



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

FOURTH QUARTER (“4Q2014”) AND FULL YEAR (“FY2014”) FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD/YEAR ENDED 30 APRIL 2014

1(a)(i) A consolidated statement of comprehensive income (for the Group), together with a comparative statement for the corresponding period/year of the immediately preceding financial period/year.

	Group					
	4Q2014	4Q2013	Change	FY2014	FY2013	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	23,582	29,650	(20.5%)	105,174	97,645	7.7%
Cost of sales	(16,828)	(23,563)	(28.6%)	(77,865)	(74,727)	4.2%
Gross profit	6,754	6,087	11.0%	27,309	22,918	19.2%
Other income	659	962	(31.5%)	1,225	1,084	13.0%
Distribution expenses	(1,527)	(1,782)	(14.3%)	(6,600)	(4,725)	39.7%
Administrative expenses	(2,920)	(2,163)	35.0%	(9,409)	(5,109)	84.2%
Other expenses ¹	(4,726)	-	Nm	(5,124)	-	Nm
Results from operating activities	(1,760)	3,104	Nm	7,401	14,168	(47.8%)
Finance income	93	553	(83.2%)	217	258	(15.9%)
Finance costs	(462)	(1)	Nm	(486)	(921)	(47.2%)
Net finance (costs)/income	(369)	552	Nm	(269)	(663)	(59.4%)
(Loss)/profit before tax	(2,129)	3,656	Nm	7,132	13,505	(47.2%)
Tax expense	384	(149)	Nm	(1,007)	(2,074)	(51.4%)
(Loss)/profit for the period/year	(1,745)	3,507	Nm	6,125	11,431	(46.4%)
Exchange differences arising from translation of the financial statements of the subsidiaries whose functional currency is different from that of the Company	(56)	(2,468)	97.7%	(889)	(5,870)	84.9%
Net changes in the fair value of available-for-sale financial assets	14	24	41.7%	(22)	99	Nm
Deferred tax arising from available-for-sale financial assets	(2)	(4)	50.0%	4	(17)	Nm
Other comprehensive (expense)/income for the period/year, net of tax	(44)	(2,448)	(98.2%)	(907)	(5,788)	(84.3%)
Total comprehensive (expense)/income for the period/year	(1,789)	1,059	Nm	5,218	5,643	(7.5%)
(Loss)/profit attributable to owners of the Company	(1,745)	3,507	Nm	6,125	11,431	(46.4%)
Total comprehensive (expense)/income attributable to owners of the Company	(1,789)	1,059	Nm	5,218	5,643	(7.5%)

Note:

(1) Other non-recurring costs and provisions

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

Group						
	4Q2014	4Q2013	Change	FY2014	FY2013	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gain on disposal of property, plant and equipment	-	-	0%	5	3	66.7%
Forfeited deposits from customers	588	708	(16.9%)	948	708	33.9%
Other miscellaneous income	71	254	(72.0%)	272	373	(27.1%)
Dividend income	5	5	0%	47	41	14.6%
Net changes in fair value of financial assets at fair value through profit or loss	-	7	Nm	-	60	Nm
Interest income	27	28	(3.6%)	109	156	(30.1%)
Interest expense	(119)	(1)	Nm	(341)	(1)	Nm
Net foreign exchange (loss)/gain	(241)	514	Nm	62	(920)	(106.7%)
Amortisation of land lease prepayment	(65)	-	Nm	(285)	-	Nm
Depreciation of property, plant and equipment	(153)	(83)	84.3%	(547)	(357)	53.2%
Amortisation of intangible assets	568	-	Nm	568	-	Nm

Nm denotes not meaningful

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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	
	30 April 2014	30 April 2013	30 April 2014	30 April 2013
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	6,844	1,964	-	-
Land lease prepayment	7,999	7,916	-	-
Intangible assets	10,241	167	-	-
Other financial assets	1,385	3,073	-	-
Investment in subsidiaries	-	-	18,625	900
Club memberships	486	486	-	-
Deferred tax assets	729	12	-	-
	27,684	13,618	18,625	900
Current assets				
Inventories	22,525	15,964	-	-
Trade and other receivables	26,185	6,638	14,220	10,125
Cash and cash equivalents	36,388	43,687	10,046	9,860
	85,098	66,289	24,266	19,985
Total assets	112,782	79,907	42,891	20,885
Equity attribute to owners of the Company				
Share capital	35,424	21,068	35,424	21,068
Treasury shares	(3,345)	(2,554)	(3,345)	(2,554)
Other reserves	(8,168)	(7,712)	731	280
Accumulated profits/(losses)	34,470	33,398	6	(386)
Total equity	58,381	44,200	32,816	18,408
Non-current liabilities				
Other payables	8,713	-	8,713	-
Loans and borrowings	1,371	-	-	-
Deferred tax liabilities	420	-	-	-
	10,504	-	8,713	-
Current liabilities				
Trade and other payables	29,068	33,727	1,286	2,477
Loans and borrowings	13,474	342	-	-
Current tax payables	1,355	1,638	76	-
	43,897	35,707	1,362	2,477
Total liabilities	54,401	35,707	10,075	2,477
Total equity and liabilities	112,782	79,907	42,891	20,885

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1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the financial period reported on with comparative figures as at the end of the immediately preceding financial year:

	Group	
	30 April 2014	30 April 2013
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand - Secured	13,474	342
Amount repayable after one year - Secured	1,371	-
Total	14,845	342

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

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

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- 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.**

	Group	
	FY2014	FY2013
	S\$'000	S\$'000
Cash flows from operating activities		
Profit for the year	6,125	11,431
Adjustments for:		
Amortisation of land lease repayment	285	-
Amortisation of intangible assets	568	-
Depreciation of property, plant and equipment	547	357
Share-based payment expenses	580	195
Interest income	(109)	(156)
Interest expense	341	1
Dividend income	(47)	(41)
Net changes in fair value of financial assets at fair value through profit or loss	-	(60)
Gain on disposal of property, plant and equipment	(5)	(3)
Net foreign exchange gain/(loss)	(62)	920
Tax expense	1,007	2,074
	<u>9,230</u>	<u>14,718</u>
Change in inventories	(2,870)	10,154
Change in trade and other receivables	(3,824)	8,329
Change in trade and other payables	(10,335)	(11,394)
Cash generated from operating activities	(7,799)	21,807
Income taxes paid	(2,818)	(2,212)
Net cash (used in)/generated from operating activities	(10,617)	19,595
Cash flows from investing activities		
Interest received	109	156
Dividend received	47	41
Proceeds from sale of property, plant and equipment	5	3
Investments in structured deposits	(1,108)	(1,981)
Proceeds from maturity of structured deposits	2,769	5,227
Cash acquired in acquisition of subsidiaries in excess of cash consideration paid for the acquisition	736	-
Acquisition of property, plant and equipment	(747)	(772)
Land lease prepayment	-	(8,419)
Purchase of club membership	-	(186)
Purchase of intangible assets	-	(175)
Net cash generated from/(used in) investing activities	1,811	(6,106)
Cash flows from financing activities		
Proceeds from borrowings	-	383
Repayment of borrowings	(1,219)	-
Purchase of treasury shares	(1,296)	(336)
Reissuance of treasury shares pursuant to exercise of share options	356	-
Dividends paid	(5,053)	(3,862)
Issue of ordinary shares	10,000	-
Interest paid	(341)	(1)
Net cash generated from/(used in) financing activities	2,447	(3,816)
Net (decrease)/increase in cash and cash equivalents	(6,359)	9,673
Cash and cash equivalents at beginning of the year	43,687	39,233
Effect of exchange rate fluctuations on cash held	(940)	(5,219)
Cash and cash equivalents at end of the year	36,388	43,687

**Financial Statements and Dividend Announcement
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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						Total
	Share capital	Treasury shares	Share option reserve	Fair value reserve	Foreign currency translation reserve	Accumulated profits	
	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 (expense)/income for the year							
Profit for the year	-	-	-	-	-	6,125	6,125
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	-	-	-	-	(889)	-	(889)
Net changes in the fair value of available-for-sale financial assets	-	-	-	(22)	-	-	(22)
Deferred tax arising from available-for-sale financial assets	-	-	-	4	-	-	4
Total other comprehensive (expense)/income	-	-	-	(18)	(889)	-	(907)
Total comprehensive (expense)/income for the year	-	-	-	(18)	(889)	6,125	5,218
Transaction with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividends to equity holders	-	-	-	-	-	(5,053)	(5,053)
Share-based payment transactions	-	-	580	-	-	-	580
Purchase of treasury shares	-	(1,276)	-	-	-	-	(1,276)
Reissuance of treasury shares pursuant to exercise of share options	-	485	(129)	-	-	-	356
Issue of ordinary shares	14,356	-	-	-	-	-	14,356
Total transaction with owners	14,356	(791)	451	-	-	(5,053)	8,963
At 30 April 2014	35,424	(3,345)	731	91	(8,990)	34,470	58,381
At 1 May 2012	21,068	(2,218)	85	27	(2,231)	25,829	42,560
Total comprehensive income/(expense) for the year							
Profit for the year	-	-	-	-	-	11,431	11,431
Other comprehensive income/(expense)							
Exchange differences arising from translation of the financial statements of the subsidiaries whose functional currency is different from that of the Company	-	-	-	-	(5,870)	-	(5,870)
Net changes in the fair value of available-for-sale financial assets	-	-	-	99	-	-	99
Deferred tax arising from available-for-sale financial assets	-	-	-	(17)	-	-	(17)
Total other comprehensive income/(expense)	-	-	-	82	(5,870)	-	(5,788)
Total comprehensive income/(expense) for the year	-	-	-	82	(5,870)	11,431	5,643
Transaction with owners, recognised directly in equity							
Contributions by and distributions to owners							
Dividends to equity holders	-	-	-	-	-	(3,862)	(3,862)
Share-based payment transactions	-	-	195	-	-	-	195
Purchase of treasury shares	-	(336)	-	-	-	-	(336)
Total transaction with owners	-	(336)	195	-	-	(3,862)	(4,003)
At 30 April 2013	21,068	(2,554)	280	109	(8,101)	33,398	44,200

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Company					
Share capital	Treasury shares	Share option reserve	Accumulated profits/(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 year	-	-	-	5,445	5,445
Dividends to equity holders	-	-	-	(5,053)	(5,053)
Share based payment transactions	-	-	580	-	580
Issue of ordinary shares	14,356	-	-	-	14,356
Purchase of treasury shares	-	(1,276)	-	-	(1,276)
Reissuance of treasury shares pursuant to exercise of share options	-	485	(129)	-	356
At 30 April 2014	35,424	(3,345)	731	6	32,816
At 1 May 2012	21,068	(2,218)	85	(931)	18,004
Profit for the year	-	-	-	4,407	4,407
Dividends to equity holders	-	-	-	(3,862)	(3,862)
Share based payment transactions	-	-	195	-	195
Purchase of treasury shares	-	(336)	-	-	(336)
At 30 April 2013	21,068	(2,554)	280	(386)	18,408

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

The Company undertook a share buy-back during the period. As at 30 April 2014, the Company's issued and fully paid up capital (excluding treasury shares) comprises 431,343,661 (30 April 2013: 385,004,003) ordinary shares. The changes during 4Q2014 and 4Q2013 are set out below.

4Q2014		
	Number of shares	Share Capital (S\$'000)
As at 1 February 2014	432,284,661	35,424
Purchase of treasury shares	(941,000)	-
As at 30 April 2014	431,343,661	35,424
4Q2013		
	Number of shares	Share Capital (S\$'000)
As at 1 February 2013	386,161,003	21,068
Purchase of treasury shares	(1,157,000)	-
As at 30 April 2013	385,004,003	21,068

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The number of treasury shares held by the Company represents 3.64% (30 April 2013: 3.90%) of the total number of issued shares (excluding treasury shares) of the Company as at 30 April 2014.

The total consideration for the purchase of treasury shares since the launch of the share buy-back scheme was S\$3,345,000 for a total of 15,706,000 shares.

XMH Share Option Scheme

As at 30 April 2014, the outstanding balance of unexercised options under the XMH Share Option Scheme totaled 15,325,000 (30 April 2013: 10,419,000) or 3.55% of total issued shares in the capital of the Company.

- 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.**

	30 April 2014	30 April 2013
Total number of shares issued	447,049,661	400,000,003
Less: Treasury shares	(15,706,000)	(14,996,000)
Total	431,343,661	385,004,003

- 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.**

During FY2014 a total of 2,849,000 treasury shares were appropriated to employees and directors of the Group who exercised their share options that were granted to them.

- 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 30 April 2013 and 30 April 2014 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.

**Financial Statements and Dividend Announcement
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- 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.

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			
4Q2014	4Q2013	FY2014	FY2013

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

a) Based on the weighted average number of ordinary shares in issue (cents)	(0.41)	0.91	1.47	2.96
b) On a fully diluted basis (cents)	(0.41)	0.90	1.45	2.93
Weighted average number of shares in issue during the period/year used in the computing of EPS	431,564,223 ¹	385,774,250 ¹	418,006,710 ¹	386,130,535 ¹
Weighted average number of shares on fully diluted basis during the period/year used in the computing of EPS	N/A	388,899,375 ²	423,419,908 ³	389,512,233 ²

- (1) The figures are computed taking into account the purchase of treasury shares during the period
 (2) The figures are computed taking into account the purchase of treasury shares and the potential ordinary shares to be issued for the share options granted in September 2011 and September 2012.
 (3) The figures are computed taking into account the purchase of treasury shares and the potential ordinary shares to be issued for the share options granted in September 2011, September 2012 and September 2013.

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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:-**
- current financial period reported on; and**
 - immediately preceding financial year**

	Group		Company	
	30 April 2014	30 April 2013	30 April 2014	30 April 2013
Net asset value per ordinary share based on existing share capital (cents)	13.53	11.48	7.61	4.78
Number of shares at end of the year	431,343,661	385,004,003	431,343,661	385,004,003

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:-**

- 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**
- any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

The Company completed the acquisition of the entire issued capital of Mech-Power Generator Pte Ltd ("MPG") in 2Q2014. The results of MPG and its wholly-owned subsidiary (collectively referred to as "MPG Group") post the acquisition are consolidated into the consolidated statement of comprehensive income of the Group.

For comparative purposes, we tabled the financial performance as follows:

	Group				
	XMH Group ²	MPG Group	4Q2014 ³	4Q2013	Change
	(i)	(ii)			
	S\$'000	S\$'000	S\$'000	S\$'000	%
Revenue	11,525	12,057	23,582	29,650	(20.5%)
Cost of sales	(8,850)	(7,978)	(16,828)	(23,563)	(28.6%)
Gross profit	2,675	4,079	6,754	6,087	11.0%
Other income	630	29	659	962	(31.5%)
Distribution expenses	(754)	(773)	(1,527)	(1,782)	(14.3%)
Administrative expenses	(1,546)	(1,374)	(2,920)	(2,163)	35.0%
Other expenses ¹	(4,726)	-	(4,726)	-	Nm
Results from operating activities	(3,721)	1,961	(1,760)	3,104	(156.7%)
Finance income	93	-	93	553	(83.2%)
Finance costs	1	(463)	(462)	(1)	Nm
Net finance income/(costs)	94	(463)	(369)	552	Nm
(Loss)/profit before tax	(3,627)	1,498	(2,129)	3,656	Nm
Tax expense	929	(545)	384	(149)	Nm
(Loss)/profit for the period	(2,698)	953	(1,745)	3,507	Nm

Note:

(1) Other non-recurring costs and provisions

(2) Excluding the MPG Group

(3) Combination of (i) and (ii)

**Financial Statements and Dividend Announcement
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Notes to the statement of comprehensive income

Quarter ended 30 April 2014 (“4Q2014”) vs quarter ended 30 April 2013 (“4Q2013”)

(i) Revenue

Revenue decreased by approximately S\$6.1 million or 20.5% to S\$23.6 million was due mainly to lower revenue from our “distribution” business segment while we derived revenue of approximately S\$12.1 million from our newly acquired subsidiary (classified as “projects” business segment) for the period. The decrease in revenue was due mainly to deferment of deliveries and slower orders placed as Indonesia faced many challenging events from (i) uncertainties amid the elections; (ii) the weakening of Rupiah against other currencies; and (iii) continual high interest rates that discouraged lending environment.

(ii) Cost of Sales and Gross Profit Margin

Correspondingly, cost of sales also decreased by approximately S\$6.8 million or 28.6% from S\$23.6 million to S\$16.8 million.

Notwithstanding lower revenue registered in 4Q2014, gross profit increased by approximately S\$667,000 or 11.0% to S\$6.8 million. This was primarily due to higher gross profit margins from our “projects” and “after-sales” business segments.

(iii) Other Income

Lower other income in 4Q2014 was due mainly to lesser amount of deposit forfeited from customers as compared to previous corresponding period.

(iv) Distribution Expenses

Distribution expenses decreased by approximately S\$255,000 or 14.3% from S\$1.8 million in 4Q2013 to S\$1.5 million in 4Q2014. The decrease was due mainly to lower business activities from our “distribution” and “after-sales” business segments, offset by the addition of overall distribution expenses with the consolidation of our newly acquired subsidiary.

(v) Administrative Expenses

Administrative expenses increased by approximately S\$757,000 or 35.0% from approximately S\$2.2 million in 4Q2013 to approximately S\$2.9 million in 4Q2014. This increase was due mainly to the consolidation of our newly acquired subsidiary, the amortisation of intangible assets of approximately S\$586,000 offset by reduced bonus provisions.

(vi) Other Expenses

Other expenses were non-recurring provision of costs and professional fees in relation to a current litigation case.

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(vii) Net Finance Income/(Costs)

The Group incurred net finance costs of approximately S\$369,000 in 4Q2014 as compared to net finance income of approximately S\$552,000 in 4Q2013. The net finance costs in 4Q2014 were due mainly to the inclusion of our newly acquired subsidiary and net unrealised foreign exchange losses in 4Q2014. The reported net finance income in 4Q2013 was due mainly to unrealised foreign exchange gains.

Full Year ended 30 April 2014 (“FY2014”) vs Full Year ended 30 April 2013 (“FY2013”)

For comparative purposes, we tabled the financial performance as follows:

	Group				
	XMH Group ² (i)	MPG Group (ii)	FY2014 ³	FY2013	Change
	S\$'000	S\$'000	S\$'000	S\$'000	%
Revenue	72,913	32,261	105,174	97,645	7.7%
Cost of sales	(54,274)	(23,591)	(77,865)	(74,727)	4.2%
Gross profit	18,639	8,670	27,309	22,918	19.2%
Other income	1,116	109	1,225	1,084	13.0%
Distribution expenses	(3,973)	(2,627)	(6,600)	(4,725)	39.7%
Administrative expenses	(6,703)	(2,706)	(9,409)	(5,109)	84.2%
Other expenses ¹	(5,124)	-	(5,124)	-	Nm
Results from operating activities	3,955	3,446	7,401	14,168	(47.8%)
Finance income	217	-	217	258	(15.9%)
Finance costs	599	(1,085)	(486)	(921)	(47.2%)
Net finance income/(costs)	816	(1,085)	(269)	(663)	(59.4%)
Profit before tax	4,771	2,361	7,132	13,505	(47.2%)
Tax expense	(462)	(545)	(1,007)	(2,074)	(51.4%)
Profit for the year	4,309	1,816	6,125	11,431	(46.4%)

Note:

(1) Other non-recurring costs and provisions

(2) Excluding the MPG Group

(2) Combination of (i) and (ii)

(i) Revenue

Revenue increased by approximately S\$7.6 million or 7.7% from S\$97.6 million in FY2013 to S\$105.2 million in FY2014. The increase in revenue was from both our “projects” and “after sales” business segments of approximately S\$32.3 million and S\$1.0 million respectively. This was offset by the decrease in revenue from our “distribution” business segment of approximately S\$25.7 million. The decrease in revenue from “distribution” business segment was primarily due to our customers delaying placements of orders and/or deferment of collection of deliveries, attributed by Indonesia’s current uncertainties and slow economic situation.

(ii) Cost of Sales and Gross Profit Margin

Cost of sales increased by approximately S\$3.2 million from S\$74.7 million in FY2013 to S\$77.9 million in FY2014, in line with the increase in the Group’s revenue.

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Gross profit increased by approximately S\$4.4 million or 19.2% from S\$22.9 million in FY2013 to S\$27.3 million in FY2014. This increase was attributed to our “projects” and “after-sales” business segments. The increase in gross profit margin of approximately 2.5% was primarily due to higher gross margins products in our “distribution” and “after-sales” business segments, including the direct contribution from our newly acquired subsidiary.

(iii) Other Income

The Group recorded other income of S\$1.2 million in FY2014. The increase was due mainly to greater amounts of deposit forfeited from customers and higher dividend income in FY2014, and these were offset by lower other miscellaneous income against FY2013.

(iv) Distribution Expenses

Distribution expenses increased by approximately S\$1.9 million or 39.7% from S\$4.7 million in FY2013 to approximately S\$6.6 million in FY2014. This was due mainly to the increase in payroll related costs of approximately S\$1.6 million and the inclusion of costs pertaining to our newly acquired subsidiary. These infrastructure costs were essential to support the increased business activities in FY2014 and the Group’s intended growth plans.

(v) Administrative Expenses

Administrative expenses increased by approximately S\$4.3 million or 84.2% from S\$5.1 million in FY2013 to approximately S\$9.4 million in FY2014. This was due mainly to the increase in payroll related expenses of approximately S\$1.8 million, intangible assets amortisation of approximately S\$0.6 million, the inclusion of our newly acquired subsidiary, additional professional fees of approximately S\$0.4 million, higher depreciation charges registered of approximately S\$0.5 million, among others.

(vi) Other Expenses

The Group has made full provisions of approximately S\$5.1 million for costs and professional fees in relation to a current litigation case. These provisions are non-recurring in nature.

(vii) Net Finance Costs

Net finance costs of S\$269,000 and S\$663,000 were registered in FY2014 and FY2013 respectively. In FY2014, higher finance costs and forex losses were incurred as a result of our newly acquired subsidiary’s nature of business. In FY2013, a large portion of net finance costs was due mainly to unrealised foreign losses recorded arising from 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

The Group’s shareholders’ equity as at 30 April 2014 stood at S\$58.4 million as compared to S\$44.2 million at the end of the immediately preceding financial year end, 30 April 2013. The strong balance sheet position was due to higher fixed assets, inventories, trade receivables and the recognition of goodwill arising from the acquisition of MPG Group during the financial year.

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For comparative purposes, we tabled the financial position as follows:

	Group				Company	
	XMH Group ¹	MPG Group	30 April 2014 ²	30 April 2013	30 April 2014	30 April 2013
	(i)	(ii)				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets						
Property, plant and equipment	2,396	4,448	6,844	1,964	-	-
Land lease prepayment	7,999	-	7,999	7,916	-	-
Intangible assets	10,241	-	10,241	167	-	-
Other financial assets	1,385	-	1,385	3,073	-	-
Investment in subsidiaries	-	-	-	-	18,625	900
Club memberships	486	-	486	486	-	-
Deferred tax assets	729	-	729	12	-	-
	23,236	4,448	27,684	13,618	18,625	900
Current assets						
Inventories	16,237	6,288	22,525	15,964	-	-
Trade and other receivables	6,782	19,403	26,185	6,638	14,220	10,125
Cash and cash equivalents	32,979	3,409	36,388	43,687	10,046	9,860
	55,998	29,100	85,098	66,289	24,266	19,985
Total assets	79,234	33,548	112,782	79,907	42,891	20,885
Non-current liabilities						
Other payables	8,713	-	8,713	-	8,713	-
Loans and borrowings	-	1,371	1,371	-	-	-
Deferred tax liabilities	-	420	420	-	-	-
	8,713	1,791	10,504	-	8,713	-
Current liabilities						
Trade and other payables	21,671	7,397	29,068	33,727	1,344	2,477
Loans and borrowings	-	13,474	13,474	342	-	-
Current tax payables	788	567	1,355	1,638	66	-
	22,459	21,438	43,897	35,707	1,410	2,477
Total liabilities	31,172	23,229	54,401	35,707	10,123	2,477

Note:

(1) Excluding the MPG Group

(2) Combination of (i) and (ii)

(i) Property, plant and equipment

The increase in the property, plant and equipment of S\$4.9 million was due mainly to (i) the consolidation of the newly acquired subsidiary of S\$4.4 million; (ii) the construction of a warehouse to the existing building of S\$0.4 million; and (iii) net of the usual depreciation charge for the year.

(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 in FY2013. The slight increase was due mainly to translation adjustment of Japanese Yen against Singapore Dollar and the amortisation during the financial year.

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(iii) Intangible assets

We recorded a goodwill arising from the acquisition in 2Q2014, amounting to approximately S\$10.1 million.

(iv) Inventories

Inventories increased by approximately S\$6.5 million from S\$16.0 million as at 30 April 2013 to S\$22.5 million as at 30 April 2014. The increase was due mainly to the consolidation of inventories of our newly acquired subsidiary of approximately S\$6.3 million and replenishment of inventories towards the year ended 30 April 2014.

(v) Trade and other receivables

Trade and other receivables increased by approximately S\$19.6 million from S\$6.6 million as at 30 April 2013 to S\$26.2 million as at 30 April 2014. The increase was due mainly to (i) the consolidation of trade and other receivables of our newly acquired subsidiary, totaling S\$8.7 million; and (ii) the amount due from its customers on projects totaling S\$10.7 million.

(vi) Trade and other payables

Trade and other payables stood at approximately S\$29.1 million as at 30 April 2014, as compared to S\$33.7 million a year ago. The decrease was due mainly to provisions of costs in relation to a litigation case, offset by the (i) lower purchases from suppliers in 4Q2014; and (ii) lesser amount of deposits from customers following the completion of sales transactions with these customers.

(vii) Loans and borrowings

Loans and borrowings stood at approximately S\$14.8 million as at 30 April 2014, and the increase was due mainly to the consolidation of loans and bank borrowings of our newly acquired subsidiary.

Statement of cash flow

Net cash used in operating activities was approximately S\$10.6 million for FY2014. This was due mainly to (i) higher inventory purchased to fulfilled contracts garnered for one of our subsidiaries; (ii) increased trade and other receivables were the resultant of amount due from project customers; and (iii) settlement of trade and other payables arising from the business nature of our newly acquired subsidiary.

Net cash generated from investing activities amounted to S\$1.8 million was due mainly to the maturity of our structured deposits, offset by new assets purchased during the financial year.

Net cash generated from financing activities was S\$2.4 million, this was due mainly to issuance of new shares offset by dividends paid to equity shareholders, including the loans repayments and treasury shares purchased during the financial year.

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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 Group's core business is dependent on the Indonesian marine and coal industries and its level of activities. The country continues to see slow economic growth as a result of (i) high interest rates; (ii) the weakening Indonesia Rupiah against major currencies; and (iii) the uncertainties surrounding the upcoming elections.

In view of the above, our customers may continue to delay placing orders and/or defer the collection of their deliveries. Sales from our "distribution" business segment may be affected for the coming months. Nonetheless, we remain optimistic that our Group's sales will be positive in the next 12 months, well supported by the existing orders on hand.

Locally, the Group's new wholly-owned subsidiary has been contributing positively to XMH's financials since the completion of the acquisition. Hence, we look forward to be able to offer a wider range of solutions to our expanded customer base.

MPG's strong presence in industrial and commercial applications places them in a position to continue winning new contracts, particularly with customers from the data centre industry. According to the Infocomm Development Authority of Singapore's ("IDA") iN2015 masterplan¹, the local data centre industry looks poised for growth.

We are optimistic that MPG's standing as one of the leaders in this field will be advantageous to the Group as we look to participate in Singapore's desire to spearhead the transformation of key economic sectors, government and society through more sophisticated and innovative use of infocomm.

As a Group, we will continue to proceed with caution as we believe that the macro environment is still volatile and subject to change at any moment.

Our cash balance remains healthy and places us in a very good position to explore further M&A activities and we will be looking out actively for more opportunities.

As part of the Group's efforts to remain competitive, we will work diligently to ensure that our cash flow continues to be carefully managed. In addition, we will also work towards maximizing our operational value with the inclusion of MPG into the Group.

¹ <http://www.ida.gov.sg/infocomm-Landscape/iN2015-Masterplan>

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11. Dividend

a) Current financial period reported on

Any dividend declared for the current financial period reported on? Yes

	FY2014
Name of dividend	Final (Proposed)
Dividend type	Cash
Amount	1.0 cent per share
Tax rate	Tax exempt (one-tier)

	FY2014
Name of dividend	Special (Proposed)
Dividend type	Cash
Amount	0.2 cent per share
Tax rate	Tax exempt (one-tier)

b) Corresponding period of the immediately preceding financial period

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

	FY2013
Name of dividend	Final
Dividend type	Cash
Amount	1.0 cent per share
Tax rate	Tax exempt (one-tier)

	FY2013
Name of dividend	Special
Dividend type	Cash
Amount	0.2 cent per share
Tax rate	Tax exempt (one-tier)

c) Date payable:

To be announced later. The proposed dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting.

d) Books Closure Date:

To be announced later. The proposed dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting.

12. If no dividend has been declared/(recommended), a statement to that effect

Not applicable.

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13. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recent audited financial statements, with comparative information for the immediate preceding year.

	Distribution	After-sales	Projects	Segments total	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FY2014						
External revenues	60,042	12,871	32,261	105,174	-	105,174
Interest income	-	-	-	-	109	109
Interest expenses	-	-	-	-	(341)	(341)
Depreciation	-	-	-	-	(547)	(547)
Amortisation of land lease prepayment	-	-	-	-	(285)	(285)
Amortisation of intangible assets	-	-	-	-	(568)	(568)
Reportable segment profit/(loss) before income tax	14,461	4,178	8,670	27,309	(20,177)	7,132
Income tax expense						(1,007)
Profit for the year						6,125
Reportable segment assets	15,999	6,938	45,201	68,138	44,644	112,782
Capital expenditure	-	-	412	412	8,621	9,033
Reportable segment liabilities	15,565	312	31,474	47,351	7,050	54,401
FY2013						
External revenues	85,796	11,849	-	97,645	-	97,645
Interest income	-	-	-	-	156	156
Interest expenses	-	-	-	-	(1)	(1)
Depreciation	-	-	-	-	(357)	(357)
Reportable segment profit/(loss) before income tax	19,960	2,958	-	22,918	(9,413)	13,505
Income tax expense						(2,074)
Profit for the year						11,431
Reportable segment assets	18,112	6,239	-	24,351	55,556	79,907
Capital expenditure	-	-	-	-	9,366	9,366
Reportable segment liabilities	28,914	1,051	-	29,965	5,742	35,707

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

The Group's revenue increased 7.7% year-on-year ("y-o-y") to S\$105.2 million for the financial year ended 30 April 2014 ("FY2014"). This was primarily contributed by our "projects" and "after-sales" business segments.

With our new acquisition, our geographical coverage now list Singapore as the next market contributor, after Indonesia. The addition of a new business segment – "projects" is in line with our strategy to expand beyond our traditional business.

Overall distribution and administrative expenses increased from S\$9.8 million to S\$16.0 million was due mainly to the consolidation of our newly acquired subsidiary, amortisation of intangible assets arising from this acquisition and putting

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For the Fourth Quarter/Full Year ended 30 April 2014**

our infrastructure in place for our intended growth plans. Additionally, the Group has made full provisions for costs and professional fees in relation to a current litigation case of S\$5.1 million.

In view of the above, profit for the year decreased by 46.4% to S\$6.1 million from a year ago. Without accounting for the non-recurring costs and provisions, the Group would have reported a net profit of approximately S\$11.2 million.

15. A breakdown of sales as follows:

	Group				
	XMH Group ¹ (i)	MPG Group (ii)	FY2014 ²	FY2013	Change
	S\$'000	S\$'000	S\$'000	S\$'000	(%)
Sales for first half year	43,374	5,077	48,451	48,661	-0.4
Operating profit/(loss) after tax for first half year	5,068	(384)	4,684	5,770	-18.8
Sales for second half year	29,539	27,184	56,723	48,984	15.8
Operating profit/(loss) after tax for second half year	(759)	2,200	1,441	5,661	-74.5

Note:

(1) Excluding the MPG Group

(2) Combination of (i) and (ii)

16. 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.

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

	FY2014	FY2013
	Proposed	Paid
	S\$'000	S\$'000
Ordinary	5,176	5,053
Total	5,176	5,053

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18. Report of persons occupying managerial positions who are related to a director, CEO or substantial shareholder.

Name	Age	Family relationship with any director, chief executive officer and/or substantial shareholder	Current position and duties and the year the position was first held	Details of changes in duties and position held, if any, during the year
Tan Fu Yuan	30	Nephew of Mr. Tan Tin Yeow (Chairman & CEO) and Ms. Tan Guat Lian (Executive Director – Human Resource & Administration)	Responsible for managing the Parts Department. Year when position was first held: 2011	NA

19. Use of IPO proceeds

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, net of expenses.

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	-
Sub-total	18,850	17,269	1,581
Proceeds from new shares			
Proposed development of JTC land	8,928	-	8,928
General working capital	992	992	-
Sub-total	9,920	992	8,928
Total	28,770	18,261	10,509

BY ORDER OF THE BOARD
24 June 2014