



FOR IMMEDIATE RELEASE

XMH chugs on steadily with revenue of S\$48.5 million for 1H2014, on par with last year

- Mech-Power Generator Group begins contribution to the Group after recent completion of acquisition
- Strong balance sheet as the Group remains in net cash position with healthy cash balance of S\$48.7 million

Singapore, 13 December 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, today announced that it has posted a revenue of S\$48.5 million for the half year ended 31 October 2013 (“1H2014”).

Financial Highlights	2Q2014 S\$'000	2Q2013 S\$'000	% Chg	1H2014 S\$'000	1H2013 S\$'000	% Chg
Revenue	27,058	26,745	1.2	48,451	48,661	(0.4)
Gross Profit	6,253	5,910	5.8	11,589	12,119	(4.4)
Gross Profit Margin	23.1%	22.1%	1.0 pp	23.9%	24.9%	(1.0) pp
Operating Expenses*	(3,669)	(1,950)	88.2	(6,443)	(3,815)	68.9
Other Income	7	156	(95.5)	395	171	N.M
Net Profit Attributable to Equity Holders	2,027	3,604	(43.8)	4,684	5,770	(18.8)
Net Profit Margin	7.5%	13.5%	(6.0) pp	9.7%	11.9%	(2.2) pp
Fully Diluted EPS (cents) [#]	0.46	0.93	(50.5)	1.11	1.49	(25.5)

* Including distribution expenses and administrative expenses

pp denotes percentage points, N.M denotes not meaningful

[#] Based on 440,763,762 weighted average number of shares for 2Q2014 and 421,754,280 for 1H2014 (2Q2013: 388,552,651 and 1H2013: 388,430,855)



Financial Review

Revenue for the Group in 1H2014 remained relatively on par with the corresponding year in 1H2013. The approximately S\$0.2 million decrease to S\$48.5 million for 1H2014 was mainly due to a decrease in revenue of about S\$5.3 million generated from the Group's "distribution and after-sales" business segment, offset by the S\$5.1 million increase in revenue from the recently acquired MPG Group.

Weakening rupiah

The recent completion of the Mech-Power Generator Group ("**MPG Group**") has had a positive impact on the Group with its first contribution to the Group. This healthy contribution has helped offset the S\$5.3 million decrease in revenue from the Group's "distribution and after-sales" business segment and vindicates the Group's decision to diversify its businesses.

The synergistic acquisition of MPG Group, which has provided the Group instant access and entry into adjacent sectors like the industrial, commercial, marine and military sectors, has given the Group a more diversified platform as its core businesses in the marine sector experiences a slight slump.

The Group's main businesses in the marine sector are to an extent, heavily dependent on the Indonesian coal mining industry, with coal miners utilizing their fleet of tugs and barges to transport coal from inland mines to the bigger vessels via Indonesia's network of rivers.

While coal prices are expected to remain unchanged at this point of time, there are some external indications on the growth in demand for coal, especially from China. This will in turn lead to continued support for the demand of tugs and barges for the trans-shipment and transportation of coal.

Gross profit for the Group decreased 4.4% to S\$11.6 million for 1H2014. Meanwhile, gross profit margin declined from 24.9% to 23.9% mainly due to consolidation of the MPG Group.

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Operating expenses, which is inclusive of distribution expenses and administrative expenses increased 68.9% from S\$3.8 million in 1H2013 to S\$6.4 million in 1H2014. This was mainly due to the inclusion of bonus provision (not provided in 1H2013) and increase in payroll expenses, and added expenses relating to the acquisition of the MPG Group.

The Group's net profit attributable to shareholders subsequently decreased 18.8% to S\$4.7 million in 1H2014 as a result of the abovementioned weakening rupiah and the increase in operating expenses, which includes the acquisition of the MPG Group.

The Group also maintains a healthy cash balance, which puts it in a very good position to explore further M&A activities and will be looking out actively for more opportunities which will provide added synergy to its business. The progress of the proposed development of the acquired JTC land is on track.

Speaking on the Group's financial performance, Mr. Elvin Tan Tin Yeow, Chairman and CEO, commented, ***"I am pleased to report that we have successfully taken our first step in growing the Group through acquisitions to complement our core business, as reflected in our results, the MPG Group has contributed positively to our top line and is expected to bolster our overall results in the coming months."***

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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.

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