



XMH

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

FIRST QUARTER (“1Q2014”) FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 31 JULY 2013

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.

	Group		
	1Q2014	1Q2013	Change
	S\$'000	S\$'000	%
Revenue	21,393	21,916	(2.4%)
Cost of sales	(16,057)	(15,707)	2.2%
Gross profit	5,336	6,209	(14.1%)
Other income	411	15	Nm
Distribution expenses	(1,319)	(996)	32.4%
Administrative expenses	(1,455)	(869)	67.4%
Results from operating activities	2,973	4,359	(31.8%)
Finance income	334	67	Nm
Finance costs	(67)	(1,529)	(95.6%)
Net finance income/(costs)	267	(1,462)	Nm
Profit before tax	3,240	2,897	11.8%
Tax expense	(583)	(731)	(20.2%)
Profit for the period	2,657	2,166	22.7%
Exchange differences arising from translation of the financial statements of the subsidiaries whose functional currency is different from that of the Company	961	673	42.8%
Net changes in the fair value of available-for-sale financial assets	(34)	(15)	Nm
Deferred tax arising from available-for-sale financial assets	6	3	100.0%
Other comprehensive income for the period, net of tax	933	661	41.1%
Total comprehensive income for the period	3,590	2,827	27.0%
Profit attributable to owners of the Company	2,657	2,166	22.7%
Total comprehensive income attributable to owners of the Company	3,590	2,827	27.0%

**Financial Statements Announcement
For the financial period ended 31 July 2013**

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

Group		
1Q2014	1Q2013	Change
S\$'000	S\$'000	%

Gain on disposal of property, plant and equipment	5	-	Nm
Forfeited deposits from customers	360	-	Nm
Other miscellaneous income	46	15	Nm
Dividend income	14	16	(12.5%)
Foreign exchange gains/(losses)	295	(1,529)	Nm
Interest income	25	48	(47.9%)
Interest expense	(1)	-	Nm
Net changes in fair value of financial assets at fair value through profit or loss	(66)	3	Nm
Amortisation of land lease prepayment	(88)	-	Nm
Depreciation of property, plant and equipment	(83)	(80)	3.8%

Nm denotes not meaningful where there is no comparative or the fluctuation is more than 100%

**Financial Statements Announcement
For the financial period ended 31 July 2013**

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.

Group		Company	
31 July 2013	30 April 2013	31 July 2013	30 April 2013
S\$'000	S\$'000	S\$'000	S\$'000

Non-current assets

Property, plant and equipment	2,190	1,964	-	-
Land lease prepayment	8,077	7,916	-	-
Intangible assets	172	167	-	-
Other financial assets	4,199	3,073	-	-
Investment in subsidiaries	-	-	900	900
Club memberships	486	486	-	-
Deferred tax assets	12	12	-	-
	15,136	13,618	900	900

Current assets

Inventories	16,612	15,964	-	-
Trade and other receivables	7,601	6,638	10,283	10,125
Cash and cash equivalents	45,460	43,687	8,422	9,860
	69,673	66,289	18,705	19,985
Total assets	84,809	79,907	19,605	20,885

Equity attribute to owners of the Company

Share capital	21,068	21,068	21,068	21,068
Treasury shares	(2,554)	(2,554)	(2,554)	(2,554)
Reserves	(6,717)	(7,712)	342	280
Accumulated profits/(losses)	36,055	33,398	(783)	(386)
Total equity	47,852	44,200	18,073	18,408

Current liabilities

Trade and other payables	34,729	33,727	1,483	2,477
Loan and borrowings	-	342	-	-
Current tax payable	2,228	1,638	49	-
	36,957	35,707	1,532	2,477
Total liabilities	36,957	35,707	1,532	2,477
Total equity and liabilities	84,809	79,907	19,605	20,885

**Financial Statements Announcement
For the financial period ended 31 July 2013**

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:

GROUP	
31 July 2013	30 April 2013
S\$'000	S\$'000
Amount repayable in one year or less, or on demand - Secured	
-	342

The Group has certain banking facilities which are secured by the following:

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

**Financial Statements Announcement
For the financial period ended 31 July 2013**

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.

	1Q2014	1Q2013
	S\$'000	S\$'000
Cash flows from operating activities		
Profit for the period	2,657	2,166
Adjustments for:		
Amortisation of land lease prepayment	88	-
Depreciation of property, plant and equipment	83	80
Dividend income	(14)	(16)
Net foreign exchange (gain)/loss	(295)	1,529
Interest income	(25)	(48)
Interest expense	1	-
Net changes in fair value of financial assets at fair value through profit or loss	66	(3)
Share-based payment expenses	62	-
Gain on disposal of property, plant and equipment	(5)	-
Tax expense	583	731
	3,201	4,439
Change in inventories	(648)	(2,654)
Change in trade and other receivables	(963)	9,115
Change in trade and other payables	1,002	(1,669)
Cash generated from operating activities	2,592	9,230
Income taxes paid	-	-
Net cash generated from operating activities	2,592	9,230
Cash flows from investing activities		
Interest received	25	48
Dividend received	14	16
Investments in structured deposits	(1,114)	-
Acquisition of club membership	-	(180)
Acquisition of property, plant and equipment	(236)	(556)
Proceeds from disposal of property, plant and equipment	5	-
Net cash used in investing activities	(1,306)	(672)
Cash flows from financing activities		
Interest paid	(1)	-
Repayment of borrowings	(342)	-
Proceeds from structured deposits	-	4,652
Net cash (used in)/generated from financing activities	(343)	4,652
Net increase in cash and cash equivalents	943	13,210
Cash and cash equivalents at beginning of the period	43,687	39,233
Effect of exchange rate fluctuations on cash held	830	(900)
Cash and cash equivalents at end of the period	45,460	51,543

Financial Statements Announcement

For the financial period ended 31 July 2013

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
At 1 May 2013	21,068	(2,554)	280	109	(8,101)	33,398	44,200
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	2,657	2,657
Other comprehensive (expense)/income							
Exchange differences arising from translation of the financial statements of the subsidiaries whose functional currency is different from that of the Company	-	-	-	-	961	-	961
Net changes in the fair value of available-for-sale financial assets	-	-	-	(34)	-	-	(34)
Deferred tax arising from available-for-sale financial assets	-	-	-	6	-	-	6
Total other comprehensive (expense)/income	-	-	-	(28)	961	-	933
Total comprehensive (expense)/income for the period	-	-	-	(28)	961	2,657	3,590
Transaction with owners, recorded directly in equity							
Contributions by and distributions to owners							
Share-based payment transactions	-	-	62	-	-	-	62
Total transactions with owners	-	-	62	-	-	-	62
At 31 July 2013	21,068	(2,554)	342	81	(7,140)	36,055	47,852
At 1 May 2012	21,068	(2,218)	85	27	(2,231)	25,829	42,560
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	2,166	2,166
Other comprehensive (expense)/income							
Exchange differences arising from translation of the financial statements of the subsidiaries whose functional currency is different from that of the Company	-	-	-	-	673	-	673
Net changes in the fair value of available-for-sale financial assets	-	-	-	(15)	-	-	(15)
Deferred tax arising from available-for-sale financial assets	-	-	-	3	-	-	3
Total other comprehensive (expense)/income	-	-	-	(12)	673	-	661
Transaction with owners, recorded directly in equity	-	-	-	-	-	-	-
At 31 July 2012	21,068	(2,218)	85	15	(1,558)	27,995	45,387

**Financial Statements Announcement
For the financial period ended 31 July 2013**

	Company				
	Share capital	Treasury shares	Share option reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 May 2013	21,068	(2,554)	280	(386)	18,408
Profit for the period	-	-	-	(397)	(397)
Share based payment transactions	-	-	62	-	62
At 31 July 2013	21,068	(2,554)	342	(783)	18,073
At 1 May 2012	21,068	(2,218)	85	(931)	18,004
Profit for the period	-	-	-	84	84
At 31 July 2012	21,068	(2,218)	85	(847)	18,088

**Financial Statements Announcement
For the financial period ended 31 July 2013**

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

As at 31 July 2013, the Company's issued and fully paid up capital (excluding treasury shares) comprises 385,004,003 (31 July 2012: 386,261,003) ordinary shares. There are no changes in the Company's share capital during 1Q2014 and 1Q2013, respectively.

		1Q2014	
		Number of shares	Share Capital (S\$)
As at 1 May 2013 and 31 July 2013		385,004,003	21,067,947
		1Q2013	
		Number of shares	Share Capital (S\$)
As at 1 May 2012 and 31 July 2012		386,261,003	21,067,947

The number of treasury shares held by the Company represents 3.90% (31 July 2012: 3.56%) of the total number of issued shares (excluding treasury shares) of the Company as at 31 July 2013.

The total consideration for the purchase of treasury shares since the launch of the share buy-back scheme was S\$2,554,000 for a total of 14,996,000 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. The Company granted a further 6,600,000 share options to the eligible participants on 11 September 2012. As at 31 July 2013, the outstanding balance of unexercised options under the XMH Share Option Scheme totaled 10,419,000 (31 July 2012: 3,819,000) or 2.60% (31 July 2012: 0.95%) of total issued shares in the capital of the Company.

**Financial Statements Announcement
For the financial period ended 31 July 2013**

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 2013	31 July 2012
Total number of shares issued	400,000,003	400,000,003
Less: Treasury shares	(14,996,000)	(13,739,000)
Total	385,004,003	386,261,003

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 2012 and 31 July 2013 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 2013.

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 Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the year ended 30 April 2013, except for the adoption of new and revised Financial Reporting Standards (including its consequential amendments) applicable for the financial period beginning on 1 May 2013 as follows:

FRS 113 - Fair Value Measurement replaces the existing guidance on fair value measurement in different FRSs with a single definition of fair value. The standard also establishes a framework for measuring fair values and sets out the disclosure requirements for fair value measurements.

**Financial Statements Announcement
For the financial period ended 31 July 2013**

The adoption of this standard requires the Group to re-assess the bases used for determining the fair values of the Group's financial assets at fair value through profit or loss and available-for-sale financial assets, computed for both measurement and disclosures purposes, and would result in more extensive disclosures on fair value measurements.

In accordance with the transitional provisions, the Group applied FRS 113 prospectively as of 1 May 2013. On initial application of the standard, there are no substantial changes to the bases used for determining fair values.

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	
1Q2014	1Q2013

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

a) Based on the weighted average number of ordinary shares in issue 0.69 0.56

b) On a fully diluted basis (cents) 0.68 0.56

Weighted average number of shares in issue during the period used in the computing of EPS	385,004,003	386,261,003
---	-------------	-------------

Weighted average number of shares on fully diluted basis during the period used in the computing of EPS	391,634,932 ⁽²⁾	387,346,860 ⁽¹⁾
---	----------------------------	----------------------------

(1) The figures are computed taking into account the potential ordinary shares to be issued for the share options granted in September 2011.

(2) The figures are computed taking into account the potential ordinary shares to be issued for the share options granted in September 2011 and September 2012.

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 2013	30 April 2013	31 July 2013	30 April 2013

Net asset value per ordinary share based on existing share capital (cents)	12.43	11.48	4.69	4.78
--	-------	-------	------	------

Number of shares at end of the period	385,004,003	385,004,003	385,004,003	385,004,003
---------------------------------------	-------------	-------------	-------------	-------------

**Financial Statements Announcement
For the financial period ended 31 July 2013**

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 2013 ("1Q2014") vs quarter ended 31 July 2012 ("1Q2013")

(i) Revenue

The decrease in revenue of approximately S\$0.5 million or 2.4% from approximately S\$21.9 million for 1Q2013 to approximately S\$21.4 million for 1Q2014 was due mainly to a decrease in revenue of approximately S\$0.9 million generated from the "distribution" business segment offset by the increase in revenue of approximately S\$0.4 million generated from the "sales service" business segment.

(ii) Cost of Sales and Gross Profit Margin

Cost of sales increased by approximately S\$0.4 million or 2.2% from approximately S\$15.7 million for 1Q2013 to approximately S\$16.1 million for 1Q2014 as a result of higher cost of sales attributed to sales of more lower valued products which have lower margins.

Gross profit decreased by approximately S\$0.9 million or 14.1% from approximately S\$6.2 million for 1Q2013 to approximately S\$5.3 million for 1Q2014. There was a decrease in the gross profit margin of approximately 28.3% for 1Q2013 to 24.9% for 1Q2014. This was primarily due to the proportional increase in sales of lower margin products in the "distribution" business segment.

(iii) Other Income

Other income increased was due mainly to the one-time gain in 1Q2014 arising from the deposits forfeited from customers.

(iv) Distribution Expenses

Distribution expenses increased by approximately S\$0.3 million or 32.4% from approximately S\$1.0 million for 1Q2013 to approximately S\$1.3 million for 1Q2014. This was mainly due to the increase in payroll expenses and provision of bonus of approximately S\$0.3 million.

(v) Administrative Expenses

Administrative expenses increased by approximately S\$0.6 million or 67.4% from approximately S\$0.9 million for 1Q2013 to approximately S\$1.5 million for 1Q2014. This was mainly due to the increase in payroll expenses and provision for bonus of approximately S\$0.5 million and amortisation of land lease prepayment of approximately S\$0.1 million.

Financial Statements Announcement For the financial period ended 31 July 2013

(vi) Net Finance Income/(Costs)

In 1Q2014, the Group registered net finance income of approximately S\$0.3 million as compared to the net finance costs of approximately S\$1.5 million in 1Q2013. 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.

Notes to statements of financial position

(i) Property, plant and equipment

The increase in property, plant and equipment was due mainly to the construction of a warehouse adjacent to the existing building of the Group offset by depreciation during the financial period.

(ii) Land lease prepayment

Land lease prepayment relates to the lease of a parcel of land located at Tuas Bay Drive entered into by the Group during the current financial year as per the Company's Circular to Shareholders dated 22 February 2013. The increase was due mainly to translation adjustment as a result of strengthening of Japanese Yen against Singapore dollar, offset by the amortisation during the financial period.

(iii) Other financial assets

Other financial assets increased by approximately S\$1.1 million from approximately S\$3.1 million as at 30 April 2013 to approximately S\$4.2 million as at 31 July 2013, due mainly to new structured deposits invested by the Group during the current financial period.

(iv) Inventories

Inventories increased by approximately S\$0.6 million from approximately S\$16.0 million as at 30 April 2013 to approximately S\$16.6 million as at 31 July 2013, due mainly to the re-scheduling of deliveries by our customers.

(v) Trade and other receivables

Trade and other receivables increased by approximately S\$1.0 million from approximately S\$6.6 million as at 30 April 2013 to approximately S\$7.6 million as at 31 July 2013 due mainly to sales deliveries for the "distribution" business segment of S\$10.7 million in July 2013, offset by the collection during the period.

(vi) Trade and other payables

Trade and other payables increased by approximately S\$1.0 million from approximately S\$33.7 million as at 30 April 2013 to approximately S\$34.7 million as at 31 July 2013, due mainly to increase in purchases in July 2013.

Financial Statements Announcement For the financial period ended 31 July 2013

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

Not applicable.

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 economic outlook for Indonesia, the Group's key markets, remains positive although the weakening of Indonesia Rupiah against major currencies may have an adverse impact on the Group's revenues. Coal, which is traditionally one of Indonesia's most abundant natural resources, continues to see demand from China and India, although near-term coal prices are likely to remain relatively soft due to the supply growth of available coal.

We are of the view that this demand for coal will continue to be beneficial to the Group as this will likely also translate into an increased demand for the transshipment and transportation of coal. This will then ultimately feed the demand for tugs and barges used in the transportation of coal, among other natural resources, and we will be able to leverage on our wide range of products under our various renowned brands to cater to the marine market.

As the Group has also expanded its products and service offerings over the years to include items like gearboxes, propellers and related components, as well as improving our in-house expertise and introducing our in-house IPS solutions package, we are now confident that we have the necessary expertise, garnered over the past few quarters as part of our learning curve, to utilise and leverage on to continue the next phase of our growth.

Enquiries in our new markets like India and Vietnam continue to remain healthy and we are still actively sourcing for sales leads to expand our presence in these markets. With our healthy cash balance at hand, the Group is also looking at enhancing its facilities as well as exploring feasible M&A opportunities in the near future to provide more synergy to our business.

As part of the Group's strategy, we will continue to be vigilant in keeping our cost structure competitive and manage our cash flow prudently. The Group believes that, barring any unforeseen circumstances, our operational and financial strengths will allow us to grow our business.

On 7th September 2013, the Company announced that we had entered into a sale and purchase agreement with Mr. Loke Choon Hoe, Mdm. Tham Sow Lin and Mech-Power Generator Pte Ltd to acquire the entire equity interest in Mech-Power Generator Pte Ltd and its wholly-owned subsidiary, Mech Power Generator Sdn Bhd. With this acquisition, our Group will be able to expand its core businesses and our offering of power generating sets will increase to include large customised solutions, especially for non-marine sector applications.

**Financial Statements Announcement
For the financial period ended 31 July 2013**

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 2013 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 2013 is recommended.

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 2013 to be false or misleading in any material respect.

**Financial Statements Announcement
For the financial period ended 31 July 2013**

15. Use of proceeds from IPO and the issuance of new shares.

The net proceeds raised from the Company's IPO, after deducting listing expenses of approximately S\$2.4 million was approximately S\$18.9 million and the issuance of new shares was approximately S\$9.9 million after deducting the expenses amounting to approximately S\$0.1 million.

As at the date of this report, the Company has utilised its proceeds in the table below:-

Purpose	Amount raised S\$'000	Amount utilised S\$'000	Balance Amount S\$'000
Proceeds from IPO			
Development of new premises or acquisition of premises for general warehousing and work areas and the establishment of an assembly line for in-house of power generating sets	10,000	8,419	1,581
Pursue expansion opportunities	7,000	-	7,000
General working capital	1,850	-	1,850
	18,850	8,419	10,431
Proceeds from new shares			
Proposed development of JTC land	8,928	-	8,928
General working capital	992	-	992
	9,920	-	9,920
Total	28,770	8,419	20,351

BY ORDER OF THE BOARD