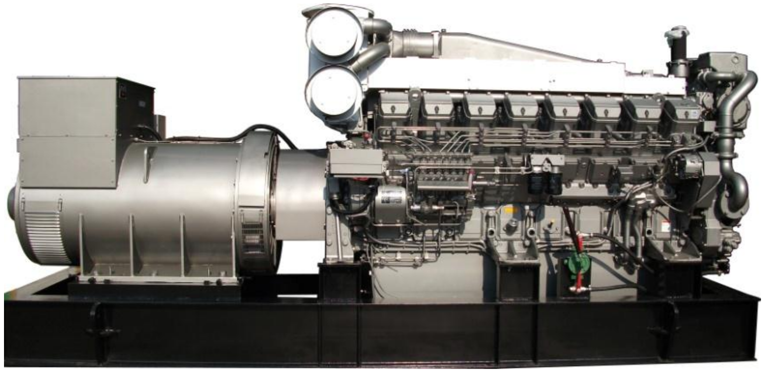
Key Competitive Strengths

- **Wide product range of reputable brand names**
  - Currently have distributorship agency or dealership arrangements for mainly ***13 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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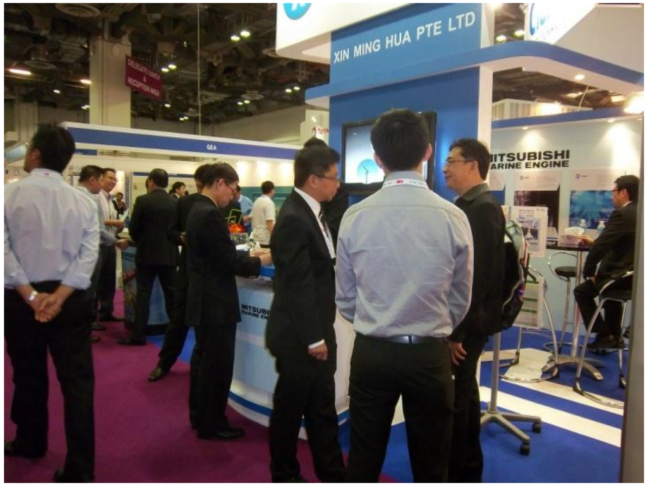
Key Competitive Strengths

- **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 chartering 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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Financial Highlights

P&L Snapshot

Profit & Loss	1Q2014 S$'000	1Q2013 S$'000	Change %	
Revenue	21,393	21,916	(2.4)	Marginal dip in revenue from "Distribution & Value-Added Product & Services
Gross Profit	5,336	6,209	(14.1)	In line with lower revenue
Gross Profit Margin	24.9%	28.3%	(3.4) pp	
Operating Expenses	(2,774)	(1,865)	48.7	Increased due to payroll and benefits, marketing & promotion activities and professional fees
Operating Profit	2,974	4,359	(31.8)	
Net Profit Attributable to Equity holders	2,657	2,166	22.7	
Net Profit Margin	12.47%	9.9%	2.5 pp	
Basic Earnings Per Share (S$' cents) #	0.69	0.56	23.2	

#: ***Based on 385,004,003 weighted average number of shares for 1Q2014 (1Q2013: 386,261,003)***

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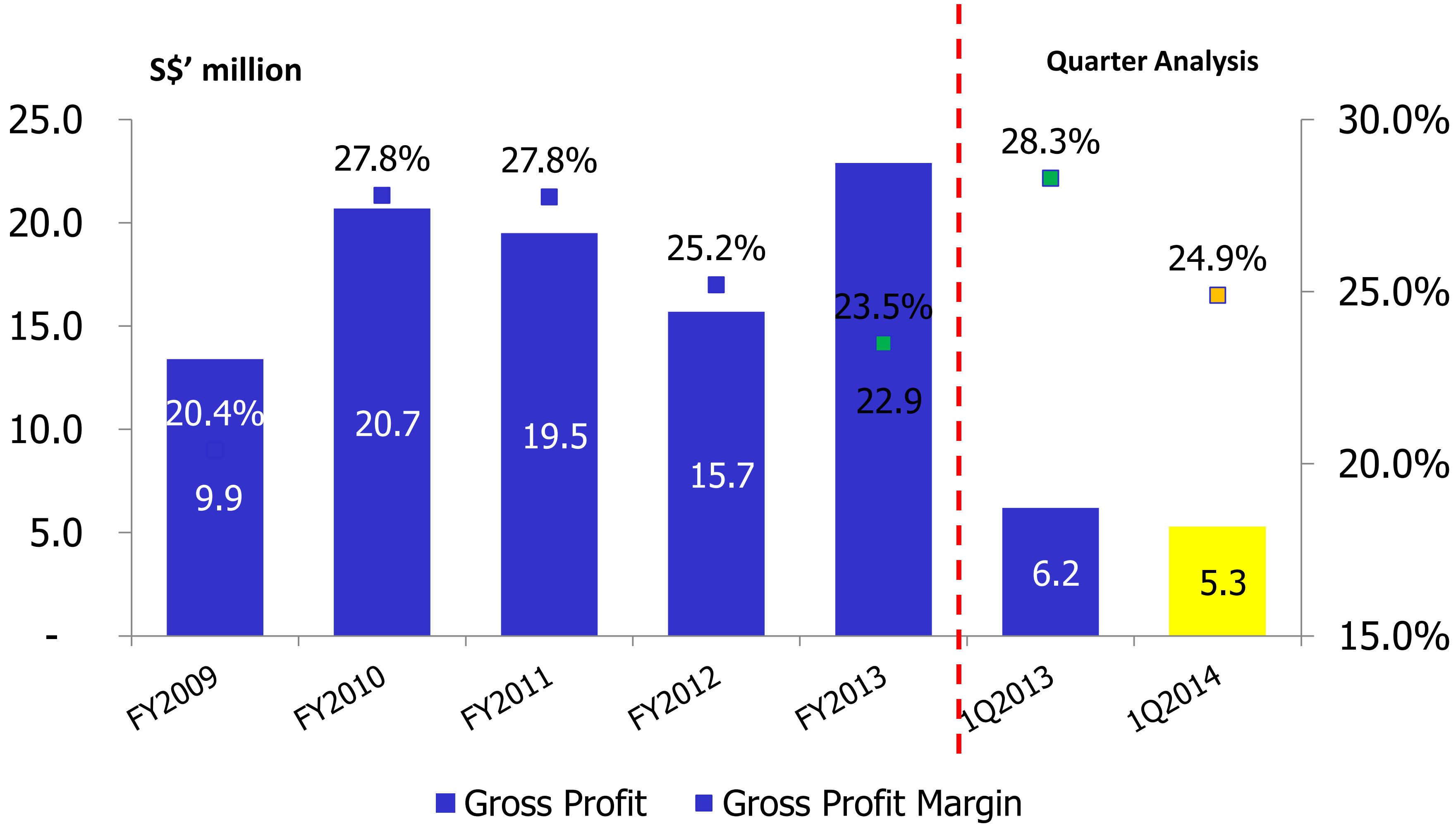
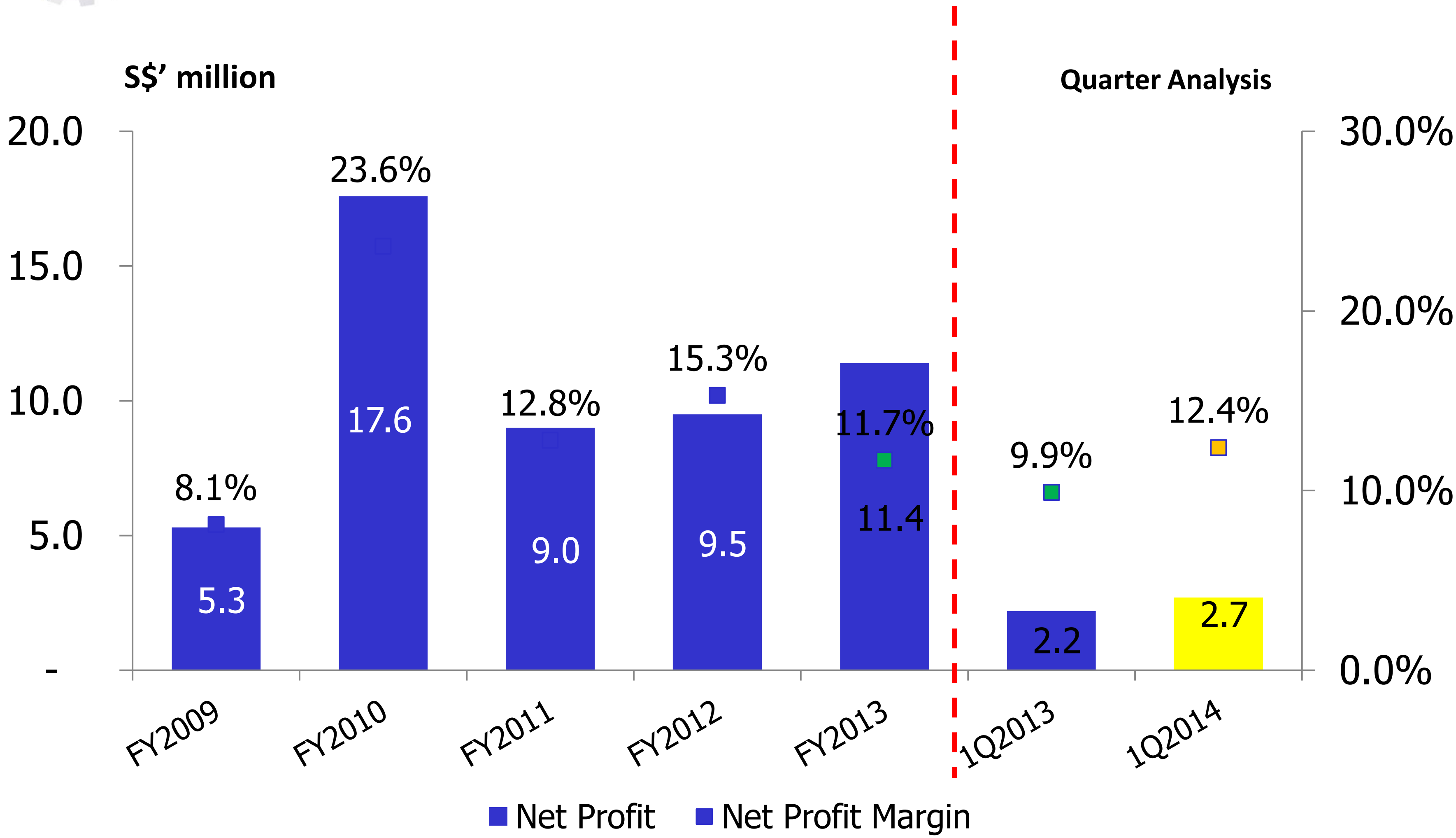
Profitability Trend



Profitability Trend

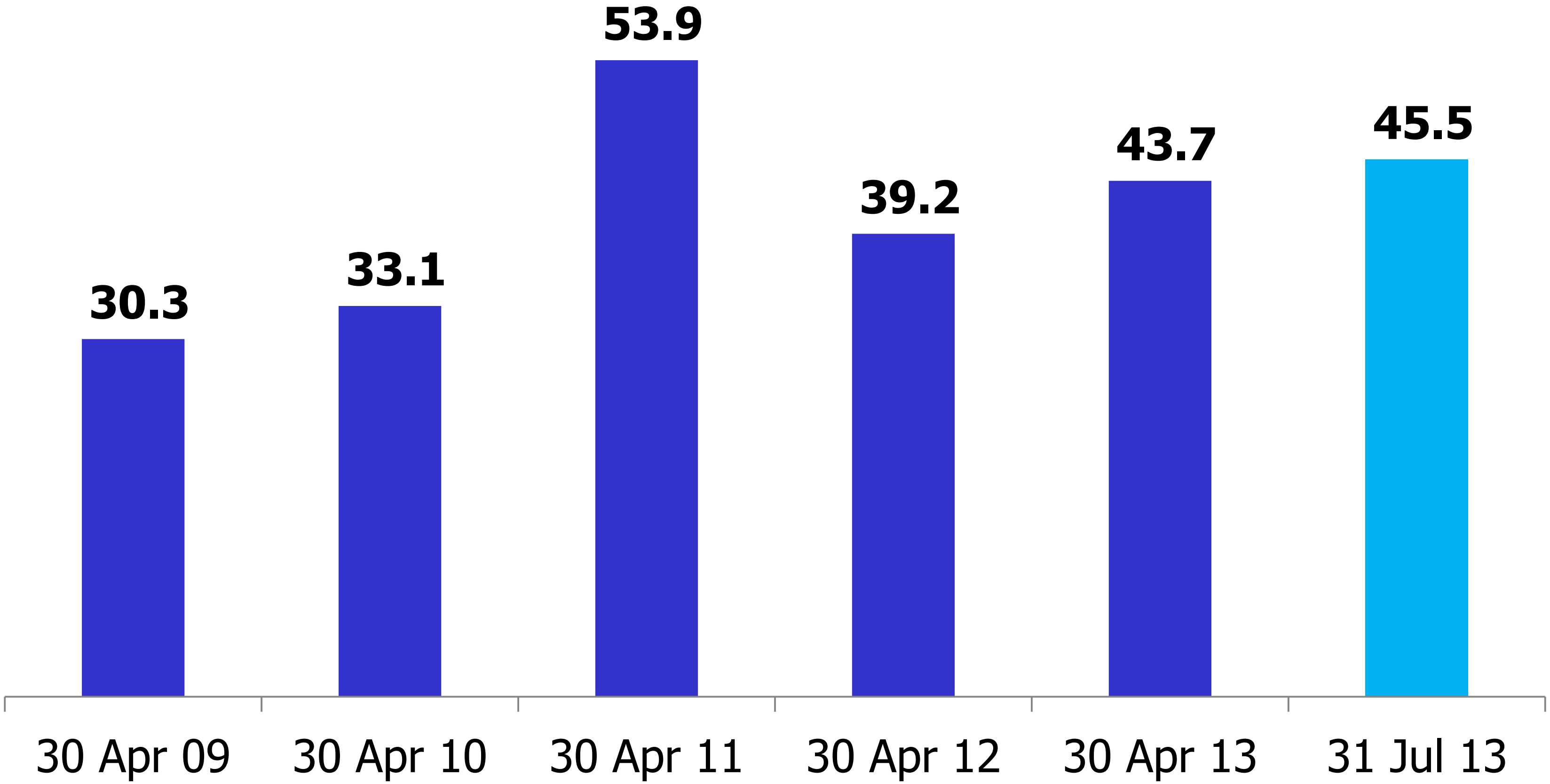


Balance Sheet

Balance Sheet	31 July 2013 S$'000	30 April 2013 S$'000
Property, plant and equipment	2,190	1,964
Inventories	16,612	15,964
Trade and other receivables	7,601	6,638
Cash and cash equivalents	45,460	43,687
Total equity	47,852	44,200
Net gearing ratio	Net cash	Net cash
Net asset value per ordinary share (S$' cents)	12.43	11.48

Financial Position

Cash and Cash Equivalents (S$' million)



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Outlook & Strategies

Outlook

Indonesia’s 2013 Coal Output May Rise 5.2%, Association Says

By Fitri Wulandari - Feb 20, 2013 2:33 PM GMT+0800

0 COMMENTS QUEUE

Coal output from Indonesia, the world’s largest exporter of the fuel for power-stations, may rise by 5.2 percent this year.

The country may produce 400 million metric tons as long as prices stay above $92 a ton, Bob Kamandanu, the chairman of Indonesian Coal Mining Association, said in an interview while attending a conference in Singapore today. Output was 380 million in 2012.

“Indonesian producers managed to maintain production growth last year amid price distress,” Kamandanu said. “If prices range from $92 to $95 a ton this year, miners can increase output.”

Power-station coal at the Australian port of Newcastle, a benchmark grade for Asia, fell to $94.29 a ton in 2012, from more than $120 in 2011, according to data from IHS McCloskey. Prices slid last year as slower economic growth in China and Europe cut demand while Colombia, the U.S. and other exporters increased shipments to Asia.

The group forecasts that Newcastle price will average from $92 to $96 a ton this year, he said. The price was $92.85 a ton in the week ended Feb. 15.

“Demand for the fuel remains high,” Kamandanu said. “We see that India demand will pick up this year. China also increasingly need lower grade quality for blending with their domestic coal.”

Low-grade coal will lead growth in Indonesia’s future supply while output of higher grade quality may be stagnant in the coming years, he said. About 93 percent of the country’s reserves, an estimated 28 billion metric tons in 2011, are below top quality, according to the government’s data.

Source: Bloomberg

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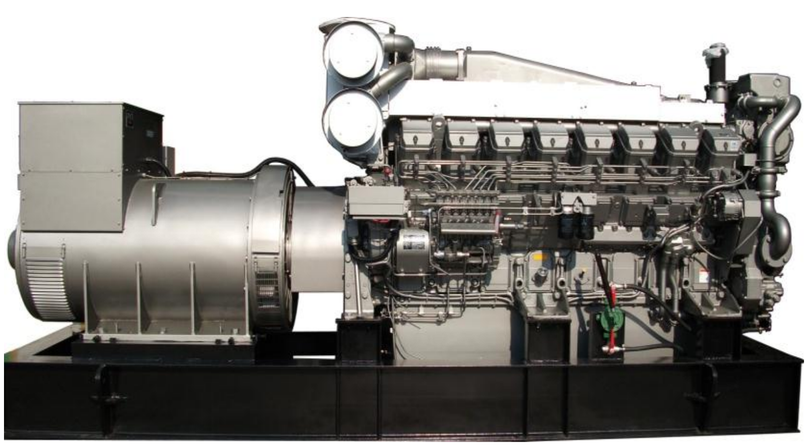
Outlook

- **Potentially benefit from continual growth in oil & gas sector**
  - Increased offshore oil & gas exploration activities
  - Potential replacement of a number of supply vessels 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 or generating sets from the Group
- **Fresh exposure and entry to new industries upon completion of the MPG acquisition**
  - 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 worldwide

Growth Strategies

- **Expand in-house range of products and services**
  - Further develop and market range of power generating units under AceGen trademark and strengthen XMH | IPS project management services
  - Establish assembly line for in-house range of power generating sets and exhaust silencers
  - Acquisition and development of new premise in line with business expansion
  - XMH | IPS ***showed good growth in 2013 and its growth is expected to continue***



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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

Recent Developments

- **Progress on the construction of the Group's new premises**
  - Acquired from JTC on total land area of 15,184 square metres
  - Construction is targeted for completion in 2016
  - To accommodate new assembly and production lines
  - Increase general warehousing capabilities

- **Developed in-house capabilities**
  - Developed range of power generating units under the AceGen trademark

- **Entry of Credence Capital**
  - New major institutional shareholder of XMH
  - Net proceeds to fund the proposed development of the recently acquired JTC land and enhance working capital

- **Branding exercise**
  - XMH undergone a rebranding exercise and developed a new logo

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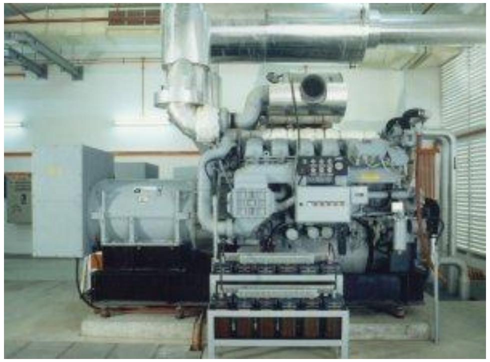
Recent Developments

- **Aug 2013 – Contract win of S$4.6 million from a return Indonesian customer**
  - Order is to supply engines, gearboxes and ACEGEN marine power generating sets

- **Sept 2013 – Proposed acquisition of Mech-Power Generation Group**
  - Acquisition is part of Group's diversification plan
  - Gives Group entry into adjacent sectors
  - Gives Group access to 1.4 hectare plant in Malaysia's Iskandar Region
  - Acquisition synergises Group operations

The MPG Acquisition

- **The rationale**
  - Acquisition of a profitable entity at a reasonable valuation
  - Acquisition is immediately earnings accretive
  - Tap on MPG’s existing customer base to diversify into adjacent, non-marine industries
  - Gradually implement MPG’s technical knowledge and capabilities into XMH
  - MPG will provide a solid platform for XMH to expand its range of products and services
  - Access to MPG’s 1.4 hectare plant in Malaysia’s Iskandar region, allowing XMH to increase capacity



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The MPG Acquisition

- **The consideration**
  - Acquisition of approximately S$17.4 million
    - To be paid in two equal tranches
    - Through internal resources and issuance of new shares to the vendors
  - MPG provides a profit warranty
    - Net profit after tax for FY2014 and FY2015 to be no less than S$6.9 million (MPG FY end is 31 March)
  - MPG provides a NTA warranty
    - Consolidated NTA of MPG to be no less than S$4.5 million as at balance sheet date of MPG's FY2013 financial results

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THANK YOU

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