



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

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**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 (“ACQUISITION”)**

**- WAIVER OF CONTRACTUAL MORATORIUM**

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*Unless otherwise defined, all capitalised terms used herein shall have the same meaning ascribed to it in the announcements dated 7 September 2013, 17 September 2013, 23 September 2013, 26 September 2013, 30 September 2013 and 16 October 2013 (“Announcements”).*

**1. Introduction**

- 1.1. The Company refers to the Announcements in relation to the Acquisition.
- 1.2. The Acquisition was completed in October 2013. Pursuant to the terms of sale and purchase agreement for the Acquisition (“SPA”), it was agreed that part of the Purchase Consideration would be satisfied by way of issuance of Consideration Shares. The Vendors, Mr Loke Choon Hoe and Mdm Tham Sow Lin (“**Moratorised Shareholders**”) have also provided moratorium undertakings in respect of the Consideration Shares issued to them.

**2. Details of the Contractual Moratorium**

- 2.1. Under the terms of the SPA, a total of 11,000,631 Consideration Shares have been issued to the Moratorised Shareholders on or about October 2013. The remaining 11,000,631 Consideration Shares (“**Outstanding Consideration Shares**”) are due to be issued to the Moratorised Shareholders on or about August 2015.
- 2.2. The moratorium period of six (6) months for the first tranche of the Consideration Shares has since expired and is no longer in effect.
- 2.3. In respect of the Outstanding Consideration Shares to be issued to the Moratorised Shareholders, the Moratorised Shareholders have requested the Board of Directors of the Company (“**Board**”) to consider the waiver of the contractual moratorium to allow them to participate in a proposed sale of their Outstanding Consideration Shares to third parties.
- 2.4. The details of the Consideration Shares previously issued and the Outstanding Consideration Shares to be issued to the Moratorised Shareholders are set out as follows:-

	<b>LOKE CHOON HOE</b>	<b>THAM SOW LIN</b>	<b>TOTAL</b>	<b>% OF EXISTING PAID UP CAPITAL <sup>(1)</sup></b>	<b>% OF ENLARGED PAID UP CAPITAL <sup>(2)</sup></b>
<b>Consideration Shares Previously Issued</b>	2,354,135	8,646,496	11,000,631	2.53%	2.47%
<b>Outstanding Consideration Shares</b>	2,354,135	8,646,496	11,000,631	N.A.	2.47%
<b>TOTAL</b>	4,708,270	17,292,992	22,001,262	2.53%	4.94%

**Notes:**

- (1) The existing issued and paid up capital of the Company as at the date of this announcement is 434,126,661.
- (2) The enlarged issued and paid up capital of the Company after taking into account the issuance of Outstanding Consideration Shares is 445,127,292.

### **3. Rationale for the Waiver of the Contractual Moratorium**

- 3.1 Upon deliberation, the Board has approved the waiver of the contractual moratorium imposed on the Outstanding Consideration Shares to be issued to each of the Moratorised Shareholders for the following reasons:
- (a) the Outstanding Consideration Shares to be issued to the Moratorised Shareholders on or about 19 August 2015 constitute only 2.47% of the total issued and enlarged share capital of the Company;
  - (b) the proposed sale of the Outstanding Consideration Shares will be conducted via an off-market married deal;
  - (c) the waiver serves as an incentive to allow the Moratorised Shareholders to encash their shares via the proposed sale as they have achieved and exceeded the profit warranty provided to the Company in connection with the Acquisition;
  - (d) each of Mr Loke Choon Hoe and Mdm Tham Sow Lin has agreed to renew their respective service agreement with MPG, subject to terms to be finalized, to allow the Company to continue to tap on their knowledge, expertise and experience in this industry;
  - (e) the Moratorised Shareholders have also confirmed in writing that they are not aware of any material or price sensitive information of the Group which have not been disclosed to the public; and

- (f) none of the Moratorised Shareholders has any board representation or management control of the Company.

#### **4. The Proposed Sale of Moratorised Shares**

The Moratorised Shareholders have undertaken to the Company to place out their Outstanding Consideration Shares to multiple investors and not to any single investor to cause the latter to become a substantial shareholder of the Company.

#### **5. Interest of Directors and Controlling Shareholders**

- 5.1. Mr Hong Pian Tee, an independent director of the Company is interested in the waiver of the contractual moratorium as he has informed the Board of his intention in acquiring part of the Outstanding Consideration Shares from the Moratorised Shareholders. Therefore, he has not participated nor voted on the Board discussion on the waiver of the contractual moratorium.
- 5.2. Save for their shareholdings in the Company and as disclosed above, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the waiver of the moratorium or the proposed sale by the Moratorised Shareholders.

For and on behalf of the Board

**Tan Tin Yeow**

Chairman and Chief Executive Officer

17 August 2015