



FOR IMMEDIATE RELEASE

XMH Reports Earnings of S\$4.8 Million for 9M2015

- Revenue decreased 16.6% to S\$68.1 million due to the slowdown in distribution and after-sales segments
- Gross profit margin improved to 28.9% supported by improvement across all business segments
- ZPA acquisition completed in early March, creating synergy with Group's existing businesses

Singapore, 16 March 2015 – 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, announced today that for the nine months ended 31 January 2015 (“9M2015”), Group realized revenue of S\$68.1 million and net profit attributable to shareholders of S\$4.8 million.

Financial Highlights	9M2015 S\$'000	9M2014 S\$'000	% Chg
Revenue	68,087	81,592	(16.6)
Gross Profit	19,690	20,555	(4.2)
Gross Profit Margin	28.9	25.2	3.7pp
Operating Expenses*	(13,875)	(11,562)	20.0
Other Income	582	566	2.8
Net Profit Attributable to Equity Holders	4,818	7,870	(38.8)
Net Profit Margin	7.1	9.6	(2.5)pp
Fully Diluted EPS (cents)#	1.08	1.81	(40.3)

* Including distribution expenses and administrative expenses

pp denotes percentage points,

Based on 445,127,292 weighted average number of shares for 9M2015 and 434,466,835 for 9M2014

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Revenue decreased by approximately S\$13.5 million to S\$68.1 million in 9M2015, primarily due to the lower sales in the distribution and after-sales segments. Consequently, cost of sales decreased by 20.7% to S\$48.4 million in 9M2015 from S\$61.0 million in 9M2014.

The Group's gross profit margin increased to 28.9% in 9M2015 as compared to 25.2% in 9M2014, well supported by improved margins across all business segments.

The Group's net profit for 9M2015 declined 38.8% to S\$4.8 million mainly due to increased operating expenses from the inclusion of MPG results and higher legal costs.

It continued to maintain a strong net cash position, with cash and cash equivalents of S\$23.9 million at the end of the reporting period. As at 31 January 2015, net asset value per share was 13.43 Singapore cents, compared to 13.53 Singapore cents as at 30 April 2014.

Commenting on the Group's financial performance, Mr. Elvin Tan Tin Yeow, Chairman and CEO, commented, "While we witnessed improved delivery-taking for placed orders and business activities in recent months, the operating environment will remain challenging and volatile, after the depressed oil prices sent some headwinds to the industry. We will continue to exercise caution in growth strategies to allow time for the recovery of sales in our distribution segment."

I'm confident that our acquisition of ZPA will expand our existing product offerings, and create good growth potential through cross selling and other synergies, thereby enhancing shareholder on a longer term basis."

Mech-Power Generator Pte. Ltd. ("MPG") is on track to contribute positively to the Group's results as demand for standby generator sets continue to be sturdy, coupled with the Group's order book on hand.

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The Group also completed the acquisition of the 80% stake in Z-Power Automation Pte. Ltd. (“ZPA”) as announced on 4 March 2015, and will tap on ZPA’s inherent technical strengths and integrate the identified synergies into the enlarged Group.

Business Updates / Outlook

The slowdown in offshore and marine industry, following the extended decline in oil prices, inevitably weighed on our distribution business. Whilst the Group does not see an immediate recovery, we believe that some of these country-specific developments will offer some cushion to our business performance. Among these, Indonesia’s mega plan to promote the shipbuilding industry and Vietnamese authorities’ plan to grow its fishing and logistic fleets to support fishing activities and guard territorial waters.

However, these effects will be gradual and we do not envisage any financial impact to immediately contribute to our results in FY2015. The operating environment will continue to remain challenging and volatile.

--- 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

Issued for and on behalf of XMH Holdings Ltd.

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