



XMH Holdings Ltd.

YOUR CONNECTION TO THE RIGHT MACHINE

ENGINEERED FOR
CONTINUOUS GROWTH

Corporate Presentation



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Presentation Outline

- Corporate Profile
- Business Overview
- Financial Highlights
- Outlook & Strategies



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Corporate Profile



Corporate Profile

- A diesel engine, propulsion and power generating solutions provider in the marine and industrial sectors
- Over 50 years of operating track record mainly in Asia
- Listed on the Main Board of the SGX-ST on 26 January 2011



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Corporate Milestones

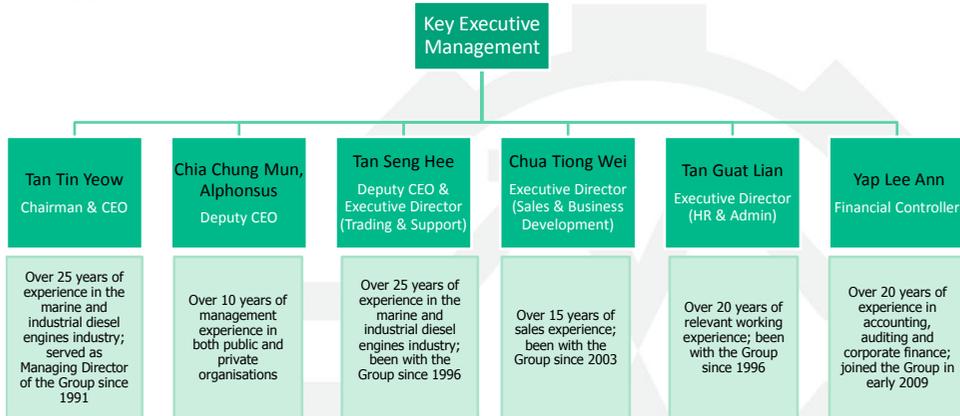
1955	1960 - 70s	1980s	1990s	2000s
<ul style="list-style-type: none"> • Founder Mr Tan Tum Beng started a small machinery repair and maintenance shop 	<ul style="list-style-type: none"> • Resale of used industrial diesel engines and machinery purchased from suppliers in the UK • Modification of engines for customers in the timber industry 	<ul style="list-style-type: none"> • Leading supplier of used industrial and marine diesel engines and related machinery manufactured in Japan 	<ul style="list-style-type: none"> • Xin Ming Hua ("XMH") incorporated in 1991 • Began distribution of new engines and power generating sets under <i>Mitsubishi</i> brand in 1996 • Secured exclusive distribution rights for <i>SOLE</i> brand of marine diesel engines and its genuine spare parts for certain regions in 1998 	<ul style="list-style-type: none"> • Progressively secured distribution rights for products from a wide range of brands namely <i>Akasaka, Hyundai, Doosan, Korsor, Reintjes and CENTA</i>, with some on exclusive basis. • Developed and marketed a range of power generating sets under the in-house brand "e-Gen", which can offer value-added customisation service • Established XMH Engineering Pte Ltd to design and develop <i>XMH-IPS</i> in 2007, a one-stop integrated solution for the propulsion requirements of marine vessels

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Key Executive Management



Investment Merits

- Established presence in the marine industry in Singapore since the 1980s
- Experienced and committed management team
- Diversified customer base allows minimisation of fluctuations in demand arising from a downturn in any particular sector
- Exposure to significant growth opportunities e.g. developments in Indonesia, booming O&G sector
- Strong balance sheet and operating fundamentals to foster growth



Share Statistics

Bloomberg code	XMH SP EQUITY	
Reuters code	XMHL.SI	
Share Price	S\$0.175	
Market Capitalization (386.3M shares)	S\$67.6 million	
P/E	7.29	
NAV per share	S\$0.12	
Free Float	18.8%	
Substantial Shareholders	Directors	77.7%

Source: Bloomberg as at 12 Sep 2012

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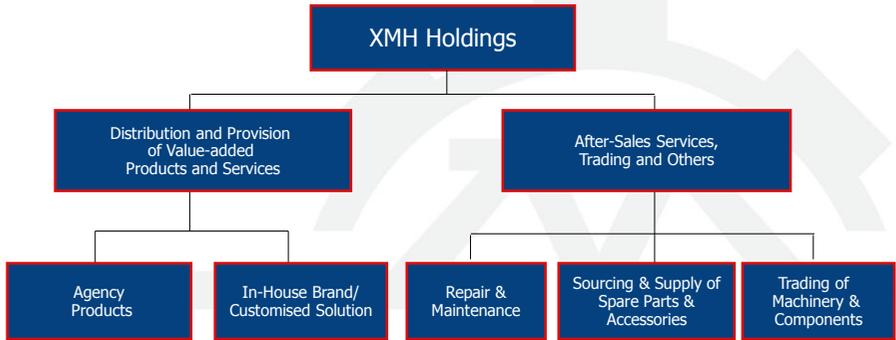


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Business Overview

Business Segments



Product Range & Applications

Distribute a wide range of marine and industrial diesel engines, power generating sets and related components for the following applications:

	Marine	Industrial
Applications:	<ul style="list-style-type: none"> • Transportation vessels (tugs and barges, cargo vessels and ferries) • Offshore support vessels (anchor handling and supply tugs) • Bulk carriers and tankers • Fishing vessels 	<ul style="list-style-type: none"> • Power generating sets used in hotels and buildings • Power packs for water and oil pumps
Target Customers include:	<ul style="list-style-type: none"> • Shipyards • Vessel owners • Dealers 	<ul style="list-style-type: none"> • Hotel proprietors • Building owners • Main contractors

Diversified customer base helps to mitigate the downturn from any particular sector



Geographical Coverage



Reputable Distribution Brands

BRAND	PRODUCT TYPE	TERRITORIES
Mitsubishi	1) Limited range of high-speed and medium-speed marine diesel engine and power generating sets, including related spare parts and accessories	1) China, India, Indonesia, the Maldives, Singapore, Vietnam
	2) OEM industrial power generating sets	2) Worldwide
Akasaka	Main engine for propulsion and after-sales services	Singapore, Malaysia, Indonesia
Hyundai	Marine engine and generator	Malaysia, Singapore, Indonesia
Doosan	Marine engines and related spare parts	Indonesia, Singapore
SOLE	Marine engines and power generating sets, including related spare parts and accessories	Cambodia, Indonesia, Malaysia, the Maldives, Myanmar, the Philippines, Singapore, Sri Lanka, Thailand, Vietnam

Note: Territories highlighted in red represent **exclusive** distribution



Reputable Distribution Brands

BRAND	PRODUCT TYPE	TERRITORIES
Reintjes	Gearboxes and related spare parts	Indonesia
D-I	Gearbox Steering Systems and PTO	Singapore and Indonesia Singapore and Indonesia
Korsør	Controllable pitch propellers	China, India, Indonesia , Malaysia , Middle East, Singapore, Thailand , Vietnam
Mentrade	Fixed pitch propellers	Indonesia and Vietnam
Centa	Couplings for marine and industrial applications	Indonesia
Guangzhou Diesel	Industrial/Marine diesel engine and power generating sets	Singapore, Malaysia and Indonesia
Kamome Propeller	Thrusters and control system	Indonesia

Note: Territories highlighted in red represent **exclusive** distribution



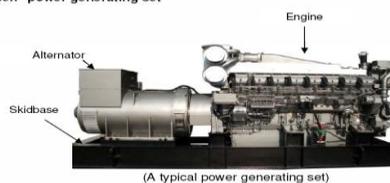
In-house Brands/Solutions

Leveraged on internal technical know-how to develop value-added products and customized solutions:

e-Gen

- In-house range of marine and industrial power generating sets
- Offers customers a choice between standardised and customised packages

"e-Gen" power generating set



XMH IPS

- A one-stop integrated solution to vessel owners requiring diesel engine (or electricity) driven propeller-based propulsion systems to power their vessels





After-Sales Services & Trading Activities

- **Provision of after-sales services such as repair and maintenance**
 - Supported by a team of skilled and experienced engineers and technicians
- **Sourcing and supply of spare parts and accessories**
 - Achieve time-savings for customers by maintaining a ready supply of genuine spare parts and accessories to cater to their immediate needs
- **Trading activities to provide diesel engines, power generating sets and other machinery and related components**



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Key Competitive Strengths

- **Wide product range of reputable brand names**
 - Currently have distributorship agency or dealership arrangements for mainly **12 brands** of products, covering a range of **over 4000 product items**
 - Recognised by **Mitsubishi** as its **largest worldwide distributor** for marine diesel engines for **7 consecutive years** since 2005
- **Strong after-sales support and value-added products and services**
 - **Skilled, experienced engineers and technicians** in place to attend to customers' product requests
 - Provide **timely after-sales support** and minimise customers' downtime

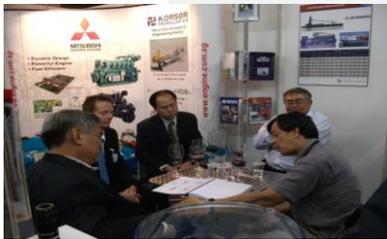


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Key Competitive Strengths

- **Developed strong customer and supplier relationships over the years**
 - Strong customer loyalty with **high repeat sales averaging over 70%** in the last three financial years
 - Key distributor **of Mitsubishi** for **17 years** and running
- **Experienced and committed management team**
 - Group led by industry veteran **Mr Elvin Tan Tin Yeow** who is instrumental in developing the Group's business and charting its strategic directions
 - A senior management team with an average of **over 20 years of experience** in their respective areas of expertise



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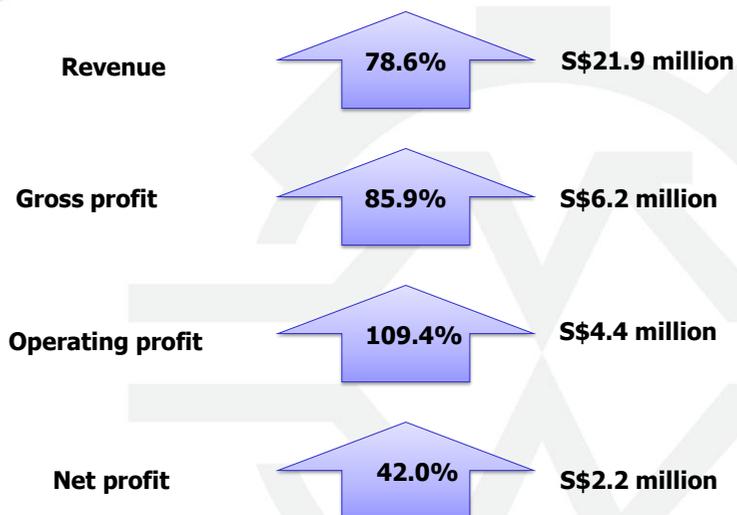
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Financial Highlights



Financial Summary



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P&L Snapshot

Profit & Loss	1QFY2013 S\$'000	1QFY2012 S\$'000	Change %	
Revenue	21,916	12,270	78.6	Revenue improved as XMH cleared backlogs with customers
Gross Profit	6,209	3,340	85.9	In line with higher revenue
Gross Profit Margin	28.3%	27.2%	-	
Operating Expenses *	1,865	1,351	38.0	Kept at 8% of Revenue (1QFY2012: 11%)
Operating Profit	4,359	2,082	109.4	
Net Profit Attributable to Equity holders	2,166	1,525	42.0	
Net Profit Margin	9.9%	12.4%	-	
Earnings Per Share (S\$ cents) #	0.56	0.38	47.4	

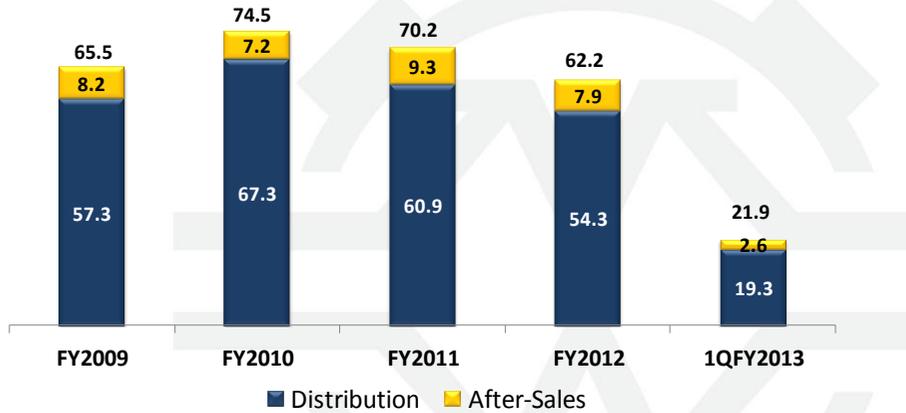
*: Inclusive of both distribution, administrative and other expenses

#: Based on the weighted average number of ordinary shares in issue of 386,261,003 in 1QFY2013 (1QFY2012: 400,000,003)

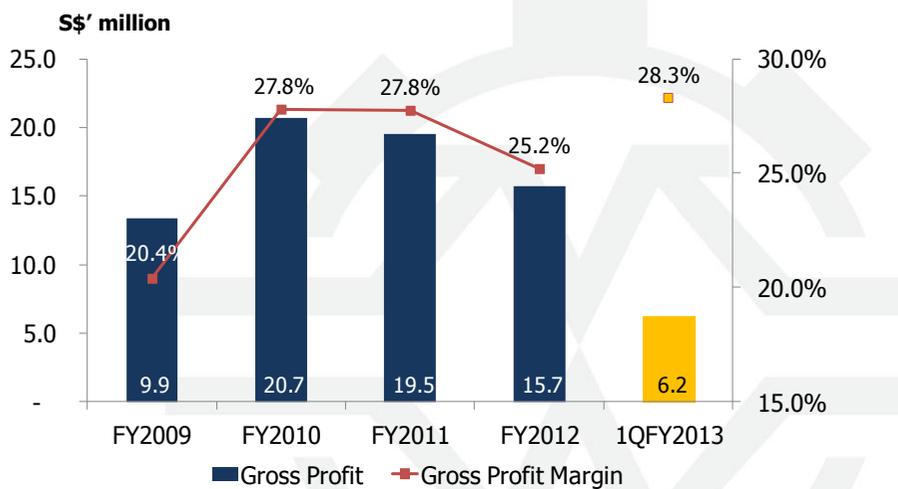
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Revenue Trend

All amounts stated are in S\$ million unless otherwise stated

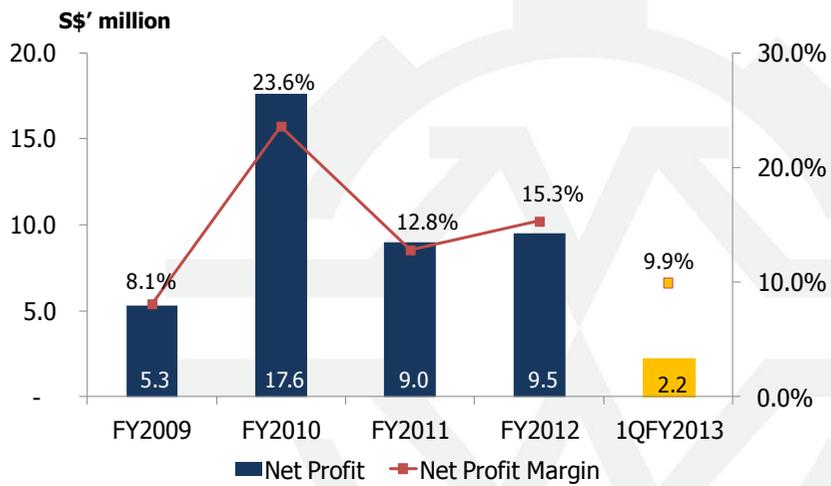


Profitability Trend





Profitability Trend



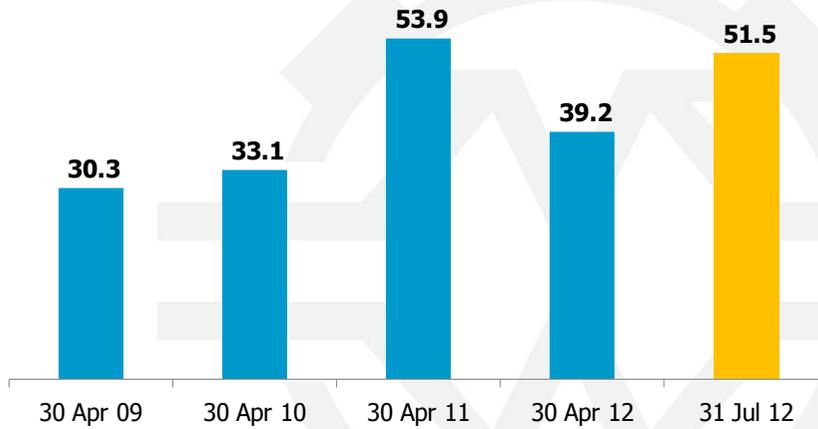
Balance Sheet

Balance Sheet	31 July 2012 S\$'000	30 April 2012 S\$'000
Property, plant and equipment	2,451	1,975
Inventories	28,775	26,118
Trade and other receivables	5,852	14,967
Cash and cash equivalents	51,543	39,233
Total debts	-	-
Total equity	45,387	42,560
Net gearing ratio	Net cash	Net cash
Net asset value per ordinary share (S\$' cents)	11.75	11.02



Financial Position

Cash and Cash Equivalents (S\$' million)



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CAGR Growth



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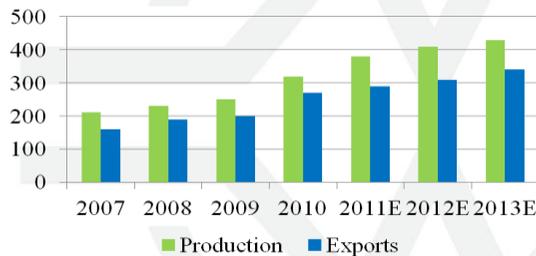
Outlook & Strategies



Outlook

- **Short-term volatility in coal demand in Indonesia; Healthy prospects in longer term**
 - Short-term: Coal price sliding may result in reduction in production – slowing down demand for relevant marine transportation
 - Long-term: General demand for coal to drive power plants remained strong

Indonesia – Coal Production and Exports
(mn tonnes)





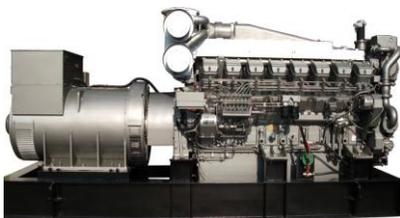
Outlook

- **Potentially benefit from continual growth in oil & gas sector**
 - Increased offshore oil & gas exploration activities to alleviate current oversupply situation in offshore support vessels (OSVs)
 - Potential replacement of a number of OSVs which are near their scrap age
- **Expected increase in demand for after-sales services and spare parts**
 - Increase in demand for genuine spare parts and after-sales services from customers who had bought marine diesel engines from the Group



Growth Strategies

- **Expand in-house range of products and services**
 - Further develop range of power generating units under "e-Gen" trademark and strengthen "XMH-IPS" project management services
 - Establish assembly line for in-house range of power generating sets
 - Acquisition and development of new premise in line with business expansion
 - Healthy orders secured for packaged solutions in 1QFY2013





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
- **Securing new customers in emerging markets such as Vietnam, India**
 - Deploy marketing staff to these regions and/or establish subsidiaries or representative or 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



THANK YOU