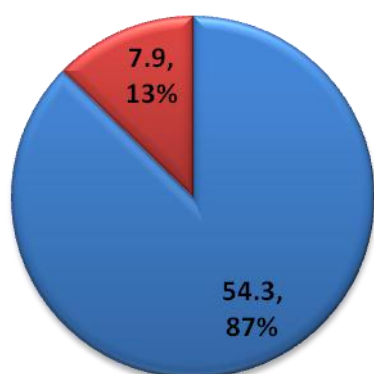
* including distribution, administrative and other expenses.

[#] Basic EPS is calculated based on weighted average number of shares amounting to 393,672,636 as at 4Q2012 and 395,650,140 as at FY2012 (4Q2011: 400,000,003, FY2011: 337,123,291)

Revenue breakdown by business segments

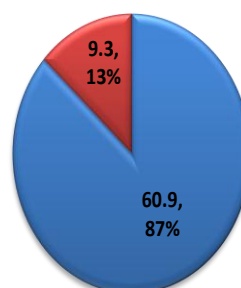
(All amounts are stated in S\$ million)

FY2012



■ Distribution ■ Sales

FY2011



FY2012 Financial Review

Revenue declined 11.4% y-o-y to S\$62.2 million in FY2012 mainly due to rescheduling of deliveries and order cancellations under the Group's core business - distribution and value-added products and services ("distribution"). Japanese Yen has appreciated against US Dollars sharply during the year. As a result, customers opt to reschedule and delay taking deliveries to minimize financial impact. Consequently, revenue contribution from distribution business declined 10.8% y-o-y to S\$54.3 million in FY2012.

Gross profit decreased 19.7% y-o-y to S\$15.7 million in FY2012, consistent with lower revenue recorded. Gross profit margin eased from 27.8% in FY2011 to 25.2% in FY2012 largely due to lower margins contracts secured under the Group's distribution business. Margins were compromised in general due to competitive landscape.

Operating expenses (inclusive of distribution, administrative and other expenses) increased 18.5% y-o-y to S\$8.2 million in FY2012 due to deposit forfeited by a supplier and profit sharing plans which forms part of the Directors' remuneration package. Other income jumped more than 10 folds to S\$3.9 million in FY2012 due to a one-time gain arising from the deposits forfeited from a customer.

Consequently, the Group reported net profit attributable to shareholders of S\$9.5 million in FY2012, represented by basic earnings per share of 2.40 Singapore cents.

Balance sheet remained rosy and well supported by strong cash position of S\$39.2 million as at 30 April 2012. The Group continues to be in net cash position as at 30 April 2012. The Board of Directors is also pleased to recommend a one-tier tax exempt final cash dividend of 1.00 Singapore cent per ordinary share for FY2012, representing a high dividend payout ratio of 41.7%.

Moving ahead

Sharing his thoughts on the Group's future prospects, Mr. Elvin Tan Tin Yeow, Chairman and CEO, commented, ***“Project delays and rescheduling of deliveries continue to plague the Group throughout the financial year. But with sheer efforts and commitment of my team, we manage to clear a portion of the backlog with our customers and thereby producing this set of modest results. We will continue to work closely with our customers to take delivery in the coming quarters.*”**

In spite of growing demand for smaller tugs and barges in Indonesia, general market conditions remain weak. Our marketing efforts in India and Vietnam are underway and we actively source for sales leads in these markets. We will update our stakeholders once these leads materialise.”

Notably, the Group boasts a strong and healthy balance sheet and cash position. This provides XMH a war chest to explore strategic and feasible M&A opportunities to scale up the Group's operations.

Mr. Tan further added, ***“With our cash balance and unutilized IPO proceeds, I believe we are placed in a sweet spot considering the current soft market. We started construction works to expand our premise at Sungei Kadut Avenue during the year and moving forward, we will be able to scale up operations with the expanded facility. We are also looking towards strategic partnerships to expand our product portfolio and geographical presence in the region.”***

Barring any unforeseen circumstances, the Group expects to remain profitable for the financial year ending 30 April 2013.

--- The End---

ABOUT XMH HOLDINGS LTD (Bloomberg Ticker: XMH SP)

XMH Holdings Ltd is a diesel engine, propulsion and power generating solutions provider in the marine and industrial sectors. The Group's business activities may be broadly categorised into the following: (i) distribution and provision of value-added products and services; and (ii) after-sales services, trading and others. The Group's marine products are marketed to shipyards, vessel owners and dealers whilst its industrial products are distributed to hotel proprietors, building owners and main contractors for a wide range of applications.

The Group has been granted distributorship, agency or dealership rights from reputable brands such as Mitsubishi and Akasaka (Japan), Hyundai, Dong-I and Doosan (South Korea), SOLÉ, Korsør, Reintjes, CENTA (Europe) and Mentrade (Singapore) to distribute and sell a large variety of products which include marine and industrial engines, power generating sets and related components.

The Group also leverages on its technical know-how and wide product range of marine and industrial diesel engines, power generating sets, genuine spare parts and related components to provide value-added products and solutions which include "e-Gen", 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.

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

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.

Issued for and on behalf of XMH Holdings Ltd.

By Financial PR Pte Ltd

For more information please contact:

Sylvia LEE / Romil SINGH / Kathy ZHANG

Financial PR Pte Ltd

Address: 4 Robinson Road, #04-01, Singapore 048543

Tel: 6438 2990 Fax: 6438 0064

E-mail: sylvia@financialpr.com.sg, romil@financialpr.com.sg, staff@financialpr.com.sg