



XMH HOLDINGS LTD.
(Incorporated in Singapore)
(Company Registration No.: 201010562M)

PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID UP SHARE CAPITAL OF MECH-POWER GENERATOR PTE LTD AND ITS WHOLLY-OWNED MALAYSIAN SUBSIDIARY, MECH POWER GENERATOR SDN BHD

- RESPONSE TO QUERIES FROM SGX-ST

All capitalised terms used in this announcement, unless otherwise defined herein, shall have the same meanings as ascribed thereto in the announcement dated 7 September 2013 (the “Announcement”)

The board of directors of XMH Holdings Ltd. (the “Board”) refers to the queries from the SGX-ST in relation to XMH Holdings Ltd.’s (the “Company”) Announcement and set out the responses as follow:

1. Was there any valuation conducted in relation to MPG Group and why?

No valuation was conducted in respect of MPG Group. In determining the value of the MPG Group and arriving at the acquisition terms, the Company had reviewed and considered the financial health, the scale of operations of the MPG Group and strength of their order book, the NTA Warranty and Profit Warranty, and based on the latter the prospective price-earning ratio of the MPG Group, amongst others. The fixed assets of the target consist primarily of the plant in Malaysia and the MPG Group’s equipment which are held at cost. The executive management of the Company is also familiar with the business of the MPG Group. In the aforesaid premises, the Company was of the view that a valuation need not be conducted for purposes of appraising the MPG Group.

2. What is the Net Tangible Asset (“NTA”) of MPG Group?

The NTA of MPG Group as at 31 March 2013 is S\$4.906 million, which is identical to the MPG Group’s net asset value as disclosed in paragraph 2.7(b) at page 2 of the Announcement.

3. To provide the revised relative figure under Rule 1006(c) and determining the value of the Consideration Shares based on the weighted average share price of S\$0.41 prior to signing of the SPA (Rule 1003(3)).

Rule 1006(c)

The aggregate value of the consideration given or received compared with the issuer’s market capitalisation on 5 September 2013, being the market day preceding the date of the SPA ⁽¹⁾

10.27%

Note:

- (1) On the assumption that all 22,001,263 Consideration Shares are issued at the average weighted average price of \$0.41 each based on Rule 1003(3), the aggregate value of the consideration given for the Proposed Acquisition is approximately S\$17,733,018 (comprising consideration in cash of S\$8,712,500 and value of the Consideration Shares of S\$9,020,518) compared to the Company's market capitalisation of approximately S\$172.63 million (based on 421,053,030 Shares in issue and the average weighted average price of approximately S\$0.41 per Share of the Company on the full market day preceding to the date of SPA, namely 5 September 2013).

For and on behalf of the Board

Tan Tin Yeow

Chairman and Chief Executive Officer

17 September 2013