



FOR IMMEDIATE RELEASE

XMH's Net Profit Increases by 45.0% to S\$7.9 million for FY2016

- Revenue increased 18.4% year-on-year to S\$108.4 million for FY2016, due to a diversified business model
- Group reported gross profit of S\$26.9 million and gross margin of 24.8%, both slightly lower than FY2015 due to increased competition
- Group declared dividend of 2.0 Singapore cents per share, representing a dividend yield of 4.6%¹

Singapore, 27 June 2016 – 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, reported its financial results for the twelve months ended 30 April 2016 (“FY2016”) today.

Financial Highlights	4Q2016 S\$'000	4Q2015 S\$'000	% Change	FY2016 S\$'000	FY2015 S\$'000	% Change
Revenue	31,879	23,427	36.1	108,385	91,514	18.4
Gross Profit	7,253	7,898	(8.2)	26,864	27,588	(2.6)
Gross Profit Margin	22.8%	33.7%	(10.9) pp	24.8%	30.1%	(5.3) pp
Operating Expenses*	(8,236)	(6,642)	24.0	(24,966)	(20,517)	21.7
EBITDA	5,584	1,687	NM	13,391	9,263	44.6
Other Income	1,770	(46)	NM	2,551	538	NM
Net Profit	3,177	611	NM	7,873	5,429	45.0
Net Profit Margin	10.0%	2.6%	7.4 pp	7.3%	5.9%	1.4pp
Basic EPS (cents) [#]	3.01	0.10	NM	7.19	1.21	NM

*: Includes distribution expenses and administrative expenses

pp: Percentage points

[#]: Based on 110,462,785 weighted average number of shares for FY2016, post the 4-to-1 share consolidation the Group completed on February 22, 2016. (FY2015: 433,055,806).

¹Based on the share price of 43.5 Singapore cents as at 23 June 2016



Revenue increased by 18.4% year-on-year (“yoy”) to S\$108.4 million for FY2016, primarily supported by the increase of S\$26.1 million in “projects” business segment revenue, following the inclusion of ZPA’s results. The increase was partly offset by the decrease of approximately S\$9.2 million in the revenues from “distribution” and “after-sales” business segments.

In line with the higher revenue, cost of sales increased by 27.5% yoy to S\$81.5 million for FY2016. Gross profit declined by 2.6% yoy to S\$26.9 million for FY2016, and gross profit margin declined from 30.1% for FY2015 to 24.8% for FY2016, due to the intense competition experienced in all business segments.

Operating expenses increased by 21.7% yoy to S\$25.0 million for FY2016, primarily due to the inclusion of ZPA’s results and higher depreciation and amortisation of intangible assets.

The Group registered net finance income of approximately S\$4.0 million as compared to S\$0.5 million for FY2015, primarily attributable to the foreign exchange gains recorded for FY2016.

Overall, the Group reported net profit of S\$7.9 million for FY2016, an increase of 45.0% yoy. Basic earnings per ordinary share was 7.19 Singapore cents for FY2016, compared to 1.21 Singapore cents for FY2015².

Group declared a final dividend of 2.0 Singapore cents per ordinary share for FY2016, representing a dividend yield of 4.6% based on a share price of 43.5 Singapore cents as at 23 June 2016.

As the construction of the new facility in Tuas has been completed, property, plant and equipment increased from S\$32.5 million as at 30 April 2015 to S\$76.3 million as at 30 April 2016. Correspondingly, Group’s cash and short-term fixed deposits decreased from S\$24.7 million to S\$12.8 million over the same period due to progress payments and machineries purchases.

² Taking into account the consolidation of every four ordinary shares into one share that the Group completed on 22 February 2016.



As at 30 April 2016, net asset value per share was 62.4 Singapore cents, compared to 13.3 Singapore cents as at 30 April 2015³.

Commenting on the Group's financial performance, Mr. Elvin Tan Tin Yeow, Chairman and CEO, commented, "The demand for marine related products remained weak, and the market has yet to recover to its normal conditions. While business in the project segment has been active, the competition has intensified, resulting in squeezed margins. However, we will stay prudent in cash management, further streamline operations and improve efficiency, while actively looking out for business opportunities in the market."

Business Updates / Outlook

The global economy continues to be plagued by sluggish growth, low commodity prices and weaker global trade. Facing the challenging market situation, the Group continues to build up its order book and widen geographical presence.

The Group's Tuas facility became fully operational in January 2016, marking a step for its continued growth and improved efficiency. Its "projects" business segment has strengthened its position in providing power generating solutions in industrial and commercial spaces. Similarly, with the acquisition of ZPA in March 2015, it has widened the Group's product offering range and entered new overseas markets. Hence, shall continue to generate synergy within. The Group's diversified business model and market exposure, and its strong business network are expected to add to the Group's resilience in the market downturn.

--- The End---

³ Taking into account the consolidation of every four ordinary shares into one share that the Group completed on 22 February 2016.

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About XMH Holdings

XMH Holdings Ltd., is a trusted name as a diesel engine, propulsion and power generating solutions provider in the marine and industrial sectors across Asia. Alongside this, it has become a leading manufacturer and supplier of generator sets as well as a specialist in integrated automation products.

Over the years, the Group has expanded its primary product offerings to include distributorship, agency and dealership rights from reputable brands such as Mitsubishi, Akasaka and Kamome (Japan), Hyundai, D-I and Doosan (South Korea), SOLÉ, Korsør, Kamome Propeller, Reintjes, CENTA (Europe), MTU, Niigatta, Lilaas, ABB, Logstrup, and Guangzhou Diesel (China).

Consequently, the Group continued to scale up the value-chain with the introduction of “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.

The acquisition of Mech-Power Generator Pte Ltd and its subsidiary (“MPG”) was completed in September 2013. MPG is a leading manufacturer in the sale, assembly, testing, installation, commissioning and maintenance of diesel powered generator sets. Following MPG’s acquisition, in March 2015, the Group acquired 80% shareholdings in the issued and paid up capital of Z-Power Automation Pte. Ltd. (“ZPA”). ZPA specialises in integrated marine automation products, and its successful integration provides the Group added exposure to different markets.

With the acquisitions, the Group’s business activities can be broadly categorised into (i) distribution and provision of value-added products and services; (ii) after-sales services, trading and others; (iii) assembly and installation of standby generator sets; and (iv) assembly of integrated marine automation products including the provision of related services.

For more information please visit www.xmh.com.sg

Issued for and on behalf of XMH Holdings Ltd.

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