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FOR IMMEDIATE RELEASE

XMH achieves record turnover in 2Q2013 with 146% y-o-y jump in earnings to S\$3.6 million

- Topline jumped 181% to S\$26.7 million on the back of good progress in clearing back-log orders from customers
- Strong balance sheet as the Group remains in net cash position with healthy cash balance of S\$47 million as at 31 October 2012
- Despite weak market sentiments, the Group remains positive and looking to enhance facilities and explore strategic M&A opportunities

Singapore, 11 December 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, achieved record high revenue and more than doubled its net profit attributable to shareholders year-on-year (“y-o-y”) from S\$1.5 million to S\$3.6 million for the three months ended 31 October 2012 (“2Q2013”).

Financial Highlights:

	2Q2013 S\$'000	2Q2012 S\$'000	% Change	1H2013 S\$'000	1H2012 S\$'000	% Change
Revenue	26,745	9,527	180.7	48,661	21,797	123.2
Gross Profit	5,910	2,361	150.3	12,119	5,701	112.6

Gross Profit Margin	22.1%	24.8%	-	24.9%	26.2%	-
Operating Expenses*	(1,950)	(2,255)	(13.5)	(3,815)	(3,606)	5.8
Net Profit Attributable to Equity Holders	3,604	1,464	146.2	5,770	2,989	93.0
Net Margin	13.5%	15.4%	-	12.1%	13.7%	-
Basic EPS (cents)	0.93	0.37	151.4	1.49	0.75	98.7

** including distribution expenses, administrative expenses and other expenses*

Financial Review

The Group's close rapport with customers and effort to clear back-log orders from its customers during the financial quarter under review has proved fruitful. The Group's revenue soared more than two fold year-on-year ("y-o-y") to S\$26.7 million in 2Q2013. Previously, the Group was adversely affected as customers delayed taking delivery of goods due to economic uncertainty in global markets and delays in supply.

Gross profit jumped 150.3% y-o-y to S\$5.9 million in 2Q2013 from S\$2.4 million in 2Q2012 in tandem with revenue growth. Nonetheless, gross profit margin declined marginally from 24.8% in 2Q2012 to 22.1% in 2Q2013 due mainly to a change in product mix during the financial quarter under review.

Operating expenses (inclusive of distribution expenses and administrative expenses) were reduced marginally from S\$2.3 million a year ago to S\$2.0 million in this quarter. There was an additional expense incurred in 2Q2012 due to deposits forfeited by supplier arising from an order cancellation from a customer. The management continued to exercise prudent expenditure in 2Q2013, keeping operating expenses at about 7% of the Group's revenue, down from about 8% a quarter ago.

The Group concluded 2Q2013 with an impressive 146.2% jump in net profit attributable to shareholders of S\$3.6 million as compared to S\$1.5 million in 2Q2012. This translates to basic earnings per ordinary share of 0.93 Singapore cents in 2Q2013 (2Q2012: 0.37 Singapore cents).

Moving ahead

Sharing his thoughts on the Group's future prospects, Mr. Elvin Tan Tin Yeow, Chairman and CEO, commented,

“Despite the bleak economic outlook and slowdown in global emerging markets, we still believe that there are certain opportunities out there that we can capitalize on to expand our range of product and services. Moreover, our robust cash balances give us the competitive edge to explore growth prospects through enhancement of facilities and also to explore feasible and strategic M&A opportunities.

Also, we have decent order book in hand and it will be progressively digested in FY2013 and FY2014.

China and India being major importers continue to fuel demand for Indonesian coal and also, local demand is coming because of completions of domestic power plants. Against this environment, transporters are looking to increase and upgrade existing logistics to reach out to a larger customer base. This is set to spur stronger demand for tugs and barges which will translate to more opportunities for us as Indonesia remains the key market.

Besides coal, palm oil is another commodity that is fueling demand for our products. Due to healthy demand for the commodity, palm oil transporters are building self-propelled barges using our products. Also, our niche lies in the fact that we carry multiple brands and multiple products and besides our engine range, we also have more products like propellers, gear boxes and related components. This diversified range of products and brands puts us in a good spot to look at increasing our value proposition to our clients and ultimately our turnover.”

--- 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, Akasaka and Kamome (Japan), Hyundai, D-I and Doosan (South Korea), SOLÉ, Korsør, Reintjes, CENTA (Europe), GDF (PRC China) 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.

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