



YOUR CONNECTION TO THE RIGHT MACHINE

ENGINEERED FOR
CONTINUOUS GROWTH

1H2015 Results Presentation



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Presentation Outline

-  Financial Highlights
-  Outlook & Recent Developments



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Financial Highlights



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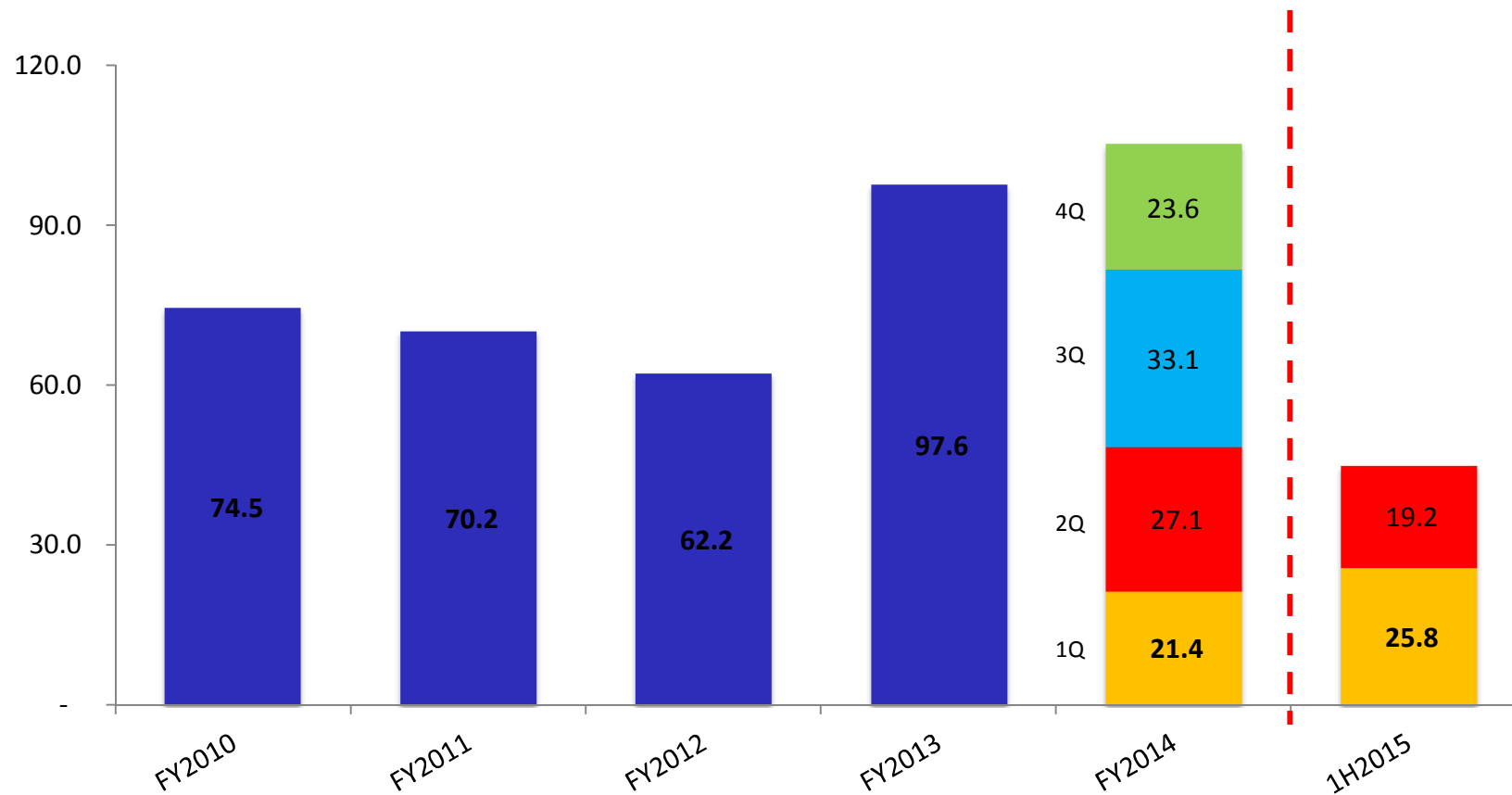
P&L Snapshot

Profit & Loss	1H2015 S\$'000	1H2014 S\$'000	Change %	
Revenue	45,006	48,451	(7.1)	Revenue dip due to decrease in sales in the "distribution" segment
Gross Profit	12,368	11,589	6.7	Overall increase in gross profit margins across all business segments
Gross Profit Margin	27.5%	23.9%	3.6 pp	
Operating Expenses	(9,955)	(6,443)	54.5	Increase due to inclusion of MPG
Operating Profit	3,066	5,541	(44.7)	
Net Profit Attributable to Equity holders	2,111	4,684	(54.9)	
Net Profit Margin	4.7%	9.7%	(5.0) pp	
Fully Diluted Earnings Per Share (S\$' cents) #	0.49	2.93	(83.3)	

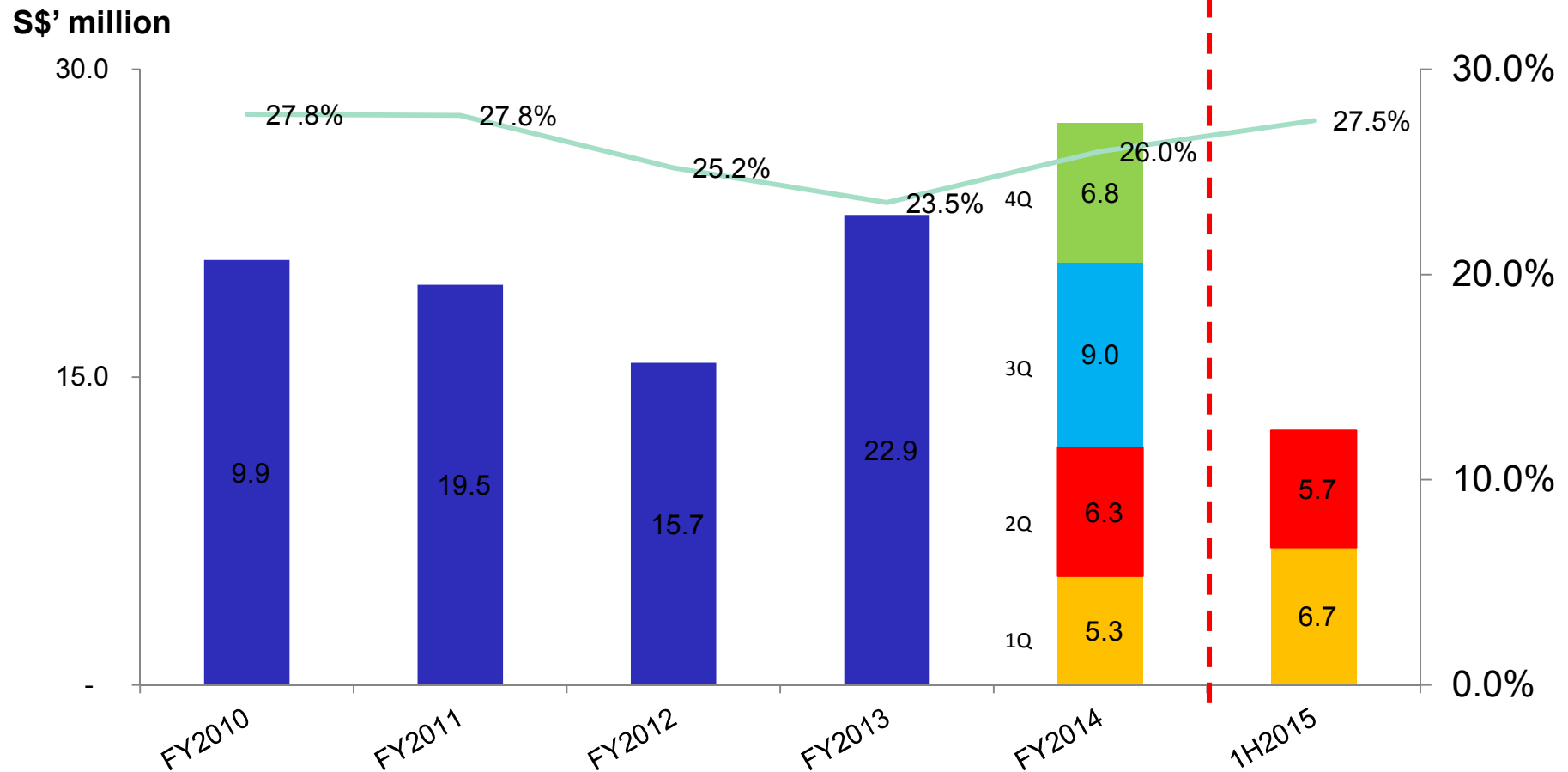
#: # Based on 445,383,292 weighted average number of shares for 1H2015 and 421,754,280 for 1H2014

Revenue

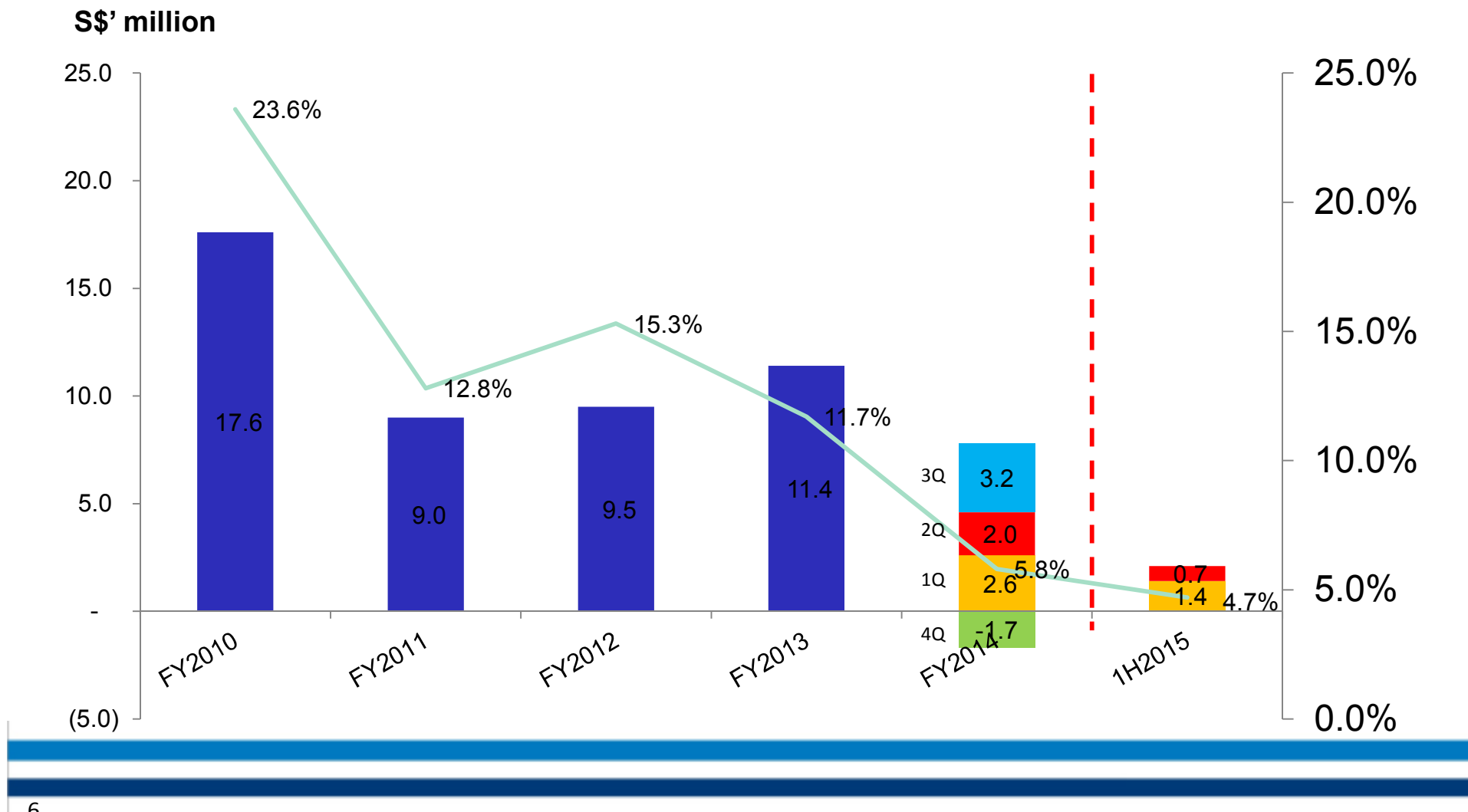
S\$' million



Profitability Trend (Gross Profit / Gross Profit Margin)



Profitability Trend (Net Profit / Net Profit Margin)



Balance Sheet

Balance Sheet	31 Oct 2014 S\$'000	30 Apr 2014 S\$'000
Property, plant and equipment	15,708	7,455
Inventories	19,110	22,525
Trade and other receivables	8,001	15,380
Contract work-in-progress	8,168	10,805
Cash and cash equivalents	23,904	36,388
Total equity	54,466	58,381
Net gearing ratio	Net cash	Net cash
Net asset value per ordinary share (S\$' cents)	12.54	13.53



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Outlook & Strategies

Outlook

- **Acquisition of Z-Power in its final stages of completion**
 - Increases presence in offshore industry
 - Strengthens regional exposure and operations
 - Increased technical knowledge and capabilities
 - Complementary suite of services
- **Fresh exposure and entry to new industries with addition of MPG**
 - MPG's products are supplied to:
 - shipyards and ports,
 - hospitals, education centres, **data centres**,
 - **airports**, hotels and resorts infrastructural projects (roads, bridges, underground tunnels, waste treatment plants etc.)
 - plants and factories
 - **MPG has expertise in the data centre industry; growing demand for data centres in APAC**

Growth Strategies

- **Exploration of new revenue streams**
 - Focus on expansion of supplier base and secure new distributorships from other manufacturers
 - Received orders for new products XMH currently represents
 - Increase market share in relevant markets by forming strategic partnerships of joint venture
 - **Increased cross selling with targeted addition of Z-Power**
- **Securing new customers in emerging markets such as Vietnam, India**
 - Deploy staff to these regions and/or establish subsidiaries and/or representative & marketing offices
 - Exploration of new revenue streams and increasing market share in relevant markets
 - Marketing efforts in **Vietnam** and **India** are underway; source actively for sales leads
 - Marketing efforts in Vietnam have been positive, activities will be increased to secure more dealers and contracts
 - **Vietnamese authorities have decreed that as many as 2,100 new offshore fishing boats and 205 logistic ships are to be built to support fishing activities and contribute to protecting territorial waters**

Recent Developments (2014)

- **November 2014 – MPG Group secures contracts worth S\$11.3 million**
 - Contracts for Changi Airport T-4 and a 5-storey data centre
- **August 2014 – Proposed acquisition of Z-Power Automation**
- **June 2014 - MPG Group secures multiple contracts worth a total of S\$10.57 million**
 - Five contracts from a diverse range of local and regional customers secured from April to June
- **April 2014 – Breakthrough in Vietnam with contract wins; first order for low speed main engine contract**
 - Contracts in Vietnam for more than 24 units of Mitsubishi marine engines, with the Group expecting another 10 units to be secured in the next two months
- **March 2014 – Awards building contract for new 7-storey ramp-up industrial building in Tuas facilities to Soilbuild Construction**
 - Expected to be completed in the second quarter of 2015
 - Land area of 15,184 square meters; facilities to accommodate new assembly and production lines and increase general warehousing capabilities



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Milestones

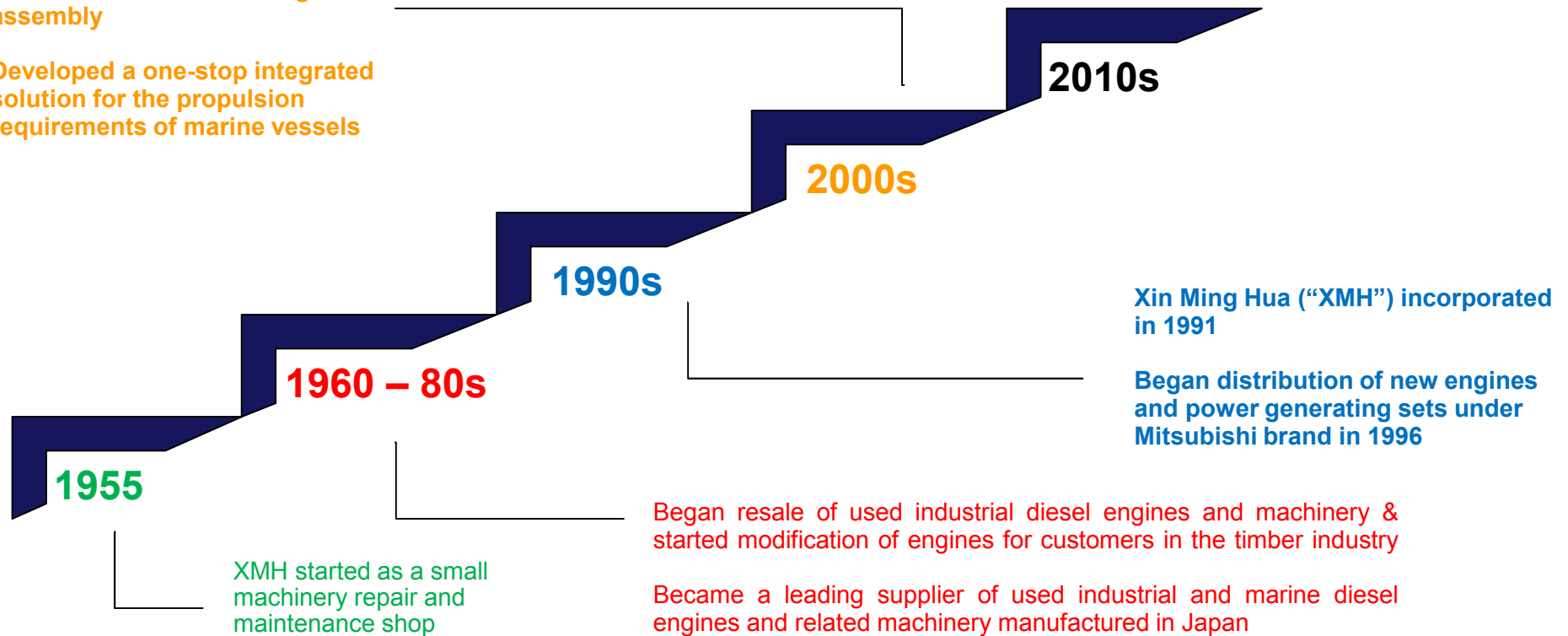
Secured distribution rights for a wider range of products and brands and began in-house value-added customisation services & genset assembly

Developed a one-stop integrated solution for the propulsion requirements of marine vessels

Acquired Mech-Power Generator Group (MPG) & made breakthroughs in the Vietnamese market

Began construction for new facilities in Tuas for increased warehousing capabilities

Proposed acquisition of Z-Power Automation (ZPA)





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Share Statistics

Bloomberg code Reuters code	XMH SP EQUITY XMHL.SI	
Share Price	S\$0.265	
Market Capitalization (434.1M shares)	S\$115 million	
P/E	31.9	
NAV per share	S\$0.14	
Free Float	22.0%	
Substantial Shareholders	Directors	58.0%
	Credence Capital	19.3%

Source: Bloomberg as at 19 Dec 2014

Analyst Calls

House	Call / Target Price
OSK-DMG (Lee YueJer)	BUY / S\$0.42
NRA Capital (Joel Ng)	NEUTRAL / \$0.31



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THANK YOU

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