



FOR IMMEDIATE RELEASE

XMH begins FY2014 with a bang!
1Q2014 net profit up 22.7% to S\$2.7 million,
recently announced M&A of MPG Group

- Revenue remains consistent at S\$21.4 million
- Group on route for diversification with acquisition of Mech-Power Generator Group for S\$17.4 million
- FY2014 to kickstart Group's new phase of growth

Singapore, 13 September 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, is pleased to announce today that it has begun FY2014 with a very healthy 22.7% increase in net profit, from S\$2.2 million to S\$2.7 million for the first quarter ended 31 July 2013 (“1Q2014”).



Financial Highlights:

	1Q2014	1Q2013	% Change
	S\$'000	S\$'000	
Revenue	21,393	21,916	(2.4)
Gross Profit	5,336	6,209	(14.1)
Gross Profit Margin	24.9%	28.3%	(3.4) <i>pp</i>
Operating Expenses*	(2,774)	(1,865)	48.7
Other Income	412	15	N.M
Net Profit Attributable to Equity Holders	2,657	2,166	22.7
Net Profit Margin	12.4%	9.9%	2.5 <i>pp</i>
Basic EPS (cents)[#]	0.69	0.56	23.2

** Including distribution expenses and administrative expenses*

pp denotes percentage points, N.M denotes not meaningful

Based on 385,004,003 weighted average number of shares for 1Q2014 (1Q2013: 386,261,003)

Financial Review

Revenue for the Group decreased slightly by 2.4%, or S\$0.5 million, mainly due to a marginal drop in the Group's Distribution business segment. Revenue for the Group's After Sales Service business segment remained relatively consistent. 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 its in-house expertise and introducing its in-house IPS solutions package, the Group is optimistic that this trend will continue, especially with the recent acquisition of the Mech-Power Generator Group ("MPG").

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



The acquisition of MPG will provide the Group with entry into the industrial, commercial, marine and military applications as its products are supplied to shipyards and ports, hospitals, education centres, data centres, airports, hotels and resorts infrastructural projects (roads, bridges, underground tunnels, waste treatment plants etc.) as well as plants and factories worldwide.

As the Group is entrenched and established in the marine sector, MPG will provide the Group with instant access into adjacent sectors, leveraging on their combined expertise to grow in the different sectors.

Gross profit for the Group dipped 14.1% to S\$5.3 million in 1Q2014, in line with the dip in overall Group revenue. As a result, the Group suffered a slight decrease of 3.4 percentage points in the gross profit margin of the Group, due to the proportional increase in sales of lower margin products in the “Distribution” business segment.

Operating expenses, which is inclusive of distribution expenses and administrative expenses increased 48.7% from S\$1.9 million in 1Q2013 to S\$2.8 million in 1Q2014. This was due mainly to the increases in payroll, provision for bonus, marketing and promotion activities and professional fees.

The Group also saw its other income increase to S\$0.4 million, attributed mainly to the deposit forfeited from customers.

Despite the dip in revenue, gross profit and the increase in operating expenses, the Group still managed to conclude 1Q204 with a very solid showing by posting a net profit attributable to shareholders of S\$2.7 million, an increase of 22.7% compared to the S\$2.2 million posted in 1Q2013.

The Group has also recorded positive cash flow of S\$2.6 million from its operating activities for 1Q2014, with the Group’s cash and cash equivalents standing at approximately S\$45.5 million as at 31 July 2013.

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



This healthy cash balance will provide the Group with the resources to enhance its facilities as part of its plans to accommodate new assembly and production lines and also to increase general warehousing capacities while the Group is actively exploring more M&A opportunities which will provide synergy to the Group's business and enhance the value proposition of the Group.

As part of the Group's inorganic growth, in September 2013, the Group announced its intentions to wholly acquire MPG and all of its operations in Singapore and Malaysia for S\$17.4 million. This includes MPG's 1.4 hectares manufacturing and assembly plant in Malaysia's Iskandar Region. The acquisition will also allow the Group to diversify into adjacent sectors as well as utilise the MPG plant in Iskandar immediately upon the completion of the acquisition.

Speaking on the Group's financial performance, Mr. Elvin Tan Tin Yeow, Chairman and CEO, commented, ***"We are pleased to have started the financial year on a very positive note. Besides ending the first quarter strongly with a 22.7% increase in net profit, we are pleased to be entering FY2014 in our new phase of growth as we finalise our first major acquisition since our IPO."***

We are confident that the acquisition of MPG will be very beneficial to the Group. Besides gaining a more competitive edge in the market through better operational synergies, the acquisition will be immediately earnings accretive to the Group and will give us significant entry into the markets that MPG has a strong presence in."

--- The End---

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



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, Scania, 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 "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.

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

Issued for and on behalf of XMH Holdings Ltd.

By Financial PR Pte Ltd

For more information please contact:

Romil SINGH / Jonathan THEO

Financial PR Pte Ltd

Tel: 6438 2990 / Fax: 6438 0064

E-mail: romil@financialpr.com.sg, jonathan@financialpr.com.sg