

XMH Holdings Ltd.

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FOR IMMEDIATE RELEASE

XMH records 35% y-o-y jump in turnover for 3Q2013 to S\$19.3 million

- **Gross profit increased 21.9% to S\$4.7 million for 3Q2013 with a gross profit margin of 24.4%; Net profit attributable to equity holders of S\$2.2 million for 3Q2013 with a net profit margin of 11.1%**
- **The Group remains in net cash position with healthy cash balance of S\$51 million as at 31 January 2013;**
- **Total order book value stands at a healthy level of S\$ 77 million**

Singapore, 12 March 2013 – 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 35% jump in its revenue year-on-year (“y-o-y”) from S\$14.3 million to S\$19.3 million for the three months ended 31 January 2013 (“3Q2013”).

Financial Highlights:

	3Q2013	3Q2012	%	9M2013	9M2012	%
	S\$'000	S\$'000	Change	S\$'000	S\$'000	Change
Revenue	19,335	14,318	35.0	67,995	36,114	88.3
Gross Profit	4,713	3,867	21.9	16,831	9,567	75.9
Gross Profit Margin	24.4%	27.0%	(2.6) ppt	24.8%	26.5%	(1.7) ppt
Operating Expenses	(2,134)	(1,591)	34.1	(5,889)	(5,196)	13.3
Net Profit Attributable to Equity Holders	2,154	3,610	146.2	7,924	6,631	19.5
Net Margin	11.1%	25.2%	(14.1) ppt	11.7%	18.4%	(6.7) ppt
Basic EPS (cents)	0.55	0.91	-39.6	2.04	1.66	22.9

Financial Review

The Group's turnover in 3Q2013 improved y-o-y in line with the global economic turnaround in the fourth quarter of 2012 and improvement in supplier delivery schedule. 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 21.9% y-o-y to S\$4.7 million in 3Q2013 from S\$3.9 million in 3Q2012 in tandem with revenue growth. Nonetheless, gross profit margin declined 2.6 percentage points from 27.0% a year ago to 24.4% in 3Q2013. This was due mainly to lower margins from the "Distribution and Value-Added Products & Services" segment during the financial quarter under review.

Operating expenses increased 34.1% from S\$1.6 million a year ago to S\$2.1 million in this quarter. This was due mainly to the increase in payroll, marketing and promotion activities and professional fees.

The Group concluded 3Q2013 with a net profit attributable to shareholders of S\$2.2 million, down by S\$1.4 million as compared to S\$3.6 million in 3Q2012. Net profit attributable to shareholders for 3Q2012 was higher due to forfeiture of customer deposit as a result of order cancellation. Without this, the adjusted net profit attributable to equity holders for 3Q2012 will be S\$1.7 million instead.

Moving ahead

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

“We believe that the demand for commodities trans-shipment in the archipelago of Indonesia as well as improving marine and offshore activities will continue to spur demand for vessels. This together with the Indonesia’s Cabotage Rule will present promising opportunities for us.

Currently we have a healthy order book level and we are committed to provide timely delivery and services. At the same time, we will strive to secure more orders from our customers.

Apart from carrying multiple brands and multiple products, we are also consistently seeking ways to increase our value proposition to our clients by providing integrated solutions. Our new facilities will be ready three years down the road and hopefully by then, we will be able to provide more product range, strategic solutions and services to our customers. This will not only be able to strengthen customer loyalty, but also increase the Group’s margins.”

In February 2013, we announced that the Group intends to acquire land to construct new premises to, amongst others, accommodate new assembly and production lines and increase general warehousing capacities (the “**Proposed Acquisition**”). The capital expenditure for the new facility is estimated at S\$68.4 million over the next three years and the Group intends to finance it via IPO proceeds, internal cash and bank borrowings. As stated in our announcement dated 11 March 2013, the Proposed Acquisition was approved by our shareholders at the Extraordinary General Meeting held on the same date.

--- 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

Issued for and on behalf of XMH Holdings Ltd.

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