



## FOR IMMEDIATE RELEASE

### XMH's 3Q2014 earnings surge 47.9% to S\$3.2 million

- Surge in net profit achieved on back of 71.4% increase in revenue, mainly due to contributions of the MPG Group that was acquired in late 2013
- 3Q2014 gross profit jumped over 90% to \$9.0 million
- Group's new facilities at Tuas progressing well after recent award of building contract

Singapore, 14 March 2014 – 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 revenue of S\$33.1 million and a net profit of S\$3.2 million for the third quarter ended 31 January 2014 (“3Q2014”).

Financial Highlights	3Q2014 S\$'000	3Q2013 S\$'000	% Chg	9M2014 S\$'000	9M2013 S\$'000	% Chg
Revenue	33,141	19,335	71.4	81,592	67,995	20.0
Gross Profit	8,966	4,713	90.2	20,555	16,831	22.1
Gross Profit Margin	27.1%	24.4%	2.7 pp	25.2%	24.8%	0.4 pp
Operating Expenses*	(5,517)	(2,134)	158.5	(11,960)	(5,889)	103.1
Other Income	170	11	N.M	566	122	N.M
Net Profit Attributable to Equity Holders	3,186	2,154	47.9	7,870	7,924	(0.7)
Net Profit Margin	9.6%	11.1%	(1.5) pp	9.6%	11.7%	(2.1) pp
Fully Diluted EPS (cents) <sup>#</sup>	0.70	0.55	27.3	1.81	2.04	(11.3)

\* Including distribution expenses and administrative expenses

pp denotes percentage points, N.M denotes not meaningful

# Based on 453,315,612 weighted average number of shares for 3Q2014 and 434,466,835 for 9M2014 (3Q2013: 389,339,389 and 9M2013: 388,802,786 )

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The increase in revenue of approximately S\$13.8 million or 71.4%, from S\$19.3 million in 3Q2013 to S\$33.1 million in 3Q2014 was primarily due to the increase in revenue of approximately S\$15.1 million from the newly acquired Mech-Power Generator Pte Ltd and its subsidiary (collectively “MPG Group”). This was however, offset by the decrease in revenue of approximately S\$1.3 million from the “distribution and after-sales” business segment.

Speaking on the Group’s financial performance, Mr. Elvin Tan Tin Yeow, Chairman and CEO, commented, *“We are very pleased that the MPG Group has been able to make such a positive contribution to XMH. This encouraging performance was exactly what we had hoped for when we came to a consensus to acquire the MPG Group, and we are delighted to have been vindicated.”*

Gross profit increased by S\$4.3 million or 90.2%, from S\$4.7 million in 3Q2013 to S\$9.0 million in 3Q2014. There was an increase in the Group’s gross profit margin from 24.4% to 27.1%, primarily due to the proportional increase in sales of higher margin products in the Group’s distribution and after-sales business segment.

The increase in the Group’s operating expenses was mainly due to the inclusion of bonus provision, which was previously not provided in 3Q2013 and an increase in administrative and payroll related expenses relating to the MPG Group.

The Group’s net profit for 3Q2014 subsequently surged 47.9%, in line with the healthy increase in revenue and gross profit as a result of the aforementioned reasons.

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## **Business Updates**

The demand for our products and services is indirectly driven by the level of activities in the natural resources sector in this region, in particular the Indonesia archipelago. Although the macro economic outlook in Indonesia is unclear at the moment, we are cautiously optimistic that it will be positive in the next 12 months.

The Group's upcoming 7-storey factory ramp-up industrial building with ancillary office and facilities at Tuas Crescent is progressing well and as announced previously, we have awarded a S\$56.6 million contract to SB Procurement Pte. Ltd. (a wholly-owned subsidiary of Soilbuild Construction Group Ltd.) for the project.

The new industrial building is expected to be completed in the second quarter of 2015 and will accommodate new assembly and production lines and increase our general warehousing capabilities.

When asked about the Group's plans for the future, Mr. Elvin Tan Tin Yeow, Chairman and CEO, continued, *"We believe that this could be potentially a very exciting time for the Group. In addition to the expected completion of the Group's new facilities at Tuas Crescent, the macro environment has shown early signs of easing and this can only bode well for our business in the long term."*

--- The End---

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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](http://www.xmh.com.sg)

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**Issued for and on behalf of XMH Holdings Ltd.**

**By Financial PR Pte Ltd**

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