



## FOR IMMEDIATE RELEASE

### XMH's 1Q2015 revenue up 20.5% to S\$25.8 million

- Revenue increase was due to the contribution from the Group's projects segment
- Gross profit increased 24.8% to S\$6.7 million as the gross profit margins improved for all business segments
- However, net profit declined 47.3% to S\$1.4 million due to lower turnover in the Group's distribution segment

Singapore, 12 September 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\$25.8 million and a net profit of S\$1.4 million for the first quarter ended 31 July 2014 ("1Q2015").

Financial Highlights	1Q2015 S\$'000	1Q2014 S\$'000	% Chg
Revenue	25,780	21,393	20.5
Gross Profit	6,661	5,336	24.8
Gross Profit Margin	25.8%	24.9%	0.9 pp
Operating Expenses*	(4,907)	(2,774)	76.9
Other Income	15	411	(96.4)
Net Profit Attributable to Equity Holders	1,400	2,567	(47.3)
Net Profit Margin	5.4%	12.0%	(6.6pp)
Basic EPS (cents) <sup>#</sup>	0.32	0.69	(53.6)

\* Including distribution expenses and administrative expenses

pp denotes percentage points, N.M denotes not meaningful

# Based on 431,343,661 weighted average number of shares for 1Q2015 and 385,004,003 for 1Q2014



The revenue increase of approximately S\$4.4 million to S\$25.8 million in 1Q2015 was primarily due to the healthy contribution of revenue of approximately S\$19.1 million from the Group's projects business segment, which made up for the lower revenue from the Group's core distribution segment as lower sales and the ongoing challenging business environment in Indonesia continued to deter customers from taking deliveries of orders placed.

The Group's gross profit increased 24.8% to S\$6.7 million in 1Q2015 while the gross profit margin increased 0.9 percentage points to 25.8% as the Group enjoyed an increase in margins across all its business segments.

The Group also saw an increase in operating expenses due mainly to an increase in administrative expenses stemming from the increase in infrastructure costs in general and from the inclusion of MPG.

The Group's net profit for 1Q2015 consequently declined 47.3% to S\$1.4 million in 1Q2015.

***Speaking on the Group's financial performance, Mr. Elvin Tan Tin Yeow, Chairman and CEO, commented, "The Group continues to face challenging macro conditions in Indonesia, where the sales in our distribution segment have been affected. We believe that this is likely to continue for the coming quarter and a gradual recovery towards the second half of 2015.***

***While our core segment did not perform as strongly as we would have liked, we are encouraged by the performance of our projects segment."***

The Group announced in August 2014 that it had signed a memorandum of understanding to acquire 80% acquisition of Z-Power Automation Pte. Ltd. ("**Z-Power**"). The acquisition of Z-Power will allow the Group to increase its presence in the offshore industry and strengthen its regional operations.

The Group continues to maintain a healthy cash balance, which puts it in a very good position to explore further M&A activities. With the success of its first acquisition of MPG and the proposed acquisition of Z-Power, XMH will continue to be on the lookout for more opportunities to strengthen its business.

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## **Business Updates / Outlook**

Indonesia is the main geographical market for the Group's business and the Group is optimistic that the market might see a gradual recovery in the coming months. With signs pointing to resumption in mining activity, this could kick-start the ailing tugs and barges industry, which is largely catered towards the transshipment of commodities and where the bulk of our core business lies.

For our projects segment, the Group is aiming to capitalize on the MPG's expertise in the data centre industry and is actively looking for the right opportunities to venture into other territories in the Asia-Pacific region.

The Group's upcoming 7-storey ramp-up industrial building with ancillary office and facilities at Tuas is progressing well and on course for completion in the second quarter of 2015. Piling work has been completed and building construction will commence shortly. The new factory 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 are looking to complete the acquisition of Z-Power in the coming months as we believe that the addition of this new entity will bring the Group to a different level and increase our value proposition to existing and potential customers."***

**--- 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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