



## FOR IMMEDIATE RELEASE

# XMH's FY2014 revenue grew 8% to a record high of S\$105.2 million

- Record revenue since IPO; breaks S\$100 million mark for the first time
- Gross profit increased 19% to S\$27.3 million as the gross profit margin improved due to higher margin products sold
- Net profit declined 46% to S\$6.1 million due to increase in operating costs arising mainly from higher payrolls costs, inclusion of the newly acquired subsidiary and the provision for a legal case
- Group proposes to maintain total dividend amount of 1.2 Singapore cents per share for FY2014 despite drop in net profit

Singapore, 24 June 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\$105.2 million and a net profit of S\$6.1 million for the full year ended 30 April 2014 (“FY2014”).

Financial Highlights	4Q2014	4Q2013	%	FY2014	FY2013	%
	S\$'000	S\$'000	Chg	S\$'000	S\$'000	Chg
Revenue	23,582	29,650	(20.5)	105,174	97,645	7.7
Gross Profit	6,754	6,087	11.0	27,309	22,918	19.2
Gross Profit Margin	28.6%	20.5%	8.1 pp	26.0%	23.5%	2.5 pp
Operating Expenses*	(4,447)	(3,945)	12.7	(16,009)	(9,834)	62.8
Other Income	659	962	(31.5)	1,225	1,084	13.0
Net (Loss) / Profit Attributable to Equity Holders	(1,745)	3,507	N.M	6,125	11,431	(46.4)
Net Profit Margin	N.M	11.8%	N.M	5.8%	11.7%	(5.9)pp
Fully Diluted EPS (cents) <sup>#</sup>	(0.41)	0.90	N.M	1.45	2.93	(50.5)

\* Including distribution expenses and administrative expenses

pp denotes percentage points, N.M denotes not meaningful

# Based on 431,564,223 weighted average number of shares for 4Q2014 and 423,419,908 for FY2014 (4Q2013: 388,899,375 and FY2013: 389,512,233)



The increase in revenue of approximately S\$7.5 million to S\$105.2 million in FY2014 was primarily due to the contribution of revenue of approximately S\$32.3 million from the “projects” business segment and the S\$1.0 million increase in the Group’s “after sales” business segment. This was however, offset by the decrease in revenue of approximately S\$25.7 million from the Group’s “distribution” business segment.

The Group’s gross profit increased 19.2% to S\$27.3 million in FY2014. Gross profit margin for the Group also increased by 2.5 percentage points in FY2014, and the increase for both gross profit and gross profit margin was primarily due to the higher gross margin products in the Group’s “distribution” and “after sales” business segments, and the direct contribution from the MPG Group.

The increase in the Group’s operating expenses was largely due to (i) increase in infrastructure costs (including payroll costs and costs related to inclusion of the MPG Group) to support the Group’s growth plans and increased business activities. The Group has also made a one-off provision of approximately S\$5.1 million for costs and professional fees in relation to an ongoing litigation case.

The Group’s net profit for FY2014 subsequently declined 46.4% to S\$6.1 million in FY2014, as a result of the aforementioned reasons.

***Speaking on the Group’s financial performance, Mr. Elvin Tan Tin Yeow, Chairman and CEO, commented, “It is hugely encouraging to see that XMH has managed to achieve a record revenue despite the challenging macro conditions and that the MPG Group has contributed positively to the Group. We are very pleased to have broken the S\$100 million revenue mark for the first time and look forward to building for the future.***

***Though our profit declined, we are maintaining our dividend of 1.2 cents per share for FY2014 as a reward for our loyal and patient shareholders.”***

For FY2014, the Group has proposed to declare total dividend of 1.2 Singapore cents per share comprising of 1.0 cent of final cash dividend and 0.2 cent of special cash dividend. The dividend amount equates to a dividend payout of about 85%.

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The Group also maintained a healthy cash balance, which puts it in a very good position to explore further M&A activities. With the success of their first acquisition of the MPG Group, XMH will be looking out actively for more opportunities which will strengthen its business.

### **Business Updates / Outlook**

Indonesia is the main geographical market for the Group's business and the Group is dependent on its marine and coal industries. In recent times, XMH's business has been affected by the continuing political uncertainty due to the country's upcoming elections as well as the high interest rates and the weakening Indonesian Rupiah against major currencies. The Group will be monitoring all developments with keen interest and will take all necessary measures to ensure that its business continues to progress.

The Group made positive breakthroughs during the financial year as new contracts were secured in the Vietnamese market and for a low speed main engine contract, the Group's first. The breakthrough in the Vietnamese market is particularly important as it reduces the Group's reliance on the Indonesian market and provides a solid platform for the Group to expand its geographical reach.

Locally, we are optimistic that the MPG Group is well placed to win new contracts due to their strong presence in industrial and commercial applications. In addition, the MPG Group has also been making inroads in the local data centre industry, and with Singapore's desire to spearhead the transformation of key economic sectors, government and society through more sophisticated and innovative use of infocomm through their iN2015 masterplan, we are enthused at MPG's position of strength in this field.

The Group's upcoming 7-storey factory ramp-up industrial building with ancillary office and facilities at Tuas Crescent is also progressing well and remains on track for completion in the second quarter of 2015. The new industrial building will accommodate new assembly and production lines and increase the Group's general warehousing capabilities.

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When asked about the Group's plans for the future, Mr. Elvin Tan Tin Yeow, Chairman and CEO, continued, *"There are still uncertainties in the macro environment that we operate in and while the Group is still likely to push on with its expansion plans, we will be very prudent about the steps that we take moving forward. As part of our overall expansion strategy, we are also on the lookout for M&A opportunities which will further strengthen the Group's capabilities, similar to what the acquisition of the MPG Group has done for the Group."*

--- The End---

**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), Scania, SOLÉ, 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.

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