

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from a financial adviser authorised, if you are in the United Kingdom, pursuant to the Financial Services and Markets Act 2000 or, if you are not in the United Kingdom, from another appropriately authorised financial adviser.

This document comprises a Prospectus dated 21 February 2007 relating to XP Power Ltd (“**XP Power Singapore**”, “**XPS**” or “**the Company**”) and has been prepared in accordance with the Prospectus Rules made under Section 73A of the FSMA. This document has been filed with the FSA and has been made available to the public in accordance with section 3.2 of the Prospectus Rules.

XP Power Singapore, the Directors and the Proposed Directors of the Company accept responsibility for the information given in this Prospectus. To the best of the knowledge and belief of the Company, the Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application has been made to the UK Listing Authority for the XPS Scheme Shares to be admitted to the Official List and to the London Stock Exchange for the XPS Scheme Shares to be admitted to trading on the London Stock Exchange’s market for listed securities. Admission to the Official List and to trading on the London Stock Exchange’s market for listed securities together, under the Listing Rules of the UK Listing Authority, constitutes official listing on a stock exchange. If the Scheme proceeds as presently envisaged, it is expected that admission to the Official List of the XPS Scheme Shares will become effective, and that dealings in XPS Scheme Shares on the London Stock Exchange’s market for listed securities will commence, on 25 April 2007.

A list of risk factors relating to XP Power Singapore and the XPS Shares is set out in Part II of this Prospectus.

XP Power Ltd

(Incorporated and registered in Singapore under the Singapore Companies Act with registered number 200702520N)

Prospectus in respect of the Introduction and Admission of ordinary shares of £0.01 each to the Official List and to trading on the London Stock Exchange

Sponsor

Investec Bank (UK) Limited

<i>Ordinary share capital immediately following Admission</i>	<i>Issued and fully paid ordinary shares of £0.01 each</i>	
	<i>Amount</i>	<i>Number</i>
	£190,720.96	19,072,096

No XPS Shares have been marketed to, nor are any available for purchase in whole or in part by, the public in the United Kingdom or elsewhere in connection with Admission.

Investec is acting as sponsor for XP Power Singapore in relation to the listing of the XPS Scheme Shares, is acting exclusively for XP Power, XP Power Singapore and no-one else in connection with the listing of the XPS Scheme Shares and will not be responsible to anyone other than XP Power and XP Power Singapore for providing the protections afforded to their clients or for advising any other person in connection with the listing of the XPS Scheme Shares or the contents of this Prospectus.

This document does not constitute or form part of any offer or invitation to sell or issue, or solicitation to purchase or subscribe for XPS Shares in any jurisdiction. Securities may not be offered or sold in the United States unless they are registered under the US Securities Act of 1933, as amended, or exempt from such registration. The XPS Scheme Shares have not been, nor will they be, registered under the Securities Act or under any relevant securities laws of any state or other jurisdiction of the United States or any state, province or territory of the Excluded Territories. Subject to certain exceptions, the XPS Scheme Shares may not be offered, sold, purchased, resold or delivered, directly or indirectly within the United States or the Excluded Territories. The XPS Scheme Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any

state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the XPS Scheme Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

General

Shareholders should rely only on the information contained in this Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information, or representations must not be relied on as having been so authorised by XP Power Singapore, the Directors or Investec. Without prejudice to any obligation of XP Power Singapore to publish a supplementary prospectus pursuant to Section 87G of the FSMA and section 3.4 of the Prospectus Rules, neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of XP Power Singapore since the date of this Prospectus or that the information is correct as of any time subsequent to the date of this Prospectus. The information contained on the website of the Group and in the circular to XP Shareholders dated the same date as this Prospectus does not form part of this Prospectus.

Copies of this Prospectus, which is dated 21 February 2007, will be available free of charge to the public during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of XP Power Singapore at 138 Robinson Road #17-00, The Corporate Office, Singapore 068906 and at the offices of XP Power at 16 Horseshoe Park, Pangbourne, Berkshire RG8 7JW United Kingdom from the date of this Prospectus until the date being one month after the date on which Admission takes place, which is expected to be 25 April 2007.

CONTENTS

	<i>Page</i>
PART I: Summary	4
PART II: Risk Factors	9
PART III: Directors, Proposed Directors and Advisers	11
PART IV: Expected Timetable of Principal Events	13
PART V: Information on XP Power Singapore and the Group	14
1. Introduction	14
2. History and background	14
3. The market	15
4. Products	15
5. Design	16
6. Engineering services	16
7. Manufacturers and suppliers	16
8. Sales	17
9. Customers	17
10. Competition	17
11. Strategy	17
12. Key strengths	18
13. Directors	18
14. Corporate governance	19
15. Current trading	19
16. Employee incentives	20
17. Dividend policy	20
18. Risk factors and additional information	20
PART VI: Operating and Financial Review	21
PART VII: Taxation	28
PART VIII: Listing, Dealings and Settlement	32
PART IX: Historical Financial Information relating to XP Power Singapore	39
PART X: Additional Information	42
PART XI: XPS DIs: Terms of the Deed Poll	71
PART XII: Definitions	94
PART XIII: Glossary	98

PART I

SUMMARY

The following information (including the selected financial information) should be read solely as an introduction to the full text of this Prospectus. Any decision to invest in the ordinary share capital of the Company should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to information contained in this Prospectus is brought before a court, a claimant investor might, under the national legislation of the national legislation of the European Economic Area state in which the claim is brought, have to bear the costs of translating this Prospectus before legal proceedings are initiated. Civil liability attaches to those persons who are responsible for this summary, including any translations of this summary, but only if this summary is misleading, inaccurate or inconsistent when read together with other parts of this Prospectus.

1. Introduction

It is proposed that XP Power Singapore will become the new holding company for the Group by means of a scheme of arrangement under section 425 of the Companies Act. The Scheme requires the sanction of the XP Shareholders and of the Court. Implementation of the proposals in full will result in XP Shareholders exchanging their shares in XP Power for shares in XP Power Singapore (which will then become the new holding company of the Group).

Further details of the Scheme, the reasons for its proposed implementation and its effects are set out in the circular to XP Shareholders dated the same date as this Prospectus.

2. Overview of the Group's activities

The Group designs, manufactures and sells power supply solutions to the electronics industry. The Group offers standard and modified standard power supply solutions together with, in exceptional circumstances, custom solutions where the electrical design of the power supply is adapted to customer requirements. Products range from alternating current (AC) to direct current (DC) power supplies, DC-to-DC converters, through to uninterruptible power supply (UPS) products. The Group also provides solutions where the power supply is provided in a format to make it easier to integrate into the customer's end product. The Group segments and targets its customer base into the communications, defence and avionics, industrial and medical industries.

3. Products

The Group's range of products falls into the following categories:

- AC/DC converters – products that use switching transistor technology to convert AC voltage to smooth DC voltages for use with electronic equipment;
- DC/DC converters – products that use switching transistor technology to convert one DC voltage to another for use with electronic equipment; and
- UPS – a product that provides electrical power in the event of a mains power failure.

The Group sells a range of standard power supply products that can be used in many customer applications. The Group often modifies these standard power supply products, for example by changing connectors, mechanical formats and the rating of electrical components in such products. In exceptional circumstances, the Group will customise products by changing the electrical design of the power supply to meet customer requirements.

4. Strategy

The XPS Group's strategy is:

- to focus on developing relationships with its larger customers in its target sectors, namely communications, defence and avionics, industrial and medical industries;
- to increase the proportion of sales of its own brand products, which produce higher profit margins; and
- to continue to manufacture and source the manufacture of its products in low cost jurisdictions such as Taiwan and China.

5. Key strengths

The Directors believe that the Group has a number of key strengths, including:

- dedicated industry teams with extensive technical expertise enabling rapid identification and deployment of new products to meet the market's needs;
- the capability to offer customers vertically integrated power supply solutions, from design and engineering to manufacture to sales;
- a broad and flexible product range;
- access to low cost manufacturing capability, in particular through its joint venture arrangements with Fortron/Source; and
- a large and dedicated direct sales force.

6. Directors

The current directors of XP Power Singapore are:

Seng Kok Sng	<i>(Director)</i>
Joseph Lynch	<i>(Director)</i>
Michael Laver	<i>(Director)</i>

The proposed directors of XP Power Singapore are:

Lawrence Tracey	<i>(Executive Chairman)</i>
James Peters	<i>(Deputy Chairman)</i>
Duncan Penny	<i>(Chief Executive)</i>
Michael Hafferty	<i>(Non-Executive Director)</i>
John Dyson	<i>(Non-Executive Director)</i>

7. Corporate governance

Whilst the Executive Directors will not be resident in the UK following the Scheme becoming effective, there will be no fundamental change in the manner in which the Group is run and the Directors remain committed to the principles of corporate governance contained in the Combined Code and for which the Board is accountable to shareholders. The Company's Senior Non-Executive Director, John Dyson, will continue to be based in the UK. The Directors do not believe that the re-domicile of the parent company of the XPS Group to Singapore will have any adverse affect on its corporate governance function or its relations with shareholders.

8. Current trading

The Directors believe that actions taken in 2006, to focus on supplying market leading customers with the Group's own brand product, should enable the business lost through the termination of third party lines in 2006 to be replaced.

The Directors are confident that the XPS Group's strategy of increasing the proportion of sales of its own brand products, as opposed to lower margin third party lines, will improve gross margin in 2007.

A summary of the financial statements of the Group for the three years ended 31 December 2006 is as follows:

	<i>Year ended 31 December</i>		
	<i>2004</i>	<i>2005</i>	<i>2006</i>
	<i>£ millions</i>	<i>£ millions</i>	<i>£ millions</i>
Revenues	66.8	69.5	78.7
Profit before taxation	6.4	7.6	8.0
Profit after taxation	4.5	5.9	6.0
Earnings per share – diluted	22.6p	30.1p	31.8p
– adjusted diluted	22.6p	30.6p	37.0p

9. Capitalisation and indebtedness

As at 31 December 2006, the total indebtedness of the XP Group was £22,000,000, which represented amounts outstanding under the term loan and revolving credit facility (being £14,400,000) which are repayable after more than one year and indebtedness due under a working capital facility (£7,600,000) due within one year. In addition, the XP Group had £4,200,000 of cash at bank.

As at 31 December 2006, the capital and other reserves of the Group (excluding the profit and loss reserve, own shares and translation reserve) was £27,400,000 comprising £27,200,000 in respect of called up share capital and share premium and £200,000 in respect of other reserves.

In addition, as at 20 February 2007, being the latest practicable date prior to the publication of this Prospectus XP Power had 1,632,525 XP Shares held in treasury. It is anticipated that these will be cancelled prior to the Scheme becoming effective.

10. Employee incentives

XP Power operates a number of employee benefits schemes. Participants in the XP Power Share Option Plan and the XP Power Share Purchase Plan 2000 will be invited to exchange their options for an equivalent number of options over XPS Shares. The rules of the XP Power Share Purchase Plan 2000 will be amended by the Board to enable this exchange to be offered. As an alternative, employees will be able to exercise their options in full during the relevant period following the Court Meeting as provided in the rules, whereupon, to the extent unexercised, the options will lapse. Minor alterations to the terms of the subscription arrangements entered into with various key employees for the purchase of XP Shares from the XP employee benefit trust on deferred payment terms will be made to take account of the Scheme if passed.

11. Dividends

The Directors intend to pay dividends when it is commercially prudent to do so and subject to the availability of distributable profits.

12. Listing, dealing and settlement of XPS Shares

Application has been made to the UK Listing Authority for the XPS Scheme Shares to be admitted to the Official List and to the London Stock Exchange for the XPS Scheme Shares to be admitted to trading on the London Stock Exchange's market for listed securities. If the Scheme proceeds as presently envisaged, it is expected that admission to the Official List of the XPS Scheme Shares will become effective, and that dealings in XPS Scheme Shares on the London Stock Exchange's market for listed securities will commence, on 25 April 2007.

XP Power Singapore has entered into arrangements to enable the XPS Scheme Shares to be delivered, held and settled in CREST in the form of dematerialised depositary interests known as Depositary Interests or DIs. DIs represent entitlements to underlying non-UK shares. Accordingly, XPS DIs will represent entitlements to XPS Shares.

13. Expected timetable of principal events

2007

Latest time for receipt by Registrars of blue form of proxy from XP Power Shareholders for the Court Meeting	10.00 a.m. on 21 March
Latest time for receipt by Registrars of yellow form of proxy from XP Shareholders for the XP EGM	11.00 a.m. on 21 March
Voting Record Time for the Court Meeting and the XP EGM for holders	6.00 p.m. on 21 March
The Court Meeting	10.00 a.m. on 23 March
The XP EGM	11.00 a.m. on 23 March
Court Hearing of petition to sanction the Scheme	20 April
Last day of dealings in XP Shares	23 April
Scheme Record Time	6.00 p.m. on 24 April
Effective Date of the Scheme	24 April
Suspension of listing of XP Shares	8.00 a.m. on 24 April
Delisting of XP Shares, XPS Scheme Shares admitted to the Official List, crediting of XPS DIs representing entitlements to XPS Scheme Shares to CREST accounts and dealings in XPS Scheme Shares commence on the London Stock Exchange	8.00 a.m. on 25 April
Despatch of definitive share certificates for XPS Scheme Shares in certificated form.	9 May 2007

14. Summary of risk factors

An investment in XP Power Singapore is subject to a number of risk factors. The Directors believe that some of the principal risks involved in an investment in XP Power Singapore include:

Risks specific to the industry in which the Group operates

- Fluctuations in foreign currency
- Competition

Risks specific to the Group

- Dependence on key personnel
- Loss of key customers/suppliers
- Shortage, non-availability or technical fault with regard to key electronic components
- Fluctuations of revenues, expenses and operating results
- Management stretch
- Information Technology Systems

Risks relating to taxation of the XPS Group

- Fluctuation of effective rate of tax for the XPS Group

Risks relating to the XPS Shares

- Possible volatility of share price
- No Takeover Code protection

15. Share Capital

The issued share capital, fully paid, of XP Power Singapore is as follows:

	<i>Issued</i>	
	<i>Number</i>	<i>Amount</i>
Ordinary Shares	1	£0.01

Under the Scheme, XP Power Singapore will issue on the Scheme Effective Date (which is expected to be 24 April 2007) XPS Scheme Shares, credited as fully paid up, to XP Shareholders on the basis of one XPS Scheme Share for every one XP Share held at the Scheme Record Time save for Duncan Penny who will be issued with one less XPS Scheme Share than the aggregate number of XP Shares held by him at the Scheme Record Time.

Accordingly, the proposed, issued and fully paid share capital of XP Power Singapore as it will be immediately following the implementation of the Scheme (assuming no exercise of outstanding rights under the XP Share Schemes, or other issue or offer of share capital by XP or by XP Power Singapore or sale of treasury shares by XP) is as follows:

	<i>Issued</i>	
	<i>Number</i>	<i>Amount</i>
Ordinary Shares	19,072,096	£190,720.96

16. Working Capital

XP Power Singapore is of the opinion that, taking into account the bank and other facilities available to the XPS Group, the XPS Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of publication of this Prospectus.

17. Significant change

There has been no significant change in the financial or trading position of the Group since 31 December 2006, being the date up to which the last audited consolidated financial statements of the Group were prepared.

There has been no significant change in the financial or trading position of XP Power Singapore since the date of its incorporation.

18. Documents on display

Documents relating to Admission are available for inspection free of charge at the offices of XP Power Singapore at 138 Robinson Road #17-00, The Corporate Office, Singapore 068906 and at the offices of XP Power at 16 Horseshoe Park, Pangbourne, Berkshire RG8 7JW, United Kingdom, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until close of business on the Scheme Effective Date and will also be available for inspection for at least 15 minutes prior to both the Court Meeting and the XP EGM and during both the Court Meeting and the XP EGM.

PART II

RISK FACTORS

Shareholders should carefully consider the risk factors set out below together with all of the other information set out in this Prospectus, and their own circumstances, before deciding to invest in XP Power Singapore.

If any of the circumstances identified in the risk factors were to materialise, the XPS Group's growth, business, financial condition and results of operations could be adversely affected. In such circumstances, the market price of the XPS Scheme Shares could decline and investors could lose all or part of the value of their investment. If you are in any doubt about the action you should take, you should consult a professional adviser who specialises in advising on the acquisition of shares and other securities.

An investment in XP Power Singapore is subject to a number of risk factors. The paragraphs below set out what the Directors believe to be all the known material risks involved in an investment in XP Power Singapore. Those risks are not the only risks relating to the XPS Group or an investment in XP Power Singapore and are not intended to be presented in any order of priority. There may be additional risks that the Directors do not consider to be material or of which they are not aware which may have an adverse effect upon the XPS Group's growth, business, financial condition and results of operations.

1. Risks specific to the industry in which the XPS Group operates

1.1 *Fluctuations in foreign currency*

The Group deals in many currencies for both its purchases and sales. In particular, North America represents an important geographic market for the Group where virtually all the revenues are denominated in US dollars. The XPS Group therefore has an exposure to foreign currency fluctuations, most notably the US dollar. This could lead to material adverse movements in reported earnings. Further information of historic exposure to currency fluctuations can be found in paragraph 2 of Part VI.

1.2 *Competition*

The power supply market is diverse and competitive in Europe, North America and Asia. The Directors believe that the development of new technologies could give rise to significant new competition to the XPS Group, which may have a material effect on its business. At the lower end of the XPS Group's target market the barriers to entry are low and there is, therefore, a risk that competition could quickly increase.

2. Risks specific to the XPS Group

2.1 *Dependence on key personnel*

The future success of the XPS Group is substantially dependent on the continued services and continuing contributions of its Directors, senior management and other key personnel. The loss of the services of any of its executive officers or other key employees could have a material adverse effect on their businesses.

2.2 *Loss of key customers/suppliers*

The Group is currently dependent on retaining its key customers and suppliers. Should the XPS Group lose a number of its key customers, or a key supplier, this could have a material impact on the XPS Group's business financial condition and results of operations. However, for the year ended 31 December 2006, no one customer accounted for more than 5 per cent. of revenue.

2.3 *Shortage, non-availability or technical fault with regard to key electronic components*

The Group is reliant on the supply, availability and reliability of key electronic components. If there is a shortage, non availability or technical fault with any of the key electronic components this may impair the XPS Group's ability to operate its business efficiently and lead to potential disruption to its operations and revenues.

2.4 *Fluctuations of revenues, expenses and operating results*

The revenues, expenses and operating results of the XPS Group could vary significantly from period to period as a result of a variety of factors, some of which are outside of their control. These factors include general economic conditions, adverse movements in interest rates, conditions specific to the market, seasonal trends in revenues, capital expenditure and other costs, the introduction of new products or services by the XPS Group, or by their competitors. In response to a changing competitive environment, the XPS Group may elect from time to time to make certain pricing, service or marketing decisions or acquisitions that could have a material adverse effect on the XPS Group's revenues, results of operations and financial condition.

2.5 *Management stretch*

The management team that runs the XPS Group will be faced with changes in their business management methodology as well as additional complexity in the business and increased travel following the successful conclusion of the proposed Scheme and the commencement of Singaporean operations. This additional management stretch could adversely affect the XPS Group if the management team is not able successfully to cope with the changes.

2.6 *Information Technology Systems*

The business of the Group relies to a significant extent on IT systems used in the daily operations of its operating subsidiaries. Any failure or impairment of those systems or any inability to transfer data onto any new systems introduced could cause a loss of business and/or damage to the reputation of the XPS Group together with significant remedial costs.

2.7 *Product liability or product recall*

A failure or other issue relating to any of the XPS Group's products could cause the XPS Group's customers to incur costs which they may seek to recover from the XPS Group. In addition, a design or manufacturing problem could result in the XPS Group having to recall a product and therefore incur significant costs. Either of these events could adversely affect the XPS Group's reputation, its revenues and financial condition.

3. *Risks relating to taxation of the XPS Group*

The Group is exposed to corporation tax payable in many jurisdictions including the USA and Canada where the effective rate can be as high as 40 per cent., the UK where the corporation tax rate is 30 per cent. and a number of European jurisdictions where the rates vary between 25.5 per cent. and 38.7 per cent. In addition, the Group has manufacturing activities in Hong Kong, where the corporation tax rate is 17.5 per cent. and sales companies in Singapore and Switzerland, where the corporation tax rate is 20 per cent.

The effective tax rate of the XPS Group will be affected by where its profits fall geographically. The XPS Group effective tax rate could therefore fluctuate over time. This could have a negative impact on earnings and potentially its share price.

4. *Risks relating to the XPS Shares*

4.1 *Possible volatility of share price*

The trading price of XPS Shares may be volatile and subject to wide fluctuations. The share price may fluctuate as a result of a wide variety of factors, including the operating and share price performance of the other companies in the industry and markets in which the XPS Group operates; speculation about the XPS Group's business in the press, media or the investment community; the publication of research reports by analysts; and general market conditions.

4.2 *No Takeover Code protection*

Following completion of the Scheme, the Takeover Code will not apply to the Company. As a result, a takeover offer for the Company will not be regulated by the UK takeover authorities. The Articles contain certain takeover protections, but these will not provide the full protections afforded by the Takeover Code. The relevant provisions of the Articles are summarised in paragraph 5.2 of Part X.

PART III

DIRECTORS, PROPOSED DIRECTORS AND ADVISERS

Directors	Seng Kok (Andy) Sng (<i>Director</i>) Joseph (Mickey) Lynch (<i>Director</i>) Michael (Mike) Laver (<i>Director</i>)
Proposed Directors	Lawrence (Larry) Tracey (<i>Executive Chairman</i>) James Peters (<i>Deputy Chairman</i>) Duncan Penny (<i>Chief Executive</i>) Michael Hafferty (<i>Non-Executive Director</i>) John Dyson (<i>Non-Executive Director</i>)
Registered Office	138 Robinson Road #17-00 The Corporate Office Singapore 068906
Sponsor	Investec Bank (UK) Limited 2 Gresham Street London EC2V 7QP
Solicitors to XP Power Singapore as to English law	Osborne Clarke 2 Temple Back East Temple Quay Bristol BS1 6EG
Legal Advisers to XP Power Singapore as to Singapore law	PK Wong Associates LLC 9 Temasek Boulevard #26-03 Suntec City Tower 2 Singapore 038989
Auditors and Reporting Accountants to the Group	Deloitte & Touche LLP Blenheim House Fitzalan Court Newport Road Cardiff CF24 0TS
Auditors of XP Power Singapore	Deloitte Singapore Limited 6 Shenton Way #32-00 DBS Building Tower Two Singapore 068809
Depository	Capita IRG Trustees Limited The Registry 34 Beckenham Road Kent BR3 4TU
Registrars	Capita Registrars (Jersey) Limited Victoria Chambers Liberation Square 1/3 The Esplanade St Helier Jersey

Company Secretaries

Ms Grace Chan and Ms Chang Sow Kuen
M&C Services Pte Ltd
138 Robinson Road #17-00
The Corporate Office
Singapore 068906

PART IV

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2007
Latest time for receipt by Registrars of blue form of proxy from XP Power Shareholders for the Court Meeting	10.00 a.m. on 21 March ¹
Latest time for receipt by Registrars of yellow form of proxy from XP Shareholders for the XP EGM	11.00 a.m. on 21 March ²
Voting Record Time for the Court Meeting and the XP EGM for holders of XP Shares	6.00 p.m. on 21 March ³
The Court Meeting	10.00 a.m. on 23 March
The XP EGM	11.00 a.m. on 23 March ⁴
Court Hearing of petition to sanction the Scheme	20 April
Last day of dealings in XP Shares	23 April ⁵
Scheme Record Time	6.00 p.m. on 24 April ⁵
Effective Date of the Scheme	24 April ⁵
Suspension of listing of XP Shares	8.00 a.m. on 24 April ⁵
Delisting of XP Shares, XPS Scheme Shares admitted to the Official List, crediting of XPS DIs representing entitlements to XPS Scheme Shares to CREST accounts and dealings in XPS Scheme Shares commence on the London Stock Exchange	8.00 a.m. on 25 April ⁵
Despatch of definitive share certificates for XPS Scheme Shares in certificated form.	9 May ⁵

Defined terms can be found in Part XII on pages 94 to 97 of this Prospectus.

All references to time in this Prospectus are to London time unless otherwise stated. The dates given are based on the Directors' expectations and may be subject to change.

¹ It is requested that blue forms of proxy for the Court Meeting be lodged at least 48 hours prior to the time appointed for the Court Meeting. Blue forms of proxy not so lodged may be handed to the Chairman of the Court Meeting at the Court Meeting.

² Yellow forms of proxy for the XP Power EGM must be lodged at least 48 hours prior to the time appointed for the XP Power EGM.

³ If either the Court Meeting or the XP Power EGM is adjourned, the Voting Record Time for the relevant adjourned meeting will be 6.00 p.m. on the date falling two days before the adjourned meeting.

⁴ To commence at the time fixed or as soon after that as the Court Meeting concludes or is adjourned.

⁵ These dates are indicative only and will depend, among other things, on the date upon which the Court sanctions the Scheme.

PART V

INFORMATION ON XP POWER SINGAPORE AND THE GROUP

1. Introduction

The Group designs, manufactures and sells power supply solutions to the electronics industry. The Group offers standard and modified standard power supply solutions together with, in exceptional circumstances, custom solutions where the electrical design of the power supply is adapted to customer requirements. Products range from alternating current (AC) to direct current (DC) power supplies, DC-to-DC converters, through to uninterruptible power supply (UPS) products. The Group also provides solutions where the power supply is provided in a format to make it easier to integrate into the customer's end product. This may involve incorporating several power supplies into one chassis, adding signals, special housings, thermal and electromagnetic compatibility (EMC) management and specific cable harnesses and connectors. The Group segments and targets its customer base into the communications, defence and avionics, industrial and medical industries.

It is proposed that XP Power Singapore will become the new holding company for the Group by means of a scheme of arrangement under section 425 of the Companies Act. The Scheme requires the sanction of the XP Shareholders and of the Court. Implementation of the proposals in full will result in XP Shareholders exchanging their shares in XP Power for shares in XP Power Singapore (which will then become the new holding company of the Group). If the Scheme proceeds as presently envisaged, it is expected that admission to the Official List of the XPS Scheme Shares will become effective, and that dealings in XPS Scheme Shares on the London Stock Exchange's market for listed securities will commence, on 25 April 2007.

Further details of the Scheme, the reasons for its proposed implementation and its effects are set out in the circular to XP Shareholders dated the date of this Prospectus. Information on the listing and settlement of, and dealings in, XPS Shares (including arrangements for holding and transferring depositary interests representing XPS Shares in CREST) are set out in Part VIII of this Prospectus.

2. History and background

2.1 *The Group*

The principal events in the Group's history can be summarised as follows:

July 2000	XP Power listed on the Official List as IFX Power plc, the parent company of a group comprising: <ul style="list-style-type: none">• XP PLC, a distributor of power supplies based in the UK founded by James Peters in 1988;• ForeSight Electronics Inc., (now XP Power, Inc. (California)) a distributor of power supplies based in North America; and• International Power Sources, Inc., (now XP Power, Inc. (Massachusetts)) a virtual manufacturer of power supplies based in North America.
May 2002	Acquisition of the business of Switching Systems International Inc., a designer and manufacturer of power supplies based in North America.
February 2004	Acquisition of the remaining 80 per cent. of the issued share capital of XP Electronics Limited, a designer and manufacturer of power supplies based in the UK following the acquisition of an initial stake of 20 per cent. in August 2001.
February 2006	Announcement of a 50/50 joint venture, Fortron XP Power (Hong Kong) Limited with Fortron/Source, a contract manufacturer of power supplies based in China.

October 2006	Acquisition of the remaining 50 per cent. of XP Power (S) Pte Limited, a distributor of power supplies based in Singapore, following the formation of the company as a 50/50 joint venture in July 2003.
January 2007	Acquisition of a further 30.3 per cent. stake in Powersolve, bringing XP's total stake in the company to approximately 70 per cent., following two acquisitions comprising an aggregate stake of approximately 40 per cent. in 1998 and 2001.

Since 2000, the Group has evolved from a distributor of third party power supply products to a global vertically integrated designer, manufacturer and seller of power supply solutions.

2.2 *XP Power Singapore*

XP Power Singapore was incorporated in Singapore on 12 February 2007 under the SCA as a public company limited by shares. XP Power Singapore is a holding company and has not traded since incorporation. Its registered office is 138 Robinson Road #17-00, The Corporate Office, Singapore 068906.

3. **The market**

According to the Global Switching Power Supply Industry 2006 Report published by Micro-Tech Consultants, the merchant power supply market (excluding the retail and consumer sectors of that market, in which the Group does not participate) is valued at US\$8.8 billion.

The Directors believe that the merchant power supplies market can be described as being made up of three tiers:

- Upper tier – consisting of a small number of large original equipment manufacturers (OEMs) who source custom power supplies in high volumes from a small number of major power supply companies. The directors believe that this tier accounts for approximately 65 per cent. of the market;
- Mid tier – consisting of a highly fragmented market made up of a large number of small to medium size OEMs with an annual project spend of \$10,000 to \$1,000,000 who source standard power supplies and modified standard power supplies from several hundred power supply companies. The Directors believe that this tier accounts for approximately 30 per cent. of the market; and
- Lower tier – comprising small volume customers whose cost of procurement is high relative to the product costs and who are serviced by a small number of catalogue companies. The Directors believe that this tier accounts for approximately 5 per cent. of the market.

As the Group's customers are generally capital equipment manufacturers, the Group's business is exposed to the cyclical variations in capital equipment expenditure. The Directors believe that there is an emerging trend of customers undertaking their power supply design work in Europe and North America, but requiring the product to be delivered in Asia where the customers' end product is manufactured. The Directors believe that the Group is well positioned to meet this customer demand.

4. **Products**

Power supplies supply, regulate and distribute electrical power for various subsystems and components and sit within electronic equipment. They:

- convert alternating current into direct current, namely AC/DC power supply, or convert direct current into other voltages of direct current, namely DC/DC power supply;
- provide electronic components with a precise and constant supply of electrical power at one or more voltage levels;
- regulate and monitor voltages to protect electronic equipment from power surges and dips, or in the case of UPS, complete failure of supply; and
- are typically categorised into standard, modified standard and custom.

The Group's range of products fall into the following categories:

- AC/DC converters – products that use switching transistor technology to convert AC voltage to smooth DC voltages for use with electronic equipment;
- DC/DC converters – products that use switching transistor technology to convert one DC voltage to another for use with electronic equipment; and
- UPS – a product that provides electrical power in the event of a mains power failure.

The Group sells a range of standard power supply products that can be used in many customer applications. The Group often modifies these standard power supply products, for example by changing connectors, mechanical formats and the rating of electrical components in such products. In exceptional circumstances, the Group will customise products by changing the electrical design of the power supply to meet customer requirements.

The need for the Group's customers to differentiate their end products from that of their competitors gives rise to a number of power supply requirements to satisfy the increasing combinations of voltages at different power levels and a variety of mechanical formats. Accordingly, the Group offers its customers both design and value add engineering services, as described below, in order to meet these demands.

5. Design

The Group designs power supplies using its design engineering groups based in North America and the United Kingdom. Product trend and market requirements are identified and analysed by the Group's respective industry specialists for the communications, defence and avionics, industrial and medical industries. Product specifications and business cases are produced by such industry specialists and passed to the design engineering groups who design power supplies on the basis of these product specifications. Occasionally, the Group will outsource the product design where there is insufficient internal resource or particular technical capability.

Design verification testing of the new products is performed in China, North America and Europe, according to the type of power supply product.

6. Engineering services

The Group provides a value add capability to its customers. This involves providing the power supply in a format that aims to make it easier and more cost effective for the customer to integrate into their end product. This may require providing special housings, thermal and EMC management and specific cable harnesses and connectors.

The Group's engineering services group has centres in the UK, Germany and North America. These centres offer EMC pre-compliance facilities, thermal management advice, general pre- and post-application support and delivery of customer specific AC/DC power solutions with appropriate safety agency approvals from the Group's range of power supplies.

7. Manufacturing and suppliers

The Group's business model is to source the manufacture of its own brand products in low cost jurisdictions. The Group sources its products from a number of different manufacturers; primarily Taiwanese companies with manufacturing capabilities in China. In addition, the Group holds 50 per cent. of the shares in a joint venture manufacturing company, the other 50 per cent. being held by a company associated with Fortron/Source, a contract manufacturer of power supplies. The joint venture's manufacturing facility is based near Shanghai in China and the intention is that most new products designed by the Group will be manufactured in this facility. The facility became operational in May 2006. Fortron/Source is also a significant supplier to the Group in its own right by providing contract manufacturing through its operations in Shen Zhen in southern China. Further details of these arrangements are set out in paragraph 13 of Part X.

8. Sales

Products are sold directly to customers by the Group's sales force who are supported via a catalogue and a website detailing the technical specifications of the product portfolio. At 31 December 2006, the Group had a team of 68 technically trained sales people in North America, Europe and Asia. In addition, the Group also uses a number of distributors to service certain jurisdictions where it does not have a direct sales force. The Group also has arrangements in place with Farnell InOne and Newark InOne to service the lower tier.

The Directors intend to continue to focus on increasing sales of its own brand product. For the year ended 31 December 2006, own brand product accounted for 66 per cent. of overall sales. The Directors anticipate sales by the XPS Group to comprise approximately 75 per cent. of its own brand product and 25 per cent. third party product by the end of 2007.

9. Customers

The Group's customer base is highly fragmented, with no one customer accounting for more than 5 per cent. of revenues. The Group segments its customer base into the following industries:

- communications;
- defence and avionics;
- industrial; and
- medical.

The Group's customers are predominantly OEMs who are specialists in their particular area but generally do not have in-house power supply expertise. Through the use of its extensive and flexible product range and its design and engineering skills, the Group assists its customers in meeting their cost and technical requirements.

The Group's revenues for the three years ending 31 December 2006 are split by geographic destination as follows:

<i>£ Millions Audited IFRS</i>	<i>Year ended 31 December</i>		
	<i>2004</i>	<i>2005</i>	<i>2006</i>
Asia	0.1	1.1	6.1
Europe	27.3	31.8	34.6
North America	39.4	36.6	38.0
Total	66.8	69.5	78.7

10. Competition

The Group's competition ranges from numerous small custom manufacturers, mid-tier manufacturers and distributors acting for Asian manufacturers.

No single company dominates the overall merchant power supply market. The Directors believe that Lambda (a division of TDK) and Astec (a division of Emerson Electric Company, Inc) are the Group's primary competitors. Consolidation continues to occur in the industry as scale, time to market, shorter product life cycles, keeping pace with legislation and design costs make it difficult for the small custom manufacturers to compete in the global merchant power supply market.

11. Strategy

The XPS Group's strategy is:

- to focus on developing relationships with its larger customers in its target sectors, namely communications, defence and avionics, industrial and medical industries;
- to increase the proportion of sales of its own brand products, which produce higher profit margins; and
- to continue to manufacture and source the manufacture of its products in low cost jurisdictions such as Taiwan and China.

12. Key strengths

The Directors believe that the Group has a number of key strengths, including:

- dedicated industry teams with extensive technical expertise enabling rapid identification and deployment of new products to meet the market's needs;
- the capability to offer customers vertically integrated power supply solutions, from design and engineering to manufacture to sales;
- a broad and flexible product range;
- access to low cost manufacturing capability, in particular through its joint venture arrangements with Fortron/Source; and
- a large and dedicated direct sales force.

13. Directors

Current Directors

Andy Sng, aged 36 – *Director*

Andy joined the Group in July 2005 to set up its China operations. He is currently the General Manager of the XP Shanghai operation which provides various support services to the rest of the Group including quality assurance, program management, component sourcing and design and verification testing. On the Scheme becoming effective, Andy will hold the office of General Manager, Asia. Andy has an Electrical Engineering degree and has worked in the power supply industry for eight years in various technical and commercial roles with companies such as Silicon Systems (Singapore) and Advanced Micro Devices (Singapore).

Mickey Lynch, age 54 – *Director*

Mickey joined the Group in April 2001 as Vice President of Finance for XP-Foresight Inc and since February 2003 has headed up the finance team for the Group. Prior to joining XP-Foresight Mickey spent 10 years at Atari Games Corporation; the last five of which were in the role of Chief Financial Officer. Prior to this he spent 12 years with ITT Corporation, holding various financial controllership roles. Mickey holds a Masters Degree in Business Administration. Mickey was elected to the XP Board on 11 June 2003. On the Scheme becoming effective, Mickey will hold the office of Finance Director.

Mike Laver, age 44 – *Director*

Mike has 17 years experience in the power supply industry. After completing his degree in Electrical Engineering at UC Santa Barbara, Mike held sales and technical positions with Power Systems Distributors, Compumech and Delta Lu Research. Mike joined Foresight Electronics in 1991 and carried out various senior roles. Mike is currently responsible for the US sales and value added engineering organisations. Mike was elected to the XP Board on 20 August 2002 and on 3 February 2003 was made President of the Group's North American operations. He will assume this post within XP Power Singapore on the Scheme becoming effective.

Proposed Directors

Larry Tracey, age 59 – *Executive Chairman*

Larry co-founded Powerline PLC in 1979, where he focused on the strategic direction of the business. In March 1984, he was responsible for the flotation of Powerline on the Unlisted Securities Market of the London Stock Exchange and earnings grew 220 per cent. in its three years as a quoted company. Larry headed Powerline's expansion into Germany and the US. Powerline was acquired by Chloride PLC in September 1987. In May 1990, Larry joined the board of XP PLC as an Executive Director. In April 2000 he was appointed as Chief Executive Officer. He is responsible for Group strategy including acquisition policy. In April 2002 he became Chairman and Chief Executive of XP and in February 2003 assumed the role of Executive Chairman.

James Peters, age 48 – *Deputy Chairman*

James has over 20 years experience in the power supply industry. He joined Powerline shortly after its formation in 1980 and was involved in various aspects of the business. In November 1988 he founded XP. In April 2000, he was appointed as European Managing Director of XP and he was responsible for the overall management of the Group's European businesses. In February 2003 James was appointed Deputy Chairman of XP.

Duncan Penny, age 44 – *Chief Executive*

Between October 1998 and March 2000, Duncan was the controller for the European, Middle Eastern and African regions for Dell Computer Corporation, prior to which Duncan spent eight years working for LSI Logic Corporation where he held senior financial positions in both Europe and Silicon Valley. From 1985 to 1990, Duncan spent five years at Coopers & Lybrand in general practice and corporate finance. He joined XP in April 2000 as Group Finance Director. In February 2003 he was appointed Chief Executive of XP.

John Dyson, age 57 – *Non-Executive Director*

John was appointed Chief Executive of Pace Micro Technology plc in May 2003, prior to which he had been Finance Director since November 1997. John retired from Pace Micro Technology plc during 2006 and has co-founded a new business called Telehealth Solutions Limited which has developed communications technology to remotely monitor medical devices. Before Pace Micro Technology plc he held senior positions in both Silicon Valley and Europe for LSI Logic Corporation from June 1990 to November 1997. From September 1988 to June 1990 John was co-founder and Managing Director of Modacom Limited, prior to which he was Finance Director of Norbain Electronics plc from 1986 to 1988 and CASE Communications plc from 1977 to 1986. He joined the board of XP in June 2000. He is the senior non-executive director and Chairman of the Remuneration Committee.

Michael Hafferty, age 64 – *Non-Executive Director*

Michael has been the founder and CEO of several technology companies, including Tricom Ltd., VegaStream Ltd and Arkstream Inc. He was a main board director of CASE Communications plc for its highly successful launch onto the London Stock Exchange and as Sales & Marketing Director built a worldwide sales and service organisation. Michael is the founder of the consulting company Arkbridge Pte. Ltd., based in Singapore and as a result of that position was appointed Vice President, Asia PAC for the international software company iTRACS Corporation. He is a Fellow of the Chartered Institute of Marketing and Liveryman in the Worshipful Company of Marketers.

14. Corporate governance

Whilst the Executive Directors will not be resident in the UK following the Scheme becoming effective, there will be no fundamental change in the manner in which the Group is run and the Directors remain committed to the principles of corporate governance contained in the Combined Code and for which the Board is accountable to shareholders. The Company's Senior Non-Executive Director, John Dyson, will continue to be based in the UK. The Directors do not believe that the re-domicile of the parent company of the XPS Group to Singapore will have any adverse affect on its corporate governance function or its relations with shareholders.

15. Current trading

The Directors believe that actions taken in 2006, to focus on supplying market leading customers with the Group's own brand product, should enable the business lost through the termination of third party lines in 2006 to be replaced.

The Directors are confident that the XPS Group's strategy of increasing the proportion of sales of its own brand products, as opposed to lower margin third party lines, will improve gross margin in 2007.

Annual Results

XP announced its audited annual results for the 12 months ended 31 December 2006 on 21 February 2007. Set out below is a summary of the financial statements of the Group for the three years ended 31 December 2006 which has been extracted from the audited financial statements of the Group incorporated by reference by Part X of this Prospectus. Investors should read the full text of this Prospectus and, in particular, the historical financial statements incorporated by reference into it and not rely solely on this summary. The historical financial statements for the Group are available on Group's website at www.xppower.com/html/misc/downloads.html.

	Year ended 31 December		
	2004	2005	2006
	£ millions	£ millions	£ millions
Revenues	66.8	69.5	78.7
Profit before taxation	6.4	7.6	8.0
Profit after taxation	4.5	5.9	6.0
Earnings per share – diluted	22.6p	30.1p	31.8p
– adjusted diluted	22.6p	30.6p	37.0p

Clarification regarding Reuters article dated 9 November 2006

On 9 November 2006, following publication of XP Power's trading update, Reuters reported an interview with Duncan Penny, XP Power's Chief Executive, quoting Mr Penny as saying *"We expect revenue growth to return in 2008, but the earnings should go up nicely (in both years) as we make much higher margin from our own product."* The quote does not accurately reflect Mr Penny's discussion with Reuters in that he did not wish to attribute earnings growth to any particular period or periods and Mr Penny was instead expressing that it was XP Power's strategy to increase profits in the future (without stating that they would increase in any particular year or period) through a combination of:

- maintaining or increasing total revenue;
- increasing the proportion of sales of own brand product versus third party product. For the year ended 31 December 2006, 66 per cent. of product shipped to customers was own brand and the Directors anticipate sales by the XPS Group to comprise approximately 75 per cent. of its own brand product by the end of 2007; and
- continuing to generate a higher profit margin from selling its own brand product as compared to third party product. For the year ended 31 December 2006, increased own brand sales lead to an increase in gross profit margin to 37.1 per cent. from 35.7 per cent. for the year ended 31 December 2005.

16. Employee incentives

XP Power operates a number of employee benefits schemes. Participants in the XP Power Share Option Plan and the XP Power Share Purchase Plan 2000 will be invited to exchange their options for an equivalent number of options over XPS Shares. The rules of the XP Power Share Purchase Plan 2000 will be amended by the Board to enable this exchange to be offered. As an alternative, employees will be able to exercise their options in full during the relevant period following the Court Meeting as provided in the rules, whereupon, to the extent unexercised, the options will lapse. Minor alterations to the terms of the subscription arrangements entered into with various key employees for the purchase of XP Shares from the XP employee benefit trust on deferred payment terms will be made to take account of the Scheme if passed.

17. Dividend policy

The Directors intend to pay dividends when it is commercially prudent to do so and subject to the availability of distributable profits.

18. Risk factors and additional information

Your attention is drawn to Part II of this Prospectus which contains a summary of the risk factors relating to an investment in the Company and to Parts VI to X, which contain additional information on the Company and the Group.

PART VI

OPERATING AND FINANCIAL REVIEW

The following operating and financial review contains financial information which has been extracted or derived without material adjustment from the financial information relating to the Group prepared in accordance with International Financial Reporting Standards (“IFRS”) for the years ended 31 December 2004, 31 December 2005 and 31 December 2006 as incorporated by reference by Part X of this Prospectus.

Prospective investors should read the following discussion, together with the whole of this Prospectus, including the risk factors set out in Part II of this Prospectus, the IFRS financial information and related notes incorporated by reference by Part X of this Prospectus.

This section also contains forward-looking statements including statements regarding Directors’ beliefs and expectations. Forward-looking statements involve inherent risks and uncertainties and are given as at the date they are made. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward looking statement. In particular, the Group’s results of operations may not be consistent with predicted trends. Please see the cautionary note headed “Forward-looking statements” on page 68 of this Prospectus.

1. Overview

The Group designs, manufactures and sells power supply solutions to the electronics industry. The Group offers standard and modified standard power supply solutions together with, in exceptional circumstances, custom solutions where the electrical design of the power supply is adapted to customer requirements. Products range from alternating current (AC) to direct current (DC) power supplies, DC-to-DC converters, through to uninterruptible power supply (UPS) products.

2. Factors affecting operating and financial performance

Market conditions

As the Group’s customers are generally capital equipment manufacturers, the Group’s business is exposed to the cyclical variations in capital equipment expenditure. Accordingly, the Group’s revenues are influenced by the cyclical nature of some of the capital equipment markets it serves. Whilst a number of the Group’s target sectors (such as semi conductor manufacturing) are considered cyclical, the Group also operates in certain markets (such as medical) that are more stable.

Manufacturing

Once one of the Group’s products is designed into a customer’s end product it is rarely substituted with a power supply from a competitor. This is because of the lengthy and expensive engineering qualification process that would be required to design in and incorporate a different power supply. Therefore, once a product is designed in, the Group generally receives recurring revenue over the lifetime of that customer’s end product. However, if manufacturing supply was interrupted for any reason, the Group may not be able to procure an alternative source of the power supply to provide to the customer.

The Group’s business model is to source the manufacture of its own brand products in low cost jurisdictions such as Taiwan and China.

Foreign exchange rate fluctuations

The Group deals in many currencies for both its purchases and sales. In particular, North America represents an important geographic market for the Group where virtually all the revenues are denominated in US dollars. The North American profit and loss statements are translated to Sterling at the average rates prevailing at the time. Over the period of review the average US dollar to Sterling exchange rates to convert the North American profit and loss account have been as follows:

<i>Year ended 31 December</i>	<i>US\$/£ exchange rate</i>
2004	1.81
2005	1.82
2006	1.83

Although these average rates appear stable there have been significant fluctuations in the US dollar versus Sterling exchange rate ranging between 1.71 and 1.98 during these three years.

During the latter part of 2006, the US dollar experienced a significant weakening versus Sterling. The US dollar to Sterling exchange rate was approximately 1.96 at 31 December 2006. This was approximately 7 per cent. less than the average rate experienced in 2006. If the US dollar to Sterling exchange rate remains at this level during 2007 this will have an adverse affect on reported revenues and profits when translating the Group's US dollar earnings into Sterling for reporting purposes.

The Group's revenues in Europe are denominated in a number of currencies. The Directors estimate that 20 per cent. of the Group's revenues in Europe are denominated in US dollars whereas approximately 65 per cent. of its cost of sales are denominated in US dollars. This means, if all other factors remain the same, that as the US dollar weakens the Group's revenues decrease when reported in Sterling but costs when reported in Sterling decrease faster. The result is that XP's gross profits increase in Europe as the US dollar weakens against the other currencies in which the Group invoices. These other currencies are principally Euro and Sterling.

In December 2006, XP took advantage of the rapid weakening of the US dollar versus Sterling and the Euro and entered into a series of foreign exchange contracts to buy 17.6 million US dollars forward selling Sterling 4.5 million forward at an average rate of 1.96 and selling Euro 6.6 million forward at a rate of 1.34.

Although the Group purchases the majority of its products from Asia in US dollars, the underlying costs are in the Chinese, Singaporean and Taiwanese currencies. If these currencies strengthen versus the US dollar in the future this will increase XP's costs and it may not be able to pass these costs on to its customer base depending on market conditions and behaviour of its competitors at the time.

Taxation

The Group is exposed to corporation tax payable in many jurisdictions including the USA and Canada where the effective rate can be as high as 40 per cent., the UK where the corporation tax rate is 30 per cent. and a number of European jurisdictions where the rates vary between 25.5 per cent. and 38.7 per cent. In addition, the Group has manufacturing activities in Hong Kong, where the corporation tax rate is 17.5 per cent. and sales companies in Singapore and Switzerland, where the corporation tax rate is 20 per cent.

The Group benefits from the R&D tax credit systems in place in the USA and UK. The UK provides a tax allowance of 125 per cent. of qualifying expenditure. The USA operates a system where a Company receive a credit against their corporation tax according to their qualifying expenditure over a particular base.

The total effective tax rate the XPS Group experiences in future will depend on the relative profits in each of the jurisdictions in which the XPS Group operates and the tax deductibility of the various items charged to the profit and loss account. Effective tax rates for the years ended 31 December 2004, 2005 and 2006 have been 30 per cent., 23 per cent. and 25 per cent. respectively.

The Directors do not expect there to be a significant change in the effective tax rate of the XPS Group as a result of the change in Group structure resulting from the Scheme.

3. Measurement of operating and financial performance

The Company is managed through a functional and geographic management structure reporting to the Executive Directors and the Board. This management structure reports through monthly business reviews. Key indicators reviewed cover the following areas of the business:

- Revenues;
- Gross and net margin;
- Proportion of own brand product; and
- Free cash flow.

A selection of these indicators and the results over the three years ended 31 December 2006 are as follows:

<i>£ Millions Audited IFRS</i>	<i>Year ended 31 December</i>		
	<i>2004</i>	<i>2005</i>	<i>2006</i>
Revenues: own brand	36.7	41.0	51.9
Revenues: total	66.8	69.5	78.7
Gross profit margin	35.5%	35.7%	37.1%
Operating profit margin (adjusted for restructuring)	10.5%	12.2%	13.1%
Earnings per share – adjusted diluted	22.6p	30.1p	37.0
Free cash flow	3.5	5.3	1.9

Growth in the Group's own brand revenues has occurred due to the continued release of new products and its focus on this revenue stream. Gross margins are generally much higher on the Group's own brand product and the successive improvement in product sales mix has been the driver of improvement in the overall gross margin percentage.

The increase in operating profit margin in 2005 over 2004 was positively effected by the capitalisation of development costs as set out below.

4. Financial commentary

Revenues

Revenues can be analysed by industry segment as follows:

<i>£ Millions Audited IFRS</i>	<i>Year ended 31 December</i>		
	<i>2004</i>	<i>2005</i>	<i>2006</i>
Communications	16.1	17.8	19.4
Defence and avionics	4.4	6.1	7.5
Industrial	33.2	33.1	38.8
Medical	13.1	12.5	13.0
Total	66.8	69.5	78.7

The proportion of revenues generated from each sector has been reasonably constant over the period of the review. Growth in the industrial sector in 2006 was principally driven by an improvement in the Group's semi-conductor equipment manufacturing customer base although the whole industrial sector was relatively strong in 2006.

Revenues can be analysed by product type as follows:

<i>£ Millions Audited IFRS</i>	<i>Year ended 31 December</i>		
	<i>2004</i>	<i>2005</i>	<i>2006</i>
Own brand	36.7	41.0	51.9
Third party	30.1	28.5	26.8
Total	66.8	69.5	78.7
own brand %	55%	59%	66%

In order for the Group to focus more of its resource on developing and promoting its own brand products, a decision was made in April 2006 to terminate a number of third party product lines with effect from 1 July 2006. It is estimated that these product lines had historically accounted for annual revenues of approximately £10 million. In the latter part of 2006, two further third parties terminated their distribution agreements with the Group in respect of two product lines sales of which represented approximately £2 million of annual historic revenue for the Group.

Accordingly, and as previously announced, third party revenue is expected to decline significantly by approximately £10 million in 2007. The Group expects to offset the decline in third party revenue by focusing on its own brand business.

The Group continues to have relations with a number of third party vendors. Of these, three vendors are considered to be key, namely: Cosel Co. Limited, Mean Well Enterprises Co. Limited and Traco Electronic AG.

Revenues can also be analysed according to geographic destination as follows:

<i>£ Millions Audited IFRS</i>	<i>Year ended 31 December</i>		
	<i>2004</i>	<i>2005</i>	<i>2006</i>
Asia	0.1	1.1	6.1
Europe	27.3	31.8	34.6
North America	39.4	36.6	38.0
Total	66.8	69.5	78.7

The growth in Asian revenues is primarily due to the emerging trend of customers undertaking their design work in Europe and North America but requiring the product to be delivered in Asia where the customers' end product is manufactured. The Directors believe an additional trend is developing whereby its customers are performing more of their design work in Asia.

The growth in European revenues is partly due to the consolidation of Powersolve in July 2006. The 2005 results include revenues of £2.5 million derived from Powersolve in the second half of 2005 and £5.8 million for the full year of 2006.

The main factor in the decline in revenues in North America from 2004 to 2005 was a decrease in activity in the semiconductor manufacturing equipment sector together with exchange rate fluctuations. This activity recovered in 2006.

Operating profit

The elements of the Group's operating profit can be represented as a percentage of revenue as follows:

<i>% of revenues Audited IFRS</i>	<i>Year ended 31 December</i>		
	<i>2004</i>	<i>2005</i>	<i>2006</i>
Revenue	100.0%	100.0%	100.0%
Gross margin	35.5%	35.7%	37.1%
Share of results of associates	0.6%	0.3%	—%
Operating expenses (excluding restructuring of £1.0 million in 2006)	25.6%	24.0%	24.1%
Operating profit (adjusted for restructuring)	10.5%	12.1%	13.1%

The improvement in gross margin experienced by the Group has been due to the increased proportion of own brand product sold by the Group. The Directors expect further improvements in gross margin percentage in 2007 due to improved product mix resulting from the termination of the third party lines referred to above.

The operating expenses have been distorted by the capitalisation of development costs of £1.0 million in 2005 and £0.9 million in 2006 (no development costs were capitalised in 2004). If development costs had not been capitalised, reported operating expenses as a percentage of revenue would have been 25.5 per cent. and 25.0 per cent. for 2005 and 2006 respectively.

Operating expenses for 2006 include £1.0 million of costs (representing 1 per cent. of revenue) relating to restructuring associated with the termination of third party lines as described above.

Research and development

The accounting of the Group's research and development costs can be analysed as follows:

<i>£ Millions Audited IFRS</i>	<i>Year ended 31 December</i>		
	<i>2004</i>	<i>2005</i>	<i>2006</i>
Gross spending	2.3	2.6	2.6
Amount capitalised	—	(1.0)	(0.9)
Amortisation of capitalised spending	—	—	0.2
Net amount charged to profit and loss account	2.3	1.6	1.9
Gross spending % of revenue	3.4%	3.7%	3.3%

Under IFRS the Group is required to capitalise its development expenditure if it meets the criteria laid down by IAS 38 "Intangible Assets". In accordance with IAS 38, the Group has capitalised £1.0 million and £0.7 million (net of amortisation) of product development costs in 2005 and 2006 respectively. No development expenditure was capitalised in 2004 as the Group did not have the necessary records and assessments in place. The Directors estimate that had these been in place in 2004, the Group would have capitalised approximately £0.8 million of development expenditure in that year.

5. Principal investments

The principal investments made by the Group during the three years ended 31 December 2006 are as follows:

<i>£ Millions Audited IFRS</i>	<i>Year ended 31 December</i>		
	<i>2004</i>	<i>2005</i>	<i>2006</i>
XP Electronics Limited ⁽¹⁾	0.9	—	—
Powersolve Electronics Limited ⁽²⁾	—	3.3	—
XP Engineering Services Limited ⁽³⁾	—	0.5	—
XP Power (S) Pte. Limited ⁽⁴⁾	—	—	1.0
Mieltec XP Power Srl ⁽⁵⁾	—	—	0.1
Total purchase consideration	0.9	3.8	1.1
Satisfied by:			
Cash consideration	0.8	0.5	1.1
Shares	0.1	—	—
Deferred contingent consideration	—	3.3	—
Total	0.9	3.8	1.1

Notes:

- (1) Acquisition of the remaining 80 per cent. of the issued share capital in February 2004, having acquired a 20 per cent. stake in August 2001.
- (2) In 2005 the Group entered into an agreement with the shareholders of Powersolve, whereby the Group committed to exercise its option to acquire the remaining shares of Powersolve, having acquired an aggregate stake of approximately 40 per cent. in 1998 and 2001. The Group expects to pay £1.4 million (net of the loan of £1.0 million described below) as consideration for 30 per cent. of the total issued share capital of Powersolve in 2007, which will be met from the Group's existing resources and facilities. The Group is also due to pay consideration for the final 30 per cent. of the issued share capital of Powersolve in 2012, which is expected to be met from the Group's then existing resources and facilities. In addition to the amounts shown above, a loan of £0.5 million was made to the majority shareholder of Powersolve in 2004 and a further loan of £0.5 million in 2006, each repayable in 2007 on exercise of the Group's option in respect of the 30 per cent. stake to be acquired in 2007.
- (3) Acquisition of the remaining 80 per cent. of the issued share capital, having acquired a 20 per cent. stake in September 2000.
- (4) Acquisition of the remaining 50 per cent., having set up a 50:50 joint venture in 2003.
- (5) Acquisition of 45 per cent. of the issued share capital in 2006, having acquired a 35 per cent. stake in August 2005.

In addition, the Group invested US \$1.5 million in 2005 in a 50:50 joint venture manufacturing facility in China in association with Fortron/Source and paid deferred consideration of £3.8 million and £1.0 million in 2005 and 2006 respectively in respect of XP Power AG and Powersolve.

6. Liquidity and capital resources

The following table shows information regarding the Group's cash flow including working capital for the period under review extracted from the financial information on the Group incorporated by reference by Part X of this Prospectus.

<i>£ Millions Audited IFRS</i>	<i>Year ended 31 December</i>		
	<i>2004</i>	<i>2005</i>	<i>2006</i>
Operating profit (excluding associates)	6.6	8.2	9.3
Non-cash items	(0.1)	1.9	1.1
Net working capital absorption	(1.6)	(2.1)	(3.3)
Corporation tax paid	(0.8)	(0.7)	(1.8)
Cash generated from operating activities	4.1	7.3	5.3
<i>% of operating profit</i>	<i>62%</i>	<i>89%</i>	<i>57%</i>
Dividends from associates	0.2	0.6	—
Capitalisation of development costs	—	(1.0)	(0.9)
Net interest	(0.6)	(0.8)	(1.3)
Net capital expenditure	(0.2)	(0.8)	(1.2)
Free cash flow	3.5	5.3	1.9
<i>% of operating profit</i>	<i>53%</i>	<i>65%</i>	<i>20%</i>
Acquisitions	(0.6)	(4.0)	(1.1)
Share buy back	(3.5)	(3.5)	—
Sale of own shares	0.1	0.2	0.5
Payment of deferred consideration	(0.5)	—	(1.0)
Dividends paid	(2.6)	(2.8)	(3.2)
Cash/(overdraft) acquired with subsidiary	—	(0.2)	0.3
(Increase) in net debt	(3.6)	(5.0)	(2.6)
Net debt	10.1	15.1	17.7

The fluctuations in the non-cash items between 2004 and 2005 was principally due to foreign currency differences. Generally, the Group's business model should allow a significant proportion of the operating profit to fall through to cash generated from operations and free cash flow as indicated in the table above.

The increase in the absorption of cash for working capital in 2006 has been due to the build up of inventory as the Group has moved into manufacturing and has therefore been holding larger inventories of its own product.

The Group has returned a significant proportion of its free cash-flow back to shareholders in the form of dividends and share buy backs. The sale of own shares relates to the sale of treasury shares purchased by XP on the exercise of share options. Payment of deferred consideration relates to payments to the selling shareholders of Powersolve. To acquire the remaining approximately 60 per cent. of Powersolve that the Group does not currently own, the Group is committed to pay further consideration of approximately £1.4 million to the remaining shareholders in the first half of 2007 and a final payment of consideration in 2012. The amount of consideration payable in 2012 is not presently ascertainable and is to be determined by reference to the future financial performance of Powersolve.

The Group does not have any significant seasonality associated with its cash flow, save for the payment of dividends to shareholders, which has historically taken place in May and October each year.

7. Capital resources

The following table shows the indebtedness and capitalisation of the Group at 31 December 2006 extracted from the financial statements incorporated by reference by Part X of this Prospectus.

£ Millions Audited IFRS

As at 31 December 2006

Total current debt	7.6
Revolving credit facility	4.4
Term loan	10.0
Total non current debt	14.4
Total debt	22.0
Capitalisation	
Ordinary shares	0.2
Share premium account	27.0
Merger reserve	0.2
Own shares	(5.9)
Total capitalisation	21.5

The indebtedness is secured on the assets of the Group.

There has been no material change to the capitalisation between 31 December 2006 and the date of this Prospectus.

As at 20 February 2007, being the latest practicable date prior to the publication of this Prospectus, XP Power had 1,632,525 XP Shares held in treasury. It is anticipated that these will be cancelled prior to the Scheme becoming effective.

The following table shows the net financial indebtedness of the Group at 31 December 2006 extracted from the financial statements incorporated by reference by Part X of this Prospectus.

£ Millions Audited IFRS

As at 31 December 2006

Cash	4.2
Liquidity	
Current bank debt	7.6
Other current financial debt	—
Total current financial debt	7.6
Net current financial indebtedness	3.4
Revolving credit facility	4.4
Term loan	10.0
Non-current financial indebtedness	14.4
Net financial indebtedness	17.8

A summary of the existing financing arrangements of the Group can be found in paragraph 14 of Part X of this Prospectus.

8. Current trading and prospects

The Directors believe that actions taken in 2006, to focus on supplying market leading customers its own brand product, should enable the business lost through the termination of third party lines in 2006 to be replaced.

The Directors are confident that the XPS Group's strategy of increasing the proportion of sales of its own brand products, as opposed to lower margin third party lines, will improve gross margin in 2007.

PART VII

TAXATION

1. United Kingdom Taxation

(a) *Taxation of dividends on XPS Shares*

Holders of XPS Shares who are resident (or alternatively, in the case of individuals, ordinarily resident) for tax purposes in the United Kingdom will, in general, be subject to United Kingdom income tax or corporation tax on the gross amount of dividends paid on the XPS Shares, rather than on the amount actually received net of any Singapore withholding tax. Dividends received by such holders who are within the charge to corporation tax will be taxed at the prevailing corporation tax rate. An individual will generally be chargeable to income tax on dividends paid on the XPS Shares at the dividend ordinary rate (currently 10 per cent.) or, to the extent that the amount of the gross dividend when treated as the top slice of his or her income exceeds the threshold for higher rate tax, at the dividend upper rate (currently 32.5 per cent.).

Any Singapore tax withheld from dividends paid on the XPS Shares and not recoverable from the Singapore tax authorities will generally be available as a credit against income tax or corporation tax to which the holder of the shares is liable and which is attributable to the dividends.

XPS Shareholders are advised that if any dividend is paid on their XPS Shares they will need to notify HM Revenue & Customs that they have acquired a source of overseas income.

(b) *Disposals of XPS Shares*

(i) *Taxation of chargeable gains*

A disposal or deemed disposal of XPS Shares may, depending on the particular circumstances of the shareholder and subject to any available exemptions or reliefs, give rise to a chargeable gain or an allowable loss for the purposes of United Kingdom taxation of chargeable gains. On the basis that “rollover relief” is available, such chargeable gain or allowable loss should be calculated taking into account the allowable original cost to the holder of acquiring the XP Shares from which the XPS Shares are derived.

For the purposes of calculating a chargeable gain (but not an allowable loss) arising on any disposal or part disposal of XPS Shares, indexation allowance on the relevant proportion of the allowable cost should be taken into account. For corporate shareholders, this indexation allowance is calculated by reference to the date of disposal of the XPS Shares. For individual shareholders, the indexation allowance is applied until April 1998 (if appropriate) with taper relief (if available) applying thereafter until disposal, depending upon the number of complete years for which the XP Shares and then the XPS Shares have been held.

An XPS Shareholder who is neither resident nor, in the case of an individual, ordinarily resident for tax purposes in the United Kingdom will not be liable to United Kingdom taxation of chargeable gains realised on the disposal of XPS Shares unless such shareholder carries on:

- (1) (in the case of a corporate shareholder) a trade in the United Kingdom through a permanent establishment and has used, held or acquired the XPS Shares in or for the purposes of the trade or has used, held or acquired the XPS Shares for the purposes of such permanent establishment; or
- (2) (in the case of a non-corporate shareholder) a trade, profession or vocation in the United Kingdom through a branch or agency and has used, held or acquired the XPS Shares for the purposes of such trade, profession or vocation or such branch or agency; or
- (3) (in the case of a non-corporate shareholder) has previously been resident in the UK and will re-commence UK residency within five complete tax years of the previous cessation of UK residency.

(ii) *Stamp Duty and SDRT*

No SDRT should be payable in respect of any transfer of, or agreement to transfer, XPS Shares or XPS DIs.

No stamp duty should be payable in respect of the paperless transfer of XPS DIs within CREST, or in respect of any other paperless transfer of, or of an interest in, XPS Shares in dematerialised form. With respect to a transfer of XPS Shares in certificated form, provided that any instrument of transfer is executed outside the United Kingdom and does not relate to any property situated, or to any matter or thing done or to be done, in the United Kingdom, no stamp duty will be payable in respect of such instrument of transfer.

2. Singapore Taxation

(a) ***Income Taxation***

(i) *Personal income tax*

Singapore tax-resident individual taxpayers are subject to Singapore income tax on income accrued in or derived from Singapore, subject to certain exceptions. All foreign-sourced income received or deemed received in Singapore by a Singapore tax-resident individual (except where such income is received through a partnership in Singapore) will be exempt from income tax in Singapore.

Singapore tax-resident individuals are subject to tax based on progressive rates, currently ranging from 0 per cent. to 20 per cent. (from Year of Assessment 2007). Non-Singapore tax-resident individuals are only subject to Singapore income tax on income accrued in or derived from Singapore. Such income is generally subject to tax at a rate equivalent to the prevailing corporate tax rate, subject to certain exceptions.

An individual is regarded as a tax resident in Singapore if he ordinarily resides in Singapore (except for temporary absences from Singapore) or if he is physically present or has entered into an employment (other than as a director of a company) in Singapore for 183 days or more during the calendar year preceding the year of assessment.

(ii) *Corporate income tax*

A Singapore tax resident corporate taxpayer is subject to Singapore income tax on income accrued in or derived from Singapore and on certain foreign-sourced income received or deemed received in Singapore. Foreign-sourced income in the form of dividends, branch profits and service income received or deemed received in Singapore on or after 1 June 2003 by a Singapore tax resident taxpayer is tax-exempt if certain prescribed conditions are met.

A non-Singapore tax resident corporate taxpayer is subject to Singapore income tax on income accruing in or derived from Singapore and subject to certain exceptions, on foreign-sourced income received or deemed received in Singapore.

A company is regarded as a tax resident in Singapore if the control and management of its business is exercised in Singapore. The corporate tax rate in Singapore is 20 per cent. from the Year of Assessment 2005 (i.e. for financial year ended in 2004). There is a partial tax exemption on up to S\$100,000 of chargeable income. The partial tax exemption does not apply to normal Singapore franked dividends received by companies.

(b) ***Dividend Distributions by XP Power Singapore***

(i) *One-tier tax exempt dividends*

Singapore currently adopts the one-tier corporate tax system. The tax collected from corporate profits is final and any Singapore dividends paid by a Singapore tax resident company under the one-tier corporate tax system (one-tier dividends) are tax exempt in the hands of both the corporate and individual shareholders regardless of whether the shareholder is a Singapore tax resident. Such dividends are unfranked with no tax credit attached.

However, foreign shareholders are advised to consult their own tax advisors to take into account the tax laws of their respective countries of residence and the existence of any double taxation agreement which their country of residence may have with Singapore.

(ii) *Withholding taxes*

No Singapore withholding tax is imposed on dividend payments made to non-resident shareholders.

(c) ***Gains on disposal of shares in XP Power Singapore***

Singapore currently does not impose tax on capital gains. However, gains or profits may be considered to be of an income nature and subject to tax, especially if they arise from activities which the Inland Revenue Authority of Singapore regards as carrying on of a trade or business in Singapore.

Thus, any gains or profits from the disposal of shares in XP Power Singapore should not be taxable in Singapore unless the seller is regarded as carrying on a trade or business in dealing or trading in shares in Singapore, in which case, the disposal gains or profits would be taxable as trading profits.

(d) ***Singapore Stamp Duty***

No stamp duty is payable on the subscription and issuance of shares in XP Power Singapore. Stamp duty is payable in Singapore on an instrument of transfer of shares in XP Power Singapore at the rate of S\$0.20 for every S\$100 or any part thereof of the consideration for or market value of, the shares in XP Power Singapore, whichever is higher. The purchaser is liable for stamp duty, unless there is an agreement to the contrary.

Stamp duty is not payable if there is no instrument of transfer executed or if the instrument of transfer is executed outside Singapore. However, stamp duty would be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore.

(e) ***Singapore Estate Duties***

Singapore estate duty is imposed on the value of immovable property situated in Singapore owned by an individual who was at the time of death not domiciled in Singapore, subject to specific exemption limits. Movable assets of an individual who at the time of death was not domiciled in Singapore are exempt from estate duty irrespective of where such movable properties are located.

Singapore estate duty is imposed on the value of immovable property situated in Singapore and on movable property, wherever it may be situated, owned by an individual who was at the time of death domiciled in Singapore, subject to specific exemption limits.

Shares in XP Power Singapore are considered to be movable property situated in Singapore as XP Power Singapore is a company incorporated in Singapore. Thus, the shares in XP Power Singapore may potentially be subject to Singapore estate duty if held by an individual who is domiciled in Singapore upon the individual's death. Singapore estate duty is payable to the extent that the value of shares in XP Power Singapore aggregated with other assets subject to Singapore estate duty exceeds S\$600,000. Unless other exemption limits apply to other assets, for example, the separate exemption limit for residential properties, any excess beyond S\$600,000 will be taxed at 5 per cent. on the first S\$12,000,000 of the individual's Singapore dutiable assets and thereafter at 10 per cent.

Individuals, whether or not domiciled in Singapore, should consult their own tax advisers regarding Singapore estate duty consequences of owning shares in XP Power Singapore in the light of their total assets and possessions and personal circumstances.

(f) ***Goods and Services Tax ("GST")***

The sale of shares in XP Power Singapore by a GST-registered investor belonging in Singapore through a broker to another person belonging in Singapore is an exempt supply not subject to GST. Any GST directly or indirectly incurred by the investor in respect of this exempt supply would not be recoverable from the Singapore Comptroller of GST.

Where shares in XP Power Singapore are sold by a GST-registered investor in the course of or furtherance of a business carried on by him to a person belonging outside Singapore and that person is outside Singapore when the sale is executed, the sale of the shares should generally,

subject to satisfaction of certain conditions, be considered a taxable supply subject to GST at 0 per cent. Any GST incurred by a GST-registered investor in the making of this supply in the course of or furtherance of a business carried on by him may be recovered from the Singapore Comptroller of GST.

Charges on brokerage, handling and clearing services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor purchase, sale or holding of the shares will be subject to GST at the current rate of 5 per cent. Similar services rendered to an investor belonging outside Singapore would generally be subject to GST at 0 per cent.

3. United States Taxation

The following summary is based upon the US Internal Revenue Code of 1986, as amended, applicable Treasury regulations promulgated and proposed under the Internal Revenue Code, judicial authority and current administrative rulings and practices. All of these are subject to change, possibly with retroactive effect, or different interpretations. XP Power has not sought any ruling from the US Internal Revenue Service (IRS) with respect to any matter described in the following summary, and cannot provide any assurance that the IRS or a court will agree with the statements in this summary. The summary does not address the tax consequences to shareholders under state, local or other tax laws besides US federal income tax laws. **XP Shareholders who are in any doubt as to their United States tax position should consult their own tax advisers with respect to their particular circumstances without delay.**

Hereafter, the words or phrases “reasonable basis,” “may not,” “should,” “would,” or “will” are used consistently with their normal usage, and are not intended to express any level of assurance as they would in a tax opinion.

(a) *US taxation on dividends distributed by XPS*

Dividends made by XPS to its US shareholders may not qualify for the reduced long-term capital gain rate of 15 per cent. available to certain dividends paid by companies incorporated in a jurisdiction which has a tax treaty with the US and entitled to such treaty benefits, as there is no income tax treaty between the US and Singapore. You should consult your tax advisors as to the qualification for the reduced income rate with respect to the dividends received on your XPS Scheme Shares.

(b) *Gains on disposal of shares in XP Power Singapore*

For most investors not holding the shares as inventory, the character of any such gain or loss from the disposal of XPS Shares will be treated as capital. The tax rates that apply to a net capital gain for individual shareholders are generally lower than the tax rates that apply to other income, and vary depending on the holding period. For any shareholder who ever held 10 per cent. or more of XP Power plc or XPS Shares either directly or after application of ownership attribution rules, a portion of the gain may be treated as ordinary. You should consult your tax advisor about the character and the tax rates of any such gain or loss.

PART VIII

LISTING, DEALINGS AND SETTLEMENT

1. Listing, dealings and settlement

1.1 *Delisting of XP Shares*

The last day for dealings in XP Shares is expected to be 23 April 2007, following which XP Shares will be suspended from the Official List and from the London Stock Exchange's market for listed securities. No transfers of XP Shares will be registered after that date.

A conditional request has been made to the UK Listing Authority to cancel the listing of the XP Shares on the Official List and to the London Stock Exchange to cancel the admission to trading of the XP Shares on the London Stock Exchange's market for listed securities. It is intended that the XP Shares will be delisted with effect from 8.00 a.m. on 25 April 2007. XP Power will announce the cancellation of the listing of XP Shares becoming effective via a Regulatory Information Service.

These dates may be deferred if it is necessary to adjourn any meetings required to approve the arrangements described in this Prospectus or if there is any delay in obtaining the Court's sanction of the Scheme. In the event of a delay, the application for the XP Shares to be delisted will be deferred, so that the listing will not be cancelled until the Scheme takes effect.

1.2 *Listing of XPS Scheme Shares*

Applications have been made to the UK Listing Authority for admission of the XPS Scheme Shares to the Official List and to the London Stock Exchange for admission of the XPS Scheme Shares to trading on its market for listed securities. Subject to the Scheme becoming effective, it is expected that Admission of the XPS Scheme Shares will become effective and that dealings in the XPS Scheme Shares will commence by no later than 8.00 a.m. on 25 April 2007. The SEDOL security code of the XPS Shares is expected to be B1RMWL0. The ISIN code for the XPS Shares will be announced via a Regulatory Information Service once allocated.

Trading in the XPS Scheme Shares on the London Stock Exchange's market for listed securities will be in Sterling.

1.3 *Issue of DIs representing entitlements to XPS Shares*

CREST is a paperless settlement system allowing securities to be transferred from one person's CREST account to another without the need to use share certificates or written instruments of transfer. Securities of non-UK incorporated companies, such as XPS, cannot be held or settled in CREST.

XP Power Singapore has therefore entered into depositary arrangements to enable investors to hold and settle XPS Shares in CREST in the form of dematerialised Depositary Interests or DIs. DIs represent entitlements to underlying non-UK shares. Accordingly, XPS DIs will represent entitlements to XPS Shares. Each XPS DI will represent an entitlement to one XPS Share.

Under the Depositary Interest arrangements, the XPS Scheme Shares to which holders of XP Scheme Shares in uncertificated form at the Scheme Record Time are entitled under the Scheme, will be deposited in an account of the Depositary (or its nominated custodian), as trustee for the persons respectively entitled to such XPS Scheme Shares (or in the account of the Depositary's nominated custodian as trustee for the Depositary, who, in turn, will hold its interest as trustee for the persons respectively entitled to such XPS Scheme Shares). The Depositary will issue and deliver the XPS DIs representing those shares to the relevant holders of XP Scheme Shares. The XPS DIs will be independent securities constituted under English law which may be held and settled in CREST. Prospective holders of XPS DIs should note that they will have no rights in respect of the underlying XPS Shares or the XPS DIs representing them against CRESTCo or its subsidiaries.

Upon receipt of XPS DIs, XP Shareholders will not be the registered holders of the XPS Shares to which they are entitled as a result of the implementation of the Scheme. The registered holder of such shares will be the Depositary (or its nominated custodian who will hold them on behalf of the Depositary). However, ownership of XPS DIs will represent the relevant XP Shareholder's entitlement to such XPS Shares.

The XPS DIs will be created and issued pursuant to the terms of the Deed Poll, which will govern the relationship between the Depositary and the holders of the XPS DIs. Each XPS DI will be treated as one XPS Share for the purposes of determining, for example, eligibility for any dividends. Pursuant to the Deed Poll, the Depositary will pass on to holders of XPS DIs any stock or cash benefits received by it as holder of XPS Shares on trust for such XPS DI holder.

Holders of XPS DIs, through the Depositary, will also be entitled to receive notices of meetings of holders of XPS Shares and other notices issued by XPS to its shareholders. Further information on the Deed Poll is set out in paragraph 2 of this Part VIII.

The holders of XPS DIs will have an entitlement, through the Depositary, to the underlying XPS Shares acquired under the Scheme but will not be the registered holders of those shares. Accordingly, the holders of XPS DIs will be able to enforce and exercise the rights relating to the XPS Shares described in paragraph 5.1 of Part X of this Prospectus only in accordance with the arrangements described below and not directly against XPS.

Under the terms of the Deed Poll, the holders of the XPS DIs will be able to exercise rights relating to the XPS Shares represented thereby, and in particular:

- will receive notices, in English, of all general shareholders meetings of XP Power Singapore;
- will be able to give directions as to voting at all general shareholders meetings of XP Power Singapore; and
- will be sent copies of the annual report and accounts of XP Power Singapore and all of the documents issued by XP Power Singapore to XPS Shareholders.

In addition, under the XPS Articles, holders of XPS DIs are entitled to be present and to speak at a shareholders' meeting of XP Power Singapore. However, it should be noted that holders of XPS DIs present at a shareholders' meeting of XPS are not entitled to vote or exercise other shareholder rights in person at such meeting. Holders of XPS DIs will, however, be entitled to give directions for voting their underlying XPS Shares pursuant to the arrangements which XPS has put in place as referred to above.

Holders of the XPS DIs wishing to use the voting rights attached to the XPS Shares represented by their XPS DIs personally by attending a shareholders' meeting of XPS, would first have to effect the cancellation of their XPS DIs for their underlying XPS Shares so that such shares are held in certificated form in time for the record date of the relevant shareholders' meeting. On so doing, they would, subject to and in accordance with the XPS Articles, be able to attend and vote in person at the relevant shareholders' meeting (as set out in paragraph 5.1(f) of Part X of this Prospectus). Such cancellation can be effected by a CREST withdrawal instruction. Holders of XPS DIs should contact their broker for further information on how to make such an instruction.

The terms of the Depositary Agreement under which XPS has appointed the Depositary to provide the XPS DI arrangements are summarised in paragraph 3 of this Part VIII.

The XPS DIs will have the same security code (ISIN) as the underlying XPS Shares and will not require a separate listing on the Official List. The XPS Shares themselves will not be admitted to CREST but dematerialised XPS DIs issued by the Depositary in respect of the underlying XPS Shares will be able to be held and transferred through the CREST system. Application will be made by the Depositary for the XPS DIs in respect of the underlying XPS Scheme Shares to be admitted to CREST with effect from Admission of the XPS Scheme Shares. Holders of

XPS Shares in certificated form who wish to hold XPS DIs through CREST may be able to do so and should contact XPS's registrars. XPS DIs will be capable of being credited to the same member account as all other CREST investments of any particular investor. This means that, from a practical point of view, XPS Shares held through XPS DIs will be held and transferred in the same way as other companies' shares participating in CREST.

Following the issue of the XPS DIs, holders of the XPS DIs will, at their option, be able to effect the cancellation of their XPS DIs in CREST in order to hold their underlying XPS Shares directly in certificated form (upon sending an instruction to CREST to that effect).

Following Admission of the XPS Shares, holders of XPS Shares in certificated form who wish to hold XPS DIs through the CREST system may be able to do so and should contact their broker.

Normal CREST procedures (including timings) apply in relation to any XP Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form prior to the Scheme Record Time (whether such conversion arises as a result of a transfer of XP Shares or otherwise). Holders of XP Shares who are proposing to convert any such XP Shares are recommended to ensure that such conversions have completed prior to the Scheme Record Time.

Notwithstanding any other provision of this Prospectus, XP Power Singapore reserves the right to allot and/or issue any XPS Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST), or on the part of the facilities and/or systems operated by the Depositary or XP Power Singapore's registrars in connection with CREST.

1.4 *Settlement of the XPS Scheme Shares*

Subject to the Scheme being implemented XPS Scheme Shares will:

- (a) to the extent the entitlement arises as a result of a holding of XP Scheme Shares in certificated form at the Scheme Record Time, be issued in certificated form in the name of the relevant XP Shareholder with the relevant share certificates expected to be despatched by post, at the XP Shareholder's risk, ten business days following the Effective Date, which is expected to be 9 May 2007; and
- (b) to the extent the entitlement arises as a result of a holding of XP Scheme Shares in uncertificated form at the Scheme Record Time, in certificated form in the name of the Depositary or its nominated custodian, as trustee for the persons entitled to such XPS Scheme Shares (or in the name of the Depositary's nominated custodian as trustee for the Depositary who will hold such shares as trustee for the Depositary who, in turn, will hold its interest as trustee for the persons respectively entitled to such XPS Scheme Shares). The Depositary will issue XPS DIs, representing those XPS Scheme Shares, to the relevant XP Shareholder with delivery (to the stock account in CREST in which each such XP Shareholder held such XP Scheme Shares) of those XPS DIs expected to take place on 25 April 2007.

No temporary documents of title will be issued.

Following distribution of the XPS DIs, holders of the XPS DIs will be entitled to arrange for the transfer, at their own expense, of their XPS DIs to other CREST holders, or to arrange for the cancellation of the XPS DIs and the issue of a certificate representing their entitlement to the XPS Shares underlying the XPS DIs.

All documents sent by or to holders of XP Shares, XPS Shares or XPS DIs will be sent at their own risk and will be sent by post to the holder's address as set out on the relevant shareholder register or register of holders of XP Shares at the Scheme Record Time and, in the case of joint holders, to the holder whose name appears first in such register in respect of the joint holdings concerned and none of XP Power Singapore, XP, their respective registrars or the Depositary shall be responsible for any loss or delay in the transmission of any documents or remittances sent in accordance with this sub-paragraph which shall be sent at the risk of the persons entitled thereto.

Notwithstanding any other provision of this Prospectus, XPS reserves the right to allot and/or issue any XPS Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST), or on the part of the facilities and/or systems operated by the Depositary or Capita IRG in connection with CREST.

2. XPS DIs - Terms of Deed Poll

The full text of the Deed Poll is set out in Part XI of this Prospectus. In summary the Deed Poll contains, *inter alia*, provisions to the following effect:

- (a) The Depositary will hold (itself or through its nominated custodian), as bare trustee, the underlying securities issued by XP Power Singapore and all and any rights and other securities, property and cash attributable to the underlying securities pertaining to the XPS DIs for the benefit of the holders of the relevant XPS DIs.
- (b) Holders of XPS DIs warrant, *inter alia*, that the securities in XP Power Singapore transferred or issued to the custodian on behalf of the Depositary are free and clear of all liens, charges, encumbrances or third party interests and that such transfers or issues are not in contravention of XP Power Singapore's constitutional documents or any contractual obligation, law or regulation.
- (c) The Depositary and any custodian must pass on to XPS DI holders and, so far as they are reasonably able, exercise on behalf of XPS DI holders all rights and entitlements received or to which they are entitled in respect of the underlying securities which are capable of being passed on or exercised. Rights and entitlements to cash distributions, to information, to make choices and elections and to call for, attend and vote at meetings shall, subject to the Deed Poll, be passed on in the form in which they are received together with amendments and additional documentation necessary to effect such passing-on, or, as the case may be, exercised in accordance with the Deed Poll.
- (d) The Depositary will be entitled to cancel XPS DIs and withdraw the underlying securities in certain circumstances including where a XPS DI holder has failed to perform any obligation under the Deed Poll or any other agreement or instrument with respect to the XPS DIs or where an XPS DI holder is subject to sanctions under Article 40, 174 and/or 189.
- (e) The Deed Poll contains provisions excluding and limiting the Depositary's liability. For example, the Depositary shall not be liable to any XPS DI holder or any other person for liabilities in connection with the performance or non-performance of obligations under the Deed Poll or otherwise except as may result from its negligence or wilful default or fraud or that of any person for whom it is vicariously liable, provided that the Depositary shall not be liable for the negligence, wilful default or fraud of any custodian or agent which is not a member of its group unless it has failed to exercise reasonable care in the appointment and continued use and supervision of such custodian or agent. Furthermore, the Depositary's liability to a holder of XPS DIs will be limited to the lesser of:
 - (i) the value of the shares and other deposited property properly attributable to the XPS DIs to which the liability relates; and
 - (ii) that proportion of £10 million which corresponds to the portion which the amount the Depositary would otherwise be liable to pay to the XPS DI holder bears to the aggregate of the amounts the Depositary would otherwise be liable to pay to all such holders in respect of the same act, omission or event or, if there are no such amounts, £5 million.
- (f) The Depositary is entitled to charge holders fees and expenses for the provision of its services under the Deed Poll.
- (g) Each holder of XPS DIs is liable to indemnify the Depositary and any custodian (and their agents, officers and employees) against all liabilities arising from or incurred in connection with, or arising from any act related to, the Deed Poll so far as they relate to the property held for the account of XPS DIs held by that holder, other than those resulting from the wilful default, negligence or fraud of the Depositary, or the custodian or any agent if such custodian or agent is

a member of the Depositary's group or if, not being a member of the same group, the Depositary shall have failed to exercise reasonable care in the appointment and continued use and supervision of such custodian or agent.

- (h) The Depositary may terminate the Deed Poll by giving not less than 30 days' notice. During such notice period holders may cancel their XPS DIs and withdraw their deposited property and, if any XPS DIs remain outstanding after termination, the Depositary must, among other things, deliver the deposited property in respect of the XPS DIs to the relevant XPS DI holders or, at its discretion sell all or part of such deposited property. It shall, as soon as reasonably practicable, deliver the net proceeds of any such sale, after deducting any sums due to the Depositary, together with any other cash held by it under the Deed Poll *pro rata* to holders of XPS DIs in respect of their XPS DIs.
- (i) The Depositary or the custodian may require from any holder information as to the capacity in which XPS DIs are owned or held and the identity of any other person with any interest of any kind in such XPS DIs or the underlying securities in XP Power Singapore and holders are bound to provide such information requested. Furthermore, to the extent that, *inter alia*, XP Power Singapore's constitutional documents require disclosure to XP Power Singapore of, or limitations in relation to, beneficial or other ownership of, or interests of any kind whatsoever, in XP Power Singapore's securities, the holders of XPS DIs are to comply with such provisions and with XP Power Singapore's instructions with respect thereto.

It should also be noted that holders of XPS DIs may not have the opportunity to exercise all of the rights and entitlements available to holders of XPS Shares including, for example, the ability to vote on a show of hands. In relation to voting, it will be important for holders of XPS DIs to give prompt instructions to the Depositary or its nominated custodian, in accordance with any voting arrangements made available to them, to vote the underlying shares on their behalf or, to the extent possible, to take advantage of any arrangements enabling holders of XPS DIs to vote such shares as a proxy of the Depositary or its nominated custodian.

The Depositary Agreement under which XP Power Singapore has appointed the Depositary to provide the XPS DI arrangements is summarised in paragraph 3 of this Part VIII of this Prospectus.

3. XPS DIs - Terms of Depositary Agreement

Under the Depositary Agreement dated 20 February 2007 XP Power Singapore has appointed Capita IRG Trustees Limited (the "Depositary") to provide certain services in connection with the XPS DIs. Under the Depositary Agreement:

- (a) The Depositary agrees that it will comply, and will procure certain other persons comply, with the terms of the Deed Poll and that it and they will perform their obligations in good faith and with all reasonable skill, diligence and care and shall exercise all rights in good faith. The Depositary assumes certain specific obligations including, for example, to arrange for the XPS DIs to be admitted to CREST as participating securities and to maintain records of all Depositary Interests cancelled or surrendered and Deposited Property withdrawn under the Deed Poll. The Depositary shall further provide copies of and access to, the register of XPS DIs at such times and in such form (including electronic form) as XP Power Singapore may require from time to time.
- (b) The Depositary shall make any request for any information, evidence or declaration as XPS may require the Depositary to make in accordance with the Deed Poll and shall promptly provide to XPS all information, evidence and declarations it receives as a result of making such requests. The Depositary shall perform all of its duties, obligations and responsibilities under the Deed Poll in accordance with all applicable laws and regulations.
- (c) The Depositary warrants that it is an authorised person under FSMA and that every person appointed to or who performs any duties under the Deed will be duly authorised to carry out custodial and other activities under the Deed Poll. It also undertakes to maintain that status and authorisation. The Depositary further warrants to XPS that it shall use its reasonable endeavours to procure that every other person appointed by the Depositary pursuant to the Deed Poll shall at all times and in all respects comply in full with and maintain in place all necessary registrations, notifications and procedures to comply with the Data Protection Act 1998.

- (d) XP Power Singapore agrees to provide such assistance, information and documentation to the Depositary as is reasonably required by the Depositary for the purposes of performing its duties, responsibilities and obligations under the Depositary Agreement.
- (e) The Depositary is to indemnify XP Power Singapore and its officers and employees on an after tax basis from and against any loss, liability, cost and expense reasonably incurred (including reasonable legal fees) which any of them may incur in any way as a result of or in connection with any breach of the terms of the Deed Poll or the fraud, negligence or wilful default of the Depositary (or its officers, employees, agents or sub-contractors). The aggregate liability of the Depositary arising out of or in connection with the Depositary Agreement shall be limited to the lesser of (i) £1 million and (ii) an amount equal to ten times the annual fee paid to the Depositary under the Depositary Agreement.
- (f) Subject to earlier termination, the appointment of the Depositary shall remain in force if and for so long as the Deed Poll shall remain in force. XP Power Singapore may terminate the appointment of the Depositary if the Depositary commits an irremediable material breach of the Depositary Agreement or the Deed Poll, or commits a material breach of the Depositary Agreement or the Deed Poll and shall not have remedied such breach (if capable of being remedied) within 30 days of being requested to do so by written notice given by XPS. Equivalent provisions apply in the case of a breach by the Company of the terms of the Depositary Agreement. XP Power Singapore may terminate the Depositary Agreement by giving not less than 45 days' notice in writing to that effect to the Depositary. The Depositary shall be entitled to terminate the Agreement by giving not less than 60 days' notice in writing to XPS.
- (g) the Depositary shall not, without the prior consent of XP Power Singapore (which consent is not to be unreasonably withheld or delayed), assign, transfer or declare a trust of the benefit of the performance of all or any of its obligations under the Depositary Agreement, nor any benefit arising under or out of the Depositary Agreement.
- (h) XP Power Singapore warrants to the Depositary, *inter alia*, that the Depositary does not require any permission, authorisation or licence from any authority in any country (other than the United Kingdom) in which XPS carries on business in order to hold shares in the Company; that there are no special arrangements, exclusions, restrictions, national declarations or similar matters which apply in connection with the Shares other than those set out in articles 40, 174 and 189 of the XPS Articles which would restrict the transfer of XPS Shares; none of XP Power Singapore's share capital is listed, floated or admitted to any exchange in Singapore or any other jurisdiction other than the United Kingdom; and that XP Power Singapore is not engaged in the holding of residential property in Singapore, nor is it engaged in banking business, nor is it a charity, exempt private company or "government-linked" corporation. Such warranties are expressed to be conditions, breach of which would give rise to a right of termination.
- (i) XPS shall pay the Depositary such fees that may be agreed from time to time in respect of any actions that XPS requests the Depositary to take and the Depositary agrees to take. The Depositary shall be entitled to recover any reasonable out of pocket expenses which it incurs during the proper performance of its duties, obligations and responsibilities under the Deed Poll and the Agreement (including, without limitation, CREST message and network charges).
- (j) XPS shall pay to the Depositary interest of four per cent. above the base interest rate from time to time of Barclays Bank Plc on all amounts due and payable under the Depositary Agreement and not paid within 30 days of the date of the relevant invoice from its date until the date of full payment.
- (k) XP Power Singapore will indemnify the Depositary on an after tax basis against each loss, liability, cost and expense reasonably incurred (including reasonable legal fees) suffered by the Depositary as a result of or in connection with the performance of its obligations under the Depositary Agreement. The indemnity is not subject to a cap on liability.
- (l) If XPS proposes any corporate action it agrees to give the Depositary as much notice as possible, subject to consideration of insider dealing, market abuse and any other applicable law or regulation, and will not undertake any material change to its jurisdiction, group structure or

regulatory status without the approval of the Depositary if doing so will impose any new legal or regulatory obligations on the Depositary or require it to perform its obligations or services under the Deed Poll or the Agreement in a different way.

PART IX

HISTORICAL FINANCIAL INFORMATION RELATING TO XP POWER SINGAPORE

A. Accountant's Report on XP Power Singapore



Deloitte & Touche LLP
Blenheim House
Newport Road
Cardiff CF24 0TS

www.deloitte.co.uk

The Board of Directors
on behalf of XP Power Limited
401 Commonwealth Drive #02-02
Haw Par Technocentre
Singapore 149598

Investec Bank (UK) Limited
2 Gresham Street
London
EC2V 7QD

21 February 2007

Dear Sirs

XP Power Limited (the "Company")

We report on the financial information set out in Part IX of the prospectus dated 21 February 2007 of XP Power Limited (the "Prospectus"). This financial information has been prepared for inclusion in the Prospectus on the basis of the accounting policies set out in note 1 to the financial information. This report is required by Annex I item 20.1 of Commission Regulation (EC) No 809/2004 (the "Prospectus Directive Regulation") and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 1 to the financial information and in accordance with IFRS.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Prospectus, and to report our opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with Annex I item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of

significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Company as at the date stated in accordance with IFRS as described in note 1 to the financial information.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

Deloitte & Touche LLP
Chartered Accountants

Deloitte & Touche LLP is the United Kingdom member firm of Deloitte Touche Tohmatsu (“DTT”), a Swiss Verein whose member firms are separate and independent legal entities. Neither DTT nor any of its member firms has any liability for each other’s acts or omissions. Services are provided by member firms or their subsidiaries and not by DTT.

B. Historical Financial Information relating to XP Power Singapore prepared by the Directors

Income Statement for the period 12 February 2007 to 15 February 2007

During the period from incorporation on 12 February 2007 to 15 February 2007, the Company has not traded and has received no income and incurred no expenditure. Consequently, during the current period the Company has made neither a profit nor a loss and hence no income statement has been prepared.

Balance Sheet

	<i>At 15 February 2007 £</i>
Assets	
Debtors, unpaid share capital	—
Equity and liabilities	
Capital	
Issued capital, description (Note 2)	—
Total equity	—

Cash Flow Statement

For the period from incorporation on 12 February 2007 to 15 February 2007, the Company did not receive or expend any cash and hence no cashflow statement has been prepared.

Notes to the Financial Information

1. Accounting convention

The non-statutory financial statement has been prepared under the historical cost convention in accordance with IFRS.

2. History

The Company was incorporated on 12 February 2007 as XP Power Limited.

The Company has not yet completed its first accounting period. No statutory financial statements have been prepared or audited since incorporation.

At the date of incorporation, the issued share capital of the Company comprised one ordinary share of GBP 0.01 nil paid. Singapore law does not have the concept of authorised share capital.

3. Post balance sheet events.

There have been no events after the balance sheet date requiring adjustment or disclosure. It is proposed that the Company will become the new holding company for XP Power plc and its subsidiaries by means of a scheme of arrangement under section 425 of the Companies Act 1985.

PART X

ADDITIONAL INFORMATION

1. Responsibility

XP Power Singapore, the Current Directors and the Proposed Directors accept responsibility for the information contained in this Prospectus. To the best of the knowledge of XP Power Singapore, the Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

- 2.1 XP Power Singapore was incorporated in Singapore on 12 February 2006 under the SCA as a public company limited by shares with registered number 200702520N. The Company is a public company limited by shares and accordingly the liability of its members is limited. The Company and its activities and operations are principally regulated by the SCA and the regulations made thereunder.
- 2.2 XP Power Singapore's registered office is 138 Robinson Road #17-00, The Corporate Office, Singapore 068906 and its principal place of business is 401 Commonwealth Drive #02-02, Haw Par Technocentre, Singapore 149598. The Company's telephone number at its principal place of business is at +65 6846 9368. On the Scheme becoming effective XP Power Singapore will become the holding company of a group of companies specialising in the provision of power supply solutions to the electronics industry.

3. Share Capital

- 3.1 The following alterations in the share capital history of the Company have taken place and are proposed to be effected since the date of incorporation of the Company:

- (a) on incorporation, the issued share capital of XP Power Singapore was one ordinary share of £0.01, which was subscribed by the subscriber to the XPS Articles, nil paid, and transferred to Duncan Penny, nil paid. The ordinary share was subsequently paid up by Duncan Penny.
- (b) Accordingly, as at 20 February 2007 (being the latest practicable date before the publication of this Prospectus), the issued share capital of XPS is as follows:

	<i>Issued</i>	
	<i>Number</i>	<i>Amount</i>
Ordinary shares	1	£0.01

- (c) Under the Scheme, XP Power Singapore will issue on the Scheme Effective Date (which is expected to be 24 April 2007) XPS Scheme Shares, credited as fully paid up, to XP Shareholders on the basis of one XPS Scheme Share for every one XP Share held at the Scheme Record Time save for Duncan Penny who will be issued with one less XPS Scheme Share than the aggregate number of XP Shares held by him at the Scheme Record Time.
- (d) Accordingly, the proposed, issued and fully paid share capital of XP Power Singapore as it will be immediately following the implementation of the Scheme (assuming no exercise of outstanding rights under the XP Share Schemes, or other issue or offer of share capital by XP or by XP Power Singapore or sale of treasury shares by XP) is as follows:

	<i>Issued</i>	
	<i>Number</i>	<i>Amount</i>
Ordinary shares	19,072,096	£190,720.96

3.2 Pursuant to resolutions of XP Power Singapore passed on 12 February 2007:

- (a) the Directors were generally and unconditionally authorised to issue and allot any Equity Securities (within the meaning of Article 5.7 of the Articles) in the Company up to an aggregate nominal amount equal to the aggregate nominal issued share capital of XP on the effective date of the Scheme pursuant to the Scheme provided that this authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on 11 February 2012 on which date this authority shall expire, save that the Company may, before such expiry, make an offer or agreement which would or might require Equity Securities to be allotted after such expiry and the Directors may allot Equity Securities in pursuance of that offer or agreement as if the authority conferred hereby had not expired;
- (b) subject to the allotment of Equity Securities as referred to in and pursuant to the resolution at paragraph (a) above (the “Scheme Allotments”) and in addition to the authority granted pursuant to the resolution at paragraph (a) above, the Directors were generally and unconditionally authorised to allot, or to grant any right to subscribe for or to convert any security into, any Equity Securities in the Company up to an aggregate nominal amount equal to one-third of the aggregate nominal issued share capital of the Company immediately following the Scheme Allotments provided that this authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) on 11 February 2012 on which date this authority shall expire, save that the Company may, before such expiry, make an offer or agreement which would or might require Equity Securities to be allotted after such expiry and the Directors may allot Equity Securities in pursuance of that offer or agreement as if the authority conferred hereby had not expired;
- (c) subject to the Scheme Allotments and in addition to the authority granted pursuant to the resolution at paragraph (a) above, the Directors were generally empowered, pursuant to Article 5A of the Articles, to allot Equity Securities for cash, pursuant to the authority conferred by the resolution at paragraph (b) above, as if Articles 5.1 to 5.8 of the Articles did not apply to such allotment and provided that this power shall be limited to:
 - (i) the allotment of Equity Securities in connection with an issue or offering by way of rights in favour of holders of Equity Securities and any other persons entitled to participate in such issue or offering, where the Equity Securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of Equity Securities held or deemed to be held by them on the record date of such allotment, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with Equity Securities representing fractional entitlements or legal or practical problems arising in any overseas territory or the requirements of any regulatory body or stock exchange in any territory; and
 - (ii) the allotment, otherwise than pursuant to sub-paragraph (i) above, of equity securities for cash up to an aggregate nominal value equal to five per cent. of the aggregate nominal issued share capital of the Company immediately following the Scheme Allotments;

and this power, unless renewed, shall expire at the conclusion of the next following Annual General Meeting of the Company provided that the Company may at any time prior to the expiry of the power conferred by this resolution make an offer or agreement which would or might require Equity Securities to be allotted after such expiry and the Directors may allot Equity Securities in pursuance of that offer or agreement as if the power conferred hereby had not expired.

- (d) subject to the Scheme Allotments and in addition to the authority granted pursuant to the resolution at paragraph (a), the Company was generally and unconditionally authorised for the purposes of Article 14 of the Articles and Section 76B of the SCA, to make one or more

market purchases of XPS Shares on such terms and in such manner as the Directors may from time to time determine provided that:

- (i) the maximum number of XPS Shares hereby authorised to be purchased is equal to ten per cent. of the aggregate nominal issued share capital of the Company immediately following the Scheme Allotments;
 - (ii) the minimum price which may be paid for an XPS Share is 1p;
 - (iii) the maximum price (excluding expenses) which may be paid for an XPS Share is an amount equal to 105 per cent. of the average of the middle market closing price for an XPS Share as derived from the London Stock Exchange Official List for the five business days immediately preceding the day on which the XPS Share is contracted to be purchased; and
 - (iv) unless previously revoked or varied, this authority shall expire at the conclusion of the next following Annual General Meeting of the Company or on 11 August 2008, whichever is the earlier (except in relation to the purchase of XPS Shares the contract for which was concluded before the expiry of such authority and which might be executed wholly or partly after such expiry).
- 3.3 The provisions of Article 5 of the Articles (to the extent not disapplied pursuant to Article 5A) confer on shareholders rights of pre-emption in respect of the allotment of Equity Securities (as defined in the Articles) which are, or are to be, paid up in cash. These rights of pre-emption apply to further share issues except to the extent disapplied by the authority referred to in paragraph 3.2(c) above. This disapplication will give the Directors limited flexibility to issue shares for cash after Admission.
- 3.4 Save to satisfy the exercise of options granted under the XP Share Schemes, the Directors have no present intention of exercising the power and authority referred to in paragraphs 3.2(b) and (c) above.
- 3.5 Save as disclosed in this Part X, at the date of this Prospectus:
- (i) there has been no issue of shares or loan capital of the Company since its incorporation;
 - (ii) there are no shares in the capital of the Company currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived;
 - (iii) no share or loan capital of the Company or any of its subsidiaries is under option or agreed to be put under option;
 - (iv) there are no outstanding convertible securities issued by the Company; and
 - (v) no share capital or loan capital of the Company or any member of the XPS Group (other than intra-group issues by wholly-owned subsidiaries) is in issue and no such issue is proposed.
- 3.6 The XPS Scheme Shares are in registered form and are capable of being held in uncertificated form (although as securities of a Singapore company, they are not capable of being held in CREST) and will be created under the SCA. As described in paragraph 1.3 of Part VIII, although the XPS Scheme Shares themselves will not be admitted to CREST, dematerialised XPS DIs issued by the Depositary in respect of the XPS Scheme Shares will be able to be held and transferred through the CREST system.
- 3.7 No temporary documents of title have been or will be issued in respect of the XPS Scheme Shares.
- 3.8 As at 20 February 2007, being the last practicable day prior to the date of this Prospectus, XP Power Singapore held no treasury shares. Save for the one subscribed XPS Share referred to in paragraph 3.1, no XPS Shares have been issued other than fully paid.
- 3.9 None of the XPS Shares have been sold or made available to the public in conjunction with the application for Admission.

4. Subsidiary undertakings

4.1 As at the date of publication of this Prospectus, the Company does not have any subsidiaries. On completion of the Scheme, the Company will be the holding company of the XPS Group.

4.2 On completion of the Scheme, the Company will have the following principal subsidiaries:

<i>Name</i>	<i>Country of incorporation/registered office</i>	<i>Registration number</i>	<i>Percentage owned</i>
XP PLC	England and Wales	2297983	100%
XP Power (S) Pte Ltd	Singapore	200306834E	100%
XP Power AG	Switzerland	CH-400.3.021.937-3	95%
Powersolve Electronics Limited	England and Wales	2136010	39.4%*
XP Energy Systems Limited	England and Wales	4221979	100%
Mieltec XP Power Srl	Italy	1718888	80%
XP Power GmbH	Germany	HRB21277	100%
XP Power ApS	Denmark	41571411	100%
XP Power SA	France	435238159	100%
XP Power Sweden AB	Sweden	556611-5563	100%
XP Power Norway AS	Norway	983367798	100%
XP Power, Inc.	Massachusetts, USA	6173451300	100%
XP Power, Inc.	California, USA	1683313	100%

* As part of the arrangements relating to Powersolve described at paragraph 13(c) of Part X of this document, the Group has exercised its option in respect of, and is in the process of acquiring, an additional 30.3 per cent. stake in Powersolve, which will increase its overall ownership of Powersolve to 69.7 per cent.

The principal activity of each of the above principal subsidiaries is the provision of power supply solutions and/or UPS.

Shortly after the Scheme becomes effective, it is anticipated that, subject to obtaining appropriate tax clearances, an intra-group corporate reorganisation will take place under which certain of the non-UK resident subsidiaries of XP Power are transferred to a wholly owned subsidiary of XP Power Singapore to be incorporated in Luxembourg.

5. Summary of the XPS Articles

5.1 XPS Articles

The XPS Articles, which were adopted on incorporation, contain, *inter alia*, provisions to the following effect:

(a) *Rights attaching to Ordinary Shares*

(i) Voting rights

Subject to the provisions of the SCA and to any rights or restrictions as to voting attached to any class of shares, at any general meeting on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative has one vote, and on a poll every member

present in person or by proxy or (being a corporation) by a duly authorised representative has one vote for each share of which he is the holder. A member of the Company shall not be entitled, in respect of any share held by him, to vote (either personally or by proxy) at any general meeting of the Company unless all amounts payable by him in respect of that share in the Company have been paid or credited as having been paid;

(ii) Dividends

Subject to the provisions of the SCA and of the Articles and to any special rights attaching to any shares, the Company may by ordinary resolution declare dividends, but no such dividends shall exceed the amount recommended by the Board. All dividends shall be apportioned and paid *pro rata* according to the amounts paid up or credited as paid up (otherwise than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid. Interim dividends may be paid provided that they appear to the Board to be justified by the profits available for distribution and the position of the Company. Unless otherwise provided by the rights attached to any share, no dividends in respect of a share shall bear interest. The Board may, with the prior authority of an ordinary resolution of the Company, offer the holders of ordinary shares the right to elect to receive ordinary shares credited as fully paid instead of cash in respect of all or part of any dividend. Any dividend unclaimed after a period of 12 years from the date on which the dividend became due for payment shall be forfeited and shall revert to the Company.

(iii) Return of capital

On a voluntary winding up of the Company the liquidator may, on obtaining any sanction required by law, divide among the members in kind the whole or any part of the assets of the Company, whether or not the assets consist of property of one kind or of different kinds and vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members. For such purpose the liquidator may set the value he deems fair on a class or classes of property, and may determine on the basis of that valuation and in accordance with the then existing rights of members how the division is to be carried out between members or classes of members. The liquidator may not, however, distribute to a member without his consent an asset to which there is attached a liability or potential liability for the owner.

(iv) Pre-emption rights

The Articles contain provisions giving pre-emption rights to holders of “Relevant Shares”, meaning the shares in XP Power Singapore other than:

(A) those shares giving rights to a specified amount of dividend and capital in a distribution; and

(B) shares acquired or to be allotted pursuant to any employee share scheme

and of “Relevant Employee Shares” (being those shares in XP Power Singapore which would be Relevant Shares save for the fact that they were acquired pursuant to an employee share scheme), entitling them to be offered “Equity Securities” meaning Relevant Shares and rights to subscribe for or convert securities into Relevant Shares, excluding shares or any rights to subscribe for or convert any security into shares as part of any offering of shares prior to Admission in proportion to their existing shareholdings. These pre-emption provisions do not apply to allotment of Equity Securities which are paid otherwise than in cash (meaning where paid up otherwise than by cash received by the Company or cheque received by the Company in good faith, which the Directors have no reason to suspect will not be paid, or release of a liability of the Company for a liquidated sum or an undertaking to pay cash to the Company at a future date, where “cash” also includes foreign currency) and they do not apply to the allotment of securities which would be held under any employee share scheme. Any Equity Securities which the Company has offered to a holder of

Relevant Shares and Relevant Employee Shares may be allotted to him, or to anyone in whose favour he has renounced his right to their allotment, without contravening these provisions. Any offer made under these provisions must state a period of not less than 21 days during which it may be accepted and this offer shall not be withdrawn before the end of such period.

(v) Disapplication of pre-emption rights

The pre-emption rights summarised above may be disapplied in whole or modified as the Directors determine, provided the Directors are given power by special resolution, which shall not be proposed unless recommended by the Directors.

(b) *Transfer of shares*

All transfers of shares must be effected by an instrument of transfer in writing in any usual form or in any other form approved by the Board. The instrument of transfer shall be executed by or on behalf of the transferor and, except in the case of fully paid shares, by or on behalf of the transferee. The Board may, in its absolute discretion and without giving any reason, refuse to register any transfer of certificated shares unless:

- (i) it is in respect of a share which is fully paid up;
- (ii) it is in respect of a share on which the Company has no lien;
- (iii) it is in respect of only one class of share;
- (iv) it is in favour of a single transferee or not more than four joint transferees;
- (v) it is duly stamped (if required); and
- (vi) it is lodged at the registered office together with the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer,

provided that the Board may not exercise such discretion in such a way as to prevent dealing from taking place on an open and proper basis.

If the Board refuses to register a transfer it must, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee.

The registration of transfers may be suspended by the Board for any period (not exceeding 30 days) in any year.

Subject to the SCA and any applicable laws and regulations and the facilities and requirements of any relevant system concerned, the Directors have the power to implement and/or approve any arrangements which they may in their absolute discretion think fit in relation to the evidencing of title and transfer of interests, instruments or securities. To the extent that such arrangements are implemented, no provision of the Articles shall apply or have effect to the extent that it is in any respect inconsistent with the holding of the transfer of depositary interests or the shares in the capital of the Company represented thereby. The Directors may from time to time take such actions and do such things as they may in their absolute discretion think fit in relation to the operation of any such arrangements.

(c) *Disclosure of interests in shares*

Persons who directly or indirectly hold voting rights in XP Power Singapore are required to notify the Company and the FSA of such voting rights in accordance with Rule 5 of the Disclosure and Transparency Rules. As a company incorporated under the SCA and therefore a “non-UK issuer” for the purposes of the Disclosure and Transparency Rules, notification is required to be made where such person’s holding of voting rights in respect of XPS Shares (calculated in accordance with the provisions of the Disclosure and

Transparency Rules) reaches, exceeds or falls below the percentage thresholds at 5 per cent. and thereafter in 5 per cent. intervals to 30 per cent., and at the 50 per cent., and 75 per cent. thresholds thereafter.

The XPS Articles include an additional requirement for XPS Shareholders to notify XP Power Singapore when such shareholder's direct or indirect holding of voting rights falls below 3 per cent. or reaches or exceeds 3 per cent. and each complete integer of one per cent. in excess of 3 per cent., thereby replicating the notification regime which would apply if XP Power Singapore were not a "non-UK issuer" for the purposes of Rule 5 of the Disclosure and Transparency Rules.

Where a shareholder fails to make the requisite notification, the Company may direct by notice that, in respect of the shares in relation to which the default has occurred, the shareholder is no longer entitled to be present at general meetings and to vote on any question either in person or by proxy, or to be reckoned in a quorum. Where the default shares represent 0.25 per cent. or more in nominal value of the issued shares of the relevant class, the Company may also suspend payment of dividends which would have been payable in respect of the shares in relation to which the default has occurred, treat any election made by the defaulting shareholder to receive shares instead of cash as ineffective, or refuse to recognise or register any transfer of any of the shares held by the defaulting shareholder, unless the transfer is an excepted transfer (as defined in the Articles) or the shareholder has provided the relevant information outlined above along with a certificate which satisfies the Company that no default has occurred in relation to the shares involved in the transfer.

Pursuant to the Articles, if a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice pursuant to Article 179 and has failed in relation to any shares (the "default shares") to give the Company the information thereby required within the prescribed period from the date of the notice, the Company may direct by notice that, in respect of the shares in relation to which the default has occurred, the shareholder is no longer entitled to be present at general meetings and to vote on any question, or to be reckoned in a quorum. Where the default shares represent 0.25 per cent. or more in nominal value of the issued shares of the relevant class, the Company may also suspend payment of dividends which would have been payable in respect of the shares in relation to which the default has occurred, or treat any election made by the defaulting shareholder to receive shares instead of cash as ineffective.

Under Singapore law, any person who acquires or disposes of XPS Shares such that their holding in the Company reaches, exceeds or falls below 5 per cent., and thereafter when each whole percentage point is crossed, is required to notify XP Power Singapore within two business days.

(d) *Changes in share capital*

The Company may alter its share capital as follows:

- (i) it may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of larger amounts, cancel any shares which have not been taken or agreed to be taken by any person and sub-divide its shares or any of them into shares of smaller amounts; and
- (ii) subject to any consent required by law and to any rights for the time being attached to any shares, it may by special resolution reduce its share capital, any capital redemption reserve or other undistributable reserve in any manner.

(e) *Variation of rights*

Subject to the provisions of the SCA and of the Articles, the special rights attached to any class of share in the Company may be varied or abrogated either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general

meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated whilst the Company is a going concern or while the Company is or is about to be in liquidation. The quorum for such separate general meeting of the holders of the shares of the class shall be at least two persons holding or representing by proxy at least one-third of the nominal amount paid up on the issued shares of the relevant class.

(f) *General meetings*

Pursuant to the SCA, an annual general meeting is required to be held every year at such time and place as may be determined by the Board. No more than 15 months may elapse between the holding of any two successive annual general meetings. The Board may convene an extraordinary general meeting whenever it thinks fit. Extraordinary general meetings may also be convened on the requisition of members pursuant to the SCA.

Pursuant to the SCA, 21 clear days' notice of every annual general meeting and of every extraordinary general meeting at which it is proposed to pass a special resolution and 14 clear days' notice of every other extraordinary general meeting is required to be given. The accidental omission to give notice to, or the non-receipt of such notice by, any person entitled to receive notice of the meeting will not invalidate any resolution passed or proceeding at any such meeting.

No business may be transacted at any general meeting unless the requisite quorum is present when the meeting proceeds to business. Two persons entitled to attend and vote on the business to be transacted, each being a member present in person or a proxy for a member or a duly authorised representative of a corporation which is a member, constitutes a quorum.

With the consent of any meeting at which a quorum is present the chairman may adjourn the meeting. Notice of adjournment or of the business to be transacted at the adjourned meeting is not required unless the meeting is adjourned for 14 days or more. No business may be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.

(g) *Directors' interests in contracts*

Subject to the provisions of the SCA and of the Articles and provided that he has disclosed to the Board the nature and extent of any interest of his, a director of the Company, notwithstanding his office:

- (i) may be party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (ii) may hold any other office or place of profit under the Company and may act in a professional capacity for the Company;
- (iii) may be a member of, a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by or promoting the Company or in which the Company is otherwise interested; and
- (iv) shall not, by reason of his office, be liable to account to the Company for any benefit which he derives from any such office, employment, transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be avoided on the ground of any such interest or benefit,

provided that no director of the Company or firm in which he is interested may act as auditor to any member of the group.

Save as provided below, a Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or any committee of the Board in respect of any contract, arrangement, transaction or any proposal whatsoever in which he has any

material interest or duty which conflicts with the interests of the Company. A Director shall be entitled to vote (and be counted in the quorum) in respect of any resolution at such meeting if his duty or interest arises only because the resolution relates to one of the following matters:

- (i) the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary undertakings;
- (ii) the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
- (iii) where the Company or any of its subsidiary undertakings is offering securities in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate;
- (iv) relating to another company in which he and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in sections 198 to 211 of the Companies Act) representing one per cent or more of either any class of the equity share capital, or the voting rights, in such company;
- (v) relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or
- (vi) concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors.

A Director may not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested (including fixing or varying the terms of such appointment or its termination).

Where proposals are under consideration concerning the appointments (including fixing or varying the terms of the appointment) of two or more Directors, such proposals may be divided and a separate resolution considered in relation to each Director. In each case, each such Director (if not otherwise debarred from voting) is entitled to vote (and be counted in the quorum) in respect of each resolution except that resolution concerning his own appointment.

(h) *Directors*

The aggregate fees which the Directors shall be entitled to receive for their services in the office of director shall not exceed £200,000 per annum, or such other sum as may from time to time be determined by an ordinary resolution of the Company. Such sum (unless otherwise directed by the resolution of the Company by which it is approved) shall be divided among the Directors in such proportions and in such manner as the Board may determine or, in default of such determination, equally.

All of the Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors. If by arrangement with the Board any Director goes or resides aboard or performs any special duties or services outside his ordinary duties as a Director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable additional remuneration which may be by a lump sum or by way of salary, commission, participation in profits or otherwise as the Board may determine.

On obtaining the age of 70, a director automatically retires at the next annual general meeting and must be reappointed to his office annually by ordinary resolution.

(i) Pensions and benefits

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (by insurance or otherwise) for any person who is or who has at any time been a director of the Company (and for any member of his family including a spouse or former spouse or any person who is or was dependent on him). For this purpose the Board may establish, maintain, subscribe and contribute to any scheme, trust or fund and pay premiums.

(j) *Borrowing powers*

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any of its undertakings, property, assets (present or future) and uncalled capital and, subject to the provisions of the SCA, to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or any third party. The aggregate principal amount for the time being outstanding in respect of monies borrowed or secured by the Company and its subsidiaries (exclusive of intra-group borrowings and after deducting cash deposited) shall not at any time, without the previous sanction of an ordinary resolution of the Company, exceed the greater of £50,000,000 or an amount equal to three times the aggregate of:

- (i) the amount paid up (or credited as paid up) on the issued share capital of the Company; and
- (ii) the amount outstanding to the credit of the capital and revenue reserves of the Company and its subsidiaries (including any capital redemption reserve and credit or debit balance on any other reserve),

all as shown in the then latest published audited consolidated balance sheet of the Company and its subsidiaries but after adjustments as set out in the Articles.

5.2 ***Incorporation of provisions equivalent to those contained in the Takeover Code***

(a) *Directors duties in respect of the Takeover Code*

If and for so long as the Company shall not be subject to the Takeover Code, the Board shall, in managing and conducting the business of the Company and in exercising or refraining from exercising any and all powers, rights and privileges use its reasonable endeavours to apply and to have the Company abide by the General Principles as set out in the Takeover Code (“General Principles”) *mutatis mutandis* as though the Company were subject to the Takeover Code. In the event that circumstances arise where, if the Company were subject to the Takeover Code, the Company would be an offeree or otherwise the subject of an approach or the subject of a third party statement of firm intention to make an offer, the Board would comply and procure that the Company complied with the provisions of the Takeover Code *mutatis mutandis* as though the Company were subject to the Takeover Code. In the event that the Board recommended to the shareholders of the Company or any class thereof any takeover offer made for shares in the Company from time to time, the Board would obtain the undertaking of the offeror(s) to comply with the provisions of the Takeover Code in the conduct and the execution of the relevant offer *mutatis mutandis* as though the Company were subject to the Takeover Code. It is recognised that the Panel on Takeovers and Mergers does not have jurisdiction and that, if and for so long as such may be the case, these provisions are subject in any event to the SCA and to the requirement that the Board must be satisfied that the applications of the Articles is in the best interests of the Company.

(b) *Takeover provisions*

The Articles adopt certain of the provisions of the Takeover Code, including provisions dealing with the compulsory takeover offers and shareholder treatment along the lines of the General Principles (including “equal treatment”) which are to be administered by the Board. These provisions (set out in Articles 162 to 170) have effect only during such times as the Takeover Code does not apply to the Company.

Pursuant to the Articles, a person must not:

- (i) acting by himself or with persons determined by the Board to be acting in concert, seek to acquire shares in the Company, which carry 30 per cent. or more of the voting rights attributable to the shares in the Company; or
- (ii) acting by himself or with persons determined by the Board to be acting in concert, hold not less than 30 per cent. but not more than 50 per cent. of the voting rights, and seek to acquire, by himself or with persons determined by the Board to be acting in concert, additional shares which, taken together with the shares held by the persons determined by the Board to be acting in concert with him, increase his voting rights,

except, in either case, as a result of a “permitted acquisition” (meaning an acquisition either consented to by the Board, or made in compliance with Rule 9 of the Takeover Code or arising from the repayment of a stock borrowing arrangement); or

- (iii) effect or purport to effect an acquisition which would breach or not comply with Rules 4, 5, 6 or 8 of the Takeover Code, if the Company were subject to the Takeover Code.

Where the Board has reason to believe that any of such circumstances has taken place, then it may take all or any of certain measures:

- (i) require the person(s) appearing to be interested in the shares of the Company to provide such information as the Board considers appropriate;
- (ii) have regard to such public filings as may be necessary to determine any of the matters under Articles 162 to 169;
- (iii) make any determination under Articles 162 to 169 as it thinks fit, either after calling for submissions by the relevant person(s) or without calling for any;
- (iv) determine that the voting rights attached to such shares acquired in breach of the Articles, (the “Excess Shares”), are from a particular time incapable of being exercised for a definite or indefinite period;
- (v) determine that some or all of the Excess Shares are to be sold;
- (vi) determine that some or all of the Excess Shares will not carry any right to any dividends or other distributions from a particular time for a definite or indefinite period; and
- (vii) taking such actions as it thinks fit for the purposes of Articles 162 to 169, including prescribing rules not inconsistent with Articles 162 to 169, setting deadlines for the provision of information, drawing adverse inferences where information requested is not provided, making determinations or interim determinations, executing documents on behalf of a shareholder, converting any Excess Shares represented by depositary interests issued in uncertified form under the Articles into shares in certificated form, paying costs and expenses out of proceeds of sale and changing any decision or determination or rule previously made.

The Board has the full authority to determine the application of Articles 162 to 169, including the deemed application of the whole or any part of the Takeover Code, and such authority shall include all the discretion that the Panel would exercise if the whole or part of the Takeover Code applied. Any resolution or determination made by the Board, any Director or the chairman of any meeting acting in good faith is final and conclusive and is not open to challenge as to its validity or as to any other ground. The Board is not required to give any reason for any decision or determination it makes.

6. Mandatory takeover bids, squeeze-out and sell-out rules

Section 215 of the SCA permits a purchaser of not less than 90 per cent. of the total number of shares of a Singapore public company (such as XP Power Singapore) or of a class of shares in such a company which he did not already own at the time of his offer to purchase, to compulsorily acquire the remaining 10 per cent. of the shares in that Company or that class (as the case may be), subject to certain conditions.

Other than as provided by the SCA and the XPS Articles, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules in relation to the XPS Shares.

7. Share capital of XP

As at 20 February 2007, being the latest practicable date prior to the publication of this Prospectus, the authorised share capital of XP was £350,000 divided into 35,000,000 ordinary shares of £0.01 each of which 20,704,621 were issued and outstanding of which 1,632,525 were held by XP as treasury shares.

8. Directors, Proposed Directors and employees

Biographical details of the Directors and the Proposed Directors are set out in Part III.

8.1 Business address

The business address of each of the Directors is, and the business address of each of the Proposed Directors on their appointment as Directors of XP Power Singapore will be 401 Commonwealth Drive #02-02, Haw Par Technocentre, Singapore 149598.

8.2 Other directorships and partnerships

Other directorships held by each of the Directors and the Proposed Directors in the five years preceding the date of this Prospectus in respect of companies other than XP Power Singapore, XP and other members of the XPS Group are as follows:

<i>Name</i>	<i>Current directorships and partnerships</i>	<i>Previous directorships and partnerships</i>
Andy Sng	None	Dental Medical Technology Pte Ltd
Mickey Lynch	None	None
Mike Laver	None	None
Larry Tracey	Seagull's Dance Limited Dartmouth Court Management Company Limited Corryann Limited Sea-T-Boats Limited	None
James Peters	None	None
Duncan Penny	None	None
John Dyson	Telehealth Solutions Limited	Vegastream Limited Pace Digital Systems Limited Pace Distribution (Overseas) Limited Pace Advanced Consumer Electronics Limited Pace Health Technology Limited Pace Quest Trustees Limited Pace Americas Limited Pace Micro Technology Plc Vegastream Limited
Michael Hafferty	Arkwright Associates Limited Arkbridge PTE Limited Arkstream Inc	

8.3 *Length of service*

Details of the length of service of each of the Directors to date in their current office are set out below:

<i>Name</i>	<i>Age</i>	<i>Commencement date as director of XP</i>	<i>Commencement date as director of XPS</i>
Andy Sng	36	not applicable	12 February 2007
Mickey Lynch	54	11 June 2004	12 February 2007
Mike Laver	44	20 August 2002	12 February 2007

8.4 *Confirmations*

- (a) As at the date of this Prospectus, no Director or Proposed Director:
- (i) except as disclosed in paragraph 8.2 of this Part X, has been at any time in the five years prior to the date of this Prospectus, a director (or otherwise a member of any administrative, management or supervisory body) or partner of any companies or partnerships other than directorships or partnerships of any member of the XPS Group from time to time; or
 - (ii) has any convictions in relation to fraudulent offences; or
 - (iii) has been associated with any bankruptcies, receiverships or liquidations acting in the capacity of any of the positions set out against the name of the Director or Proposed Director in this paragraph 8; or
 - (iv) has been the subject of any official public incrimination or sanctions by any statutory or regulatory authorities (including, where relevant, designated professional bodies); or
 - (v) has ever been disqualified by a court from acting as a member of the administrative management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.
- (b) Except for the directorships and partnerships listed in this paragraph 8, no Director or Proposed Director has any potential conflicts of interest between any of the Directors' or Proposed Directors' duties to XPS and their private interests or other duties.
- (c) There are no family relationships between or among any Directors and/or the Proposed Directors.

8.5 *Employees*

Details of the average number of the Group's employees for each of the three financial years ended 31 December 2006 are as follows:

<i>Financial year ended</i>	<i>Average number of employees</i>
31 December 2004	291
31 December 2005	310
31 December 2006	377

8.6 As at 31 December 2006, the employees of the Group were employed as follows:

Office and management	63
Sales and marketing	103
Technical	69
<u>Manufacturing</u>	<u>142</u>
Total	377

9. Board practices

(a) *Compliance with the Combined Code*

The Directors are committed to the highest standards of corporate governance. The Company expects to comply with its obligations under section 1 of the Combined Code upon Admission in all material respects, save that Larry Tracey and James Peters will be members of the Remuneration Committee and the Nomination Committee, in contravention of paragraphs A4.1 and B2.1 of the Combined Code.

(b) *Matters reserved for the decision of the Board*

The Board will meet not less than four times each year and it will have a schedule of matters reserved specifically for decision by the Board as a whole. These matters are expected to include the approval of Company policy, strategic plans and budgets, the sanctioning of the disposal of an investment, asset or business, capital expenditure, acquisition or other investments not contemplated by the Company's strategic plan and budgets, as well as the approval of financial and accounting matters such as the annual report and accounts and interim financial statements. The offer of any securities and the adoption of any significant change in accounting policies or practices are also expected to be matters reserved for the decision by the Board, as is the approval of all circulars and prospectuses including listing arrangements.

The appointment and removal of a company secretary, subject to any recommendation of the Nomination Committee, is also a matter reserved for the Board as is the determination of the remuneration or the terms of service of any non-executive director. Other matters may be delegated from time to time to the Sub-Committee of the Board, or to any other Committee formed for any specifically delegated purpose.

(c) *Board committees*

It is proposed that the Board will establish the following three committees on or around Admission.

(i) *Audit Committee*

The Audit Committee assists the Board in discharging its responsibilities with regard to financial reporting, external and internal audits and control. The Audit Committee comprises the independent Non-Executive Directors and will be chaired by John Dyson. The Audit Committee will meet not less than four times a year of which external auditors are expected to attend at least two such meetings.

The Audit Committee is responsible for making recommendations to the Board on the appointment of the external auditors and their remuneration, and keeps under review the external auditors' independence. The Audit Committee considers the nature, scope and results of the external auditors' work and will review the provision of non-audit services by the auditors. The Committee focuses on compliance with legal and other regulatory requirements and accounting standards, and ensuring that an effective system of internal financial and non-financial controls is maintained. The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board.

(ii) *Nomination Committee*

The Nomination Committee comprises the Non-Executive Directors, Larry Tracey and James Peters and will be chaired by Larry Tracey. The Committee, which will meet as required, has been established to ensure that the Board has a formal and transparent appointment procedure and has primary responsibility for reviewing the balance and effectiveness of the Board and identifying the skills needed on the Board and those individuals who might best provide them. The Committee will make recommendations to the Board in relation to the appointment of the Company's executive and non-executive directors.

(iii) Remuneration Committee

The Remuneration Committee comprises the Non-Executive Directors, Larry Tracey and James Peters and will be chaired by John Dyson. The Committee, which will meet as required, has been established to ensure that the Board has a formal and transparent appointment procedure and has primary responsibility for reviewing the balance and effectiveness of the Board and identifying the skills needed on the Board and those individuals who might best provide them. The Committee will make recommendations to the Board in relation to the appointment of the Company's executive and non-executive directors.

10. Interests in Shares

10.1 *Interests of Directors and Proposed Directors*

Upon the Scheme becoming effective, assuming that (i) no further XP Shares have been purchased, issued or sold out of treasury after 20 February 2007, (the latest practicable date prior to the publication of this Prospectus); and (ii) no further XPS Shares are purchased or issued other than under the Scheme, the Directors and the Proposed Directors will have the following beneficial interests in XPS Shares:

<i>Name</i>	<i>Number of ordinary shares held on the Scheme becoming effective</i>	<i>Percentage of issued ordinary shares held on the Scheme becoming effective</i>
Andy Sng	nil	nil
Mickey Lynch	50,000	0.3
Mike Laver	154,750	0.8
Larry Tracey	2,829,779	14.8
James Peters	3,149,779	16.5
Duncan Penny	300,000	1.6
John Dyson	15,000	0.1
Michael Hafferty	nil	nil

10.2 Details of the total number of outstanding options over XPS Shares which have been granted at market value to the Directors and the Proposed Directors under the XP Share Schemes are as follows:

<i>Name</i>	<i>Number of ordinary shares which are the subject of share awards</i>	<i>Vesting period from date of grant</i>
Andy Sng	50,000	4 years
Mickey Lynch	35,000	4 years
Mike Laver	74,000	4 years
Larry Tracey	nil	—
James Peters	nil	—
Duncan Penny	25,000	4 years
John Dyson	nil	—
Michael Hafferty	nil	—

10.3 Save as disclosed above, none of the Directors or Proposed Directors nor any member of his immediate family or any person connected with him (within the meaning of section 346 of the Companies Act) holds or is beneficially or non-beneficially interested, directly or indirectly, in any shares or options to subscribe for, or securities convertible into, shares of XPS or any of its subsidiary undertakings.

10.4 Upon the Scheme becoming effective, assuming that (i) no further XP Shares have been purchased, issued or sold out of treasury after 20 February 2007, (the latest practicable date prior to the publication of this Prospectus); and (ii) no further XPS Shares are purchased or issued other than under the Scheme, the following persons (in addition to the interests of the Directors and the Proposed Directors set out in paragraphs 10.1 to 10.2 above) will have the following interests in three per cent. or more of the issued share capital of XP Power Singapore immediately after Admission:

<i>Name</i>	<i>Number of ordinary shares held on the Scheme becoming effective</i>	<i>Percentage of issued ordinary shares held on the Scheme becoming effective</i>
Lion Trust Asset Management	1,457,745	7.6
Old Mutual Asset Management	1,178,781	6.2
Credit Suisse Asset Management	804,678	4.2
Edinburgh Fund Managers	695,091	3.6

- 10.5 Save as disclosed above, there are no persons, so far as XP Power Singapore is aware, who are or will be immediately following Admission interested, directly or indirectly, in three per cent. or more of XP Power Singapore's issued share capital, nor, so far as XP Power Singapore is aware, are there any persons who at the date of this Prospectus or immediately following Admission, directly or indirectly, jointly or severally, exercise or could exercise control over XP Power Singapore.
- 10.6 Save as disclosed in this Prospectus, there are no arrangements known to XP Power Singapore, the operation of which may at a subsequent date result in a change in control of XP Power Singapore.
- 10.7 XP Power Singapore's share capital consists of one class of ordinary shares with equal voting rights (subject to the Articles). No major shareholder of XP Power Singapore has any different voting rights from the other shareholders.
- 10.8 Save as disclosed in this Prospectus, no Director is or has been interested in any transactions which are or were unusual in their nature or conditions or significant to the business of XPS or Group during the current or immediately preceding financial year or which were effected during any earlier financial year and remain in any respect outstanding or unperformed.
- 10.9 There are no outstanding loans or guarantees provided by XP Power Singapore or the XPS Group or to or for the benefit of any of the Directors.
- 10.10 Save as disclosed in this Prospectus, there have been no related party transactions of the kind set out in the Standards adopted according to the Regulation (EC) No 1606/2002 that XP Power Singapore has entered into since its incorporation.

11. Directors' remuneration and service agreements

- 11.1 The service agreements and letters of appointment between XP Power Singapore and each of its Directors and Proposed Directors contain the following terms:

(a) Executive Directors

<i>Director</i>	<i>Position</i>	<i>Basic annual salary</i>
Larry Tracey	Executive Chairman	S\$382,500
James Peters	Deputy Chairman	S\$382,500
Duncan Penny	Chief Executive	S\$472,500
Mike Laver	President, North America	US\$230,000
Mickey Lynch	Finance Director	US\$185,000
Andy Sng	General Manager, Asia	S\$174,000

The service agreements include provisions for pension contributions of between 2 per cent. and 3 per cent. of basic salary (other than for Andy Sng, who does not receive any pension contributions), death in service life assurance benefit of four times salary and private health care insurance. The Executive Directors receive a holiday entitlement of 23 or 25 days' holiday per annum, save for Larry Tracey and James Peters, who are entitled to 45 days' holiday per annum.

The service agreements are each terminable on not less than 12 months' written notice by either party at any time. The agreements contain provisions for early termination, *inter alia*, in the event of material breach of the agreement by the director in question (although this does not affect their employment rights in relation to the termination of employment). Upon service or receiving a

notice of termination, the Company may, at its discretion, pay salary (excluding benefits and pension contributions) in lieu of notice and may also place the Executive Director on “garden leave” during the notice period, requiring the Director to remain at home, whilst still employed. Each of the Executive Directors is subject to post-termination restrictions for a period of 12 months (less any period spent on garden leave), preventing them from competing against the Company, from soliciting clients and suppliers, and from poaching key employees after termination.

(b) *Non-Executive Directors*

<i>Director</i>	<i>Annual fee</i>
John Dyson	S\$50,000
Michael Hafferty	S\$50,000

The appointment of each of the Non-Executive Directors is terminable at will by either XP Power Singapore or the relevant Non-Executive Director. The appointment will automatically terminate, *inter alia*, if the Non-Executive Director is unable to perform the duties satisfactorily or is in breach of any rules and regulations governing the Company.

- 11.2 Save as disclosed in this Prospectus, there are no service agreements or agreements for the provision of services existing or proposed between the Directors or the Proposed Directors and either XP Power Singapore or the XPS Group.
- 11.3 In the financial year ended 31 December 2006 (being the last completed financial year of the Group) the aggregate remuneration paid, including pension contributions and benefits in kind granted to the Directors and the Proposed Directors, was £1,167,708.
- 11.4 On the basis of the arrangements in force at the date of this Prospectus it is estimated that the aggregate remuneration payable including pension contributions and benefits in kind granted to the Directors and the Proposed Directors for the year ending 31 December 2007 (being the current financial year of XP Power Singapore) will be £806,272, excluding the relocation payments described in paragraph 11.5 below.
- 11.5 Under the terms of their service agreements with XP Power Singapore, Larry Tracey and James Peters will each receive a one-off relocation payment of a maximum of S\$750,000. Under the terms of his service agreement with XP Power Singapore, Duncan Penny will receive a one-off relocation payment of a maximum of S\$1,500,000. The amount and terms of any such relocation payment will be determined following the Effective Date subject to the approval of the Remuneration Committee and the Board.

12. The XP Share Schemes

The following is a summary of the main provisions of the existing employee share schemes which have been adopted by XP Power. The operation of each XP Share Scheme is governed by the rules of that scheme. Options granted pursuant to the XP Share Schemes which are exchanged for options over XPS Shares will continue to be governed by the rules of the XP Share Schemes save for references to XP Power and its shares which shall be construed as if references to XP Power Singapore and XPS Shares, respectively.

12.1 *XP Power Share Option Plan*

(a) *Structure*

The plan has three parts. The main part provides for the grant of HM Revenue & Customs approved company share options. The second part provides for the grant of unapproved options on similar terms, and the final part provides for the grant of incentive stock options (“ISOs”) within the meaning of section 422 of the Internal Revenue Code of 1986 to employees in the USA.

(b) *Eligibility*

All employees and full time directors of XP Power, and such of its subsidiaries as are designated participating companies by the board, are eligible to participate in the plan provided that they are required to devote the whole or substantially the whole of their working time to their duties. No awards may be granted under the approved part of the plan to any individual who at any time during the period of 12 months prior to or at the date of grant held a material

interest in any group company. No unapproved or incentive stock options may be granted to individuals who own 10% or more of the voting power of XP Power, and in the case of an ISO, 10% or more of the voting power of any parent company or its subsidiaries. Participation in the plan is at the discretion of the remuneration committee.

(c) *Grant of Options*

The grant of options is permitted within 42 days of the announcement of XP Power's interim or final results, or in the case of approved options, the day on which any changes are announced, effected or made to relevant share schemes legislation. The board may permit grants at other times only in exceptional circumstances. Options may be granted by the remuneration committee or the trustees of any employee benefit trust established by XP Power. Options will be personal to the participant and except on death will not be transferable. Option holders may renounce any option within 30 days of its grant.

(d) *Performance Targets*

The exercise of options may be subject to the satisfaction of such objective conditions as the remuneration committee or trustees (as relevant) determine at the date of grant. Such conditions may be amended or waived subsequently if events occur which cause the remuneration committee to consider that a different condition would be a fairer measure of performance provided such new condition is no more or less difficult to satisfy.

(e) *Exercise Price*

The price at which participants will be able to acquire shares on exercise shall not be less than the higher of the market value of an XP Power Share and its nominal value. Where XP Power's shares are admitted to trading on the Official List the market value will be the middle market quotation for a share on the date of grant.

(f) *Individual Limits*

No approved option may be granted to a participant where that grant would result in the aggregate market value of all unexercised approved options granted to that participant, either under the plan or any other approved company share option scheme, being in excess of £30,000.

The aggregate market value (as determined at the date of grant) in respect of ISOs granted under the plan to any individual which first become capable of exercise in any calendar year cannot exceed US\$100,000.

(g) *Share Capital Limits*

No option which is to be satisfied on exercise by the issue of new shares can be granted on any date if the number of shares to which it relates, when aggregated with the number of shares issued or remaining issuable by virtue of options or other rights granted in the previous 10 years under the plan and any other employee share scheme operated by XP Power, would exceed 10 per cent. of the issued share capital of XP Power at that time.

The aggregate number of shares that may be issued under the ISO part of the plan is 2,113,711.

(h) *Exercise and Lapse*

An option will normally become exercisable in accordance with the vesting schedule and on satisfaction of any performance conditions specified at the date of grant. Options can usually only be exercised while the option holder is an employee of XP Power. No approved options can be exercised within 12 months of the option holder holding a material interest in a group company.

Options will remain exercisable to the extent they are vested for 6 months (or 3 months in the case of ISOs) following an option holder's cessation of employment. If employment ceases due to certain good leaver reasons, the participant will also be able

to exercise the unvested portion of his option during the same 6 (or 3) month period. The board retains a discretion to permit the exercise of unvested options in other leaver circumstances. Where employment ceases due to gross misconduct, all options will lapse in full on the date of cessation of employment.

Different leaver provisions apply in the case of ISO options and in the case of option holders who are resident in California which take into account US tax and security law requirements.

(i) *Change of Control/Demerger*

In the event of a change of control, reconstruction or the winding up of XP Power the early exercise of unvested options is permitted within a specified period of six months or two months in the case of a winding up, whereupon, to the extent unexercised, options will lapse.

On a change of control or reconstruction of XP Power the plan permits the exchange of options for options in the acquirer as an alternative to exercise. The ability to exchange options will be subject to the consent of the acquiring company and in the case of approved options, various HM Revenue & Customs requirements.

On a demerger, dividend in specie or such other transaction which the remuneration committee determines will affect the current or future value of any options, the committee may permit the early exercise of some or all options at its absolute discretion.

(j) *Variation in share capital*

The number of shares comprised in an option and the exercise price may be adjusted at the discretion of the remuneration committee following a capitalisation issue, rights issue, subdivision, consolidation, reduction, or any other variation of XP Power's share capital occurs. An adjustment may reduce the exercise price of an option to less than the nominal value of a share only where the remuneration committee is authorised to capitalise an amount from XP Power's reserves equal to the amount by which the nominal value exceeds the exercise price.

(k) *Rights attaching to shares*

Whilst XP Power's shares are admitted to listing by the UK Listing Authority, XP Power shall apply for a listing in respect of the shares issued pursuant to exercise of an option. Such shares will rank pari passu with all other issued shares of XP Power except for any rights determined by reference to a date preceding the date on which the option is exercised. Shares will be transferred free of liens, charges and encumbrances.

(l) *Amendments*

The plan may be amended by the remuneration committee, provided that, without the prior approval of XP Power in general meeting. No amendments to the material advantage of participants may be made if they relate to provisions concerning eligibility, limitations on the grant of options, the exercise price, restrictions on exercise, rights attaching to options, transferability of options, the rights of participants in the event of a winding up and the adjustment or alteration of options. The requirement to obtain the approval of XP Power in general meeting will not apply if the amendments are made to obtain or maintain HM Revenue & Customs approved status, to comply with any relevant legislation or to obtain or maintain favourable tax treatment.

No amendment can be made to the plan which would have an adverse effect on the subsisting rights of a participant unless the consent of a 75 per cent. majority of the participants is obtained.

Where amendments are made to the approved plan, these will not have effect until they have been approved by HM Revenue & Customs.

(m) *Administration and General*

The remuneration committee may terminate the plan at any time. In any event, the plan will terminate upon the tenth anniversary of its adoption by shareholders.

In relation to the unapproved or ISO options, where PAYE, national insurance liabilities or other tax withholding obligations arise, the participant is required to make a payment to XP Power in respect of these liabilities before the option can be exercised. Alternative arrangements for satisfaction of these liabilities can be made at the discretion of XP Power.

The plan shall not affect the employment rights of any participant. Participants waive all rights to compensation or damages in relation to the plan in consequence of the termination of office or employment for whatever reason.

Financial statements will be provided by XP Power to any US participants in the plan who do not ordinarily have access to such information in the course of their employment.

12.2 XP Power Share Purchase Plan 2000

(a) Structure

The plan provides for the grant of options to purchase shares in XP Power.

(b) Eligibility

Participation in the plan is open to any employees or directors of XP Power who are required to devote to their duties the whole or substantially the whole of their working time. Participation is at the discretion of the remuneration committee.

(c) Grant of Options

Options may be granted within the period of six weeks beginning with the dealing day following the date on which XP Power announces its results for any period, or at any other time if in the opinion of the board exceptional circumstances exist to justify the grant options may not be granted after the tenth anniversary of the plan's adoption. Options will be personal to a participant and will not be transferable.

(d) Exercise Price

The remuneration committee will determine the exercise price of an option prior to its grant.

(e) Share Capital Limits

The maximum number of options to purchase shares that may be granted under the plan is 119,831. This number excludes any options granted prior to XP Power's AGM in 2001. The limit may be amended by the board with the prior approval of XP Power in general meeting.

(f) Exercise and Lapse

Options may be exercised in accordance with the vesting terms set by the remuneration committee. Following cessation of employment for specified good leaver reasons, (including ill-health, redundancy, retirement, or death) options may be exercised within the period of 12 months. Where cessation of employment arises for any other reasons options may not be exercised unless the board allows in its absolute discretion. No option may be exercised after the tenth anniversary of the date of its grant.

(g) Change of Control

In the event of a change of control, reconstruction or winding up of the Company options may be exercised during the period of 1 month beginning with XP Power's notification to the participants of the relevant event. If unexercised at the end of that period, the options will lapse.

(h) Variations in share capital

In the event of any increase or variation in XP Power's share capital, the board may make adjustments to the number of shares under option, the exercise price of the options, the share capital limit of the plan, or the number of shares transferred in respect of exercise of an option as it deems appropriate.

(i) *Amendments*

The rules of the plan may be amended at any time by the directors, provided that without the prior approval of XP Power in general meeting, no amendments to the advantage of participants may be made in relation to eligibility, share capital limits, the basis for assessing entitlement to participate in the plan, or the terms of shares issued pursuant to the plan. The requirement to obtain the approval of XP Power in general meeting will not apply to any minor amendments to benefit the administration of the plan, to take account of legislative changes or to obtain favourable tax or regulatory treatment for participants.

(j) *Administration and General*

The board may provide that options granted under this plan are conditional upon the participant entering into a joint election approved by HM Revenue & Customs, for the purposes of meeting the employer's national insurance liabilities that arise on the exercise of or any other dealing in the option.

The plan shall not affect the employment rights of any participant. Participants waive all rights to compensation or damages in relation to the plan in consequence of the termination of office or employment for whatever reason.

The transfer of shares acquired on the exercise of options shall be subject to the participant paying or making the necessary arrangements to pay to the relevant group company any liability to income tax or national insurance contributions.

13. Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the XPS Group (i) within the period of two years immediately preceding the date of this Prospectus and which are, or may be, material or (ii) which contain any provision under which any member of the XPS Group has an obligation or entitlement which is material to the XPS Group as at the date of this Prospectus:

(a) ***Fortron/Source manufacturing and design engineering agreement***

A manufacturing and design engineering agreement between XPiQ Inc (now XP Power, Inc.) (on behalf of the Group) and Fortron/Source dated 16 February 2005. XP Power (Hong Kong) Limited was later added as a supplier under the agreement. The Group sources the manufacture of its own products from Fortron/Source, which manufactures and supplies current component parts, power platforms, completed configured assemblies and modules of the Group's MP and LP product line, in accordance with specifications approved by the Group at the time of order and at prices to be agreed. XPiQ Inc provides equipment to Fortron/Source that remains the property of XPiQ Inc and can only be used in the fulfilment of orders for XPiQ Inc. There are minimum order quantities of between 100 and 200 pieces depending on the units concerned. The agreement automatically extends every 12 months unless notice to terminate is given. The agreement can be terminated by either party at any time and termination will be effective from nine months of receipt of the termination notice. The parties will continue business during the termination period. The agreement is subject to the laws of California.

(b) ***XP Power (Hong Kong) Limited joint venture***

A joint venture agreement between 2K Industries, Inc. ("2K") and XP Power (Holdings) Limited ("XPPH") dated 13 July 2005 pursuant to which 2K and XPPH formed a 50:50 joint venture through XP Power (Hong Kong) Limited, a company incorporated in Hong Kong. 2K is an associated company of Fortron/Source, through the common ownership of Jackson Wang. Each of XPPH and 2K owns 50 per cent. in the share capital of XP Power (Hong Kong) Limited and each is required to contribute 50 per cent. of the capital required by the joint venture. XP Power (Hong Kong) Limited owns 100% of a manufacturing facility in China. The intention is for XPPH to acquire the remaining 50 per cent. shareholding in XP Power (Hong Kong) Limited within the

fifth anniversary of the agreement. Neither party may sell their shareholding in XP Power (Hong Kong) Limited without first offering it to the other party. There are no express termination rights. The joint venture agreement is subject to the laws of California.

(c) ***The Powersolve arrangements***

Various agreements, subject to the laws of England and Wales, between XP PLC, Peter Clark, Nicola Clark and Michael Huckle dated between 27 August 1998 and 22 June 2005, pursuant to which:

- (i) XP PLC acquired 29.4 per cent. of the issued share capital of Powersolve, being an aggregate 25,000 ordinary shares of £1 each (“Powersolve Shares”), from Peter Clark and Nicola Clark in September 1998 for an aggregate consideration of £150,000;
- (ii) XP PLC was granted an option, exercisable between 1 January 2007 and 31 January 2007, to acquire all of the 60,000 remaining issued Powersolve Shares for a consideration calculated by reference to a formula set out in a schedule to the agreements;
- (iii) XP PLC acquired an additional 10 per cent. of the issued Powersolve Shares, being an aggregate 8,500 Powersolve Shares from Peter Clark and Nicola Clark in May 2001 for an aggregate consideration of £249,985;
- (iv) the arrangements regarding the exercise of options over Powersolve Shares granted to XP PLC were varied in November 2004 so that XP PLC could choose to exercise options over 25,750 Powersolve Shares between 1 January 2007 and 31 January 2007 (the “first Powersolve option”) and over the remaining 25,750 Powersolve Shares between 1 January 2012 and 31 January 2012 (the “second Powersolve option”);
- (v) XP PLC loaned to Peter Clark an aggregate amount of £1 million repayable on demand, with the intention that it be set against consideration due to Peter Clark on exercise of the options;
- (vi) XP PLC exercised the first Powersolve option in January 2007 and is in the process of acquiring 30.3 per cent. of the issued Powersolve Shares, being an aggregate 25,750 Powersolve Shares from Peter Clark (23,250) and Michael Huckle (2,500) for an aggregate consideration still to be agreed, although the Directors expect it to be approximately £1.4m (net of the £1m loan referred to above). The Directors expect that the consideration payable in respect of the first Powersolve option will be paid out of existing cash resources; and
- (vii) XP PLC is obliged to exercise the second Powersolve option over the remaining 30.3 per cent. of the issued Powersolve Shares, being an aggregate 25,750 Powersolve Shares, between 1 January 2012 and 31 January 2012. The consideration payable in respect of the exercise of the second Powersolve option is not presently ascertainable and, as for the consideration payable in respect of the first Powersolve option, is calculated by reference to the formula set out in a schedule to the agreements, which relates to the profitability of Powersolve. The Directors expect that the consideration payable in respect of the second Powersolve option will be paid out of existing cash resources.

14. Financing arrangements

The Group currently has the following financing arrangements:

14.1 Working Capital Facilities

XP Power; XP PLC; FORX, Inc. (a company organised under the laws of Delaware); XP Power, Inc. (a company organised under the laws of California); and XP Power Inc. (a company organised under the laws of Massachusetts), (together the “Borrowers”) are party to a facility letter with the Governor and Company of the Bank of Scotland (“BoS”) originally dated 16 and 22 August 2001; as amended by an amendment letter dated 9 and 18 October 2002; an amendment letter dated 3 December 2003; an amendment letter dated 14 December 2004; an amendment letter dated 16 October 2005; an amendment letter dated 9 and 24 November 2005; and as amended and restated by an amendment letter dated on or around 14 December 2006, (the “Working Capital Facility Letter”).

Under the Working Capital Facility Letter, BoS has made available to the Borrowers working capital facilities in a principal amount of up to £10,000,000 (the “Working Capital Facilities”). The Working Capital Facilities may be drawn down by the Borrowers as overdraft, business visa, guarantee facilities, forward foreign exchange facilities, letter of credit facilities, currency borrowings and/or acceptance credit facilities, in each case subject to certain sub limits and terms and conditions set out in the Working Capital Facility Letter. The total net limit applicable to the Working Capital Facilities is £10,000,000.

It is proposed that a further amendment letter is entered into during February 2007 between BoS and each of the Borrowers in order to effect certain amendments to the Working Capital Facilities, (the “February 2007 Amendment”). Pursuant to the proposed February 2007 Amendment, approximately £6,000,000 of the Working Capital Facilities currently available to the Borrowers shall be redesignated as committed term loan facilities, available to the Borrowers on the terms and as described at 14.2 below. Accordingly, once the February 2007 Amendment is in full force and effect, the Working Capital Facilities shall be available to the Borrowers in a maximum principal amount of up to £4,000,000 and the total net limit applicable to the Working Capital Facilities shall be £4,000,000, subject to and on the terms set out in the Working Capital Facility Letter.

The Working Capital Facilities are repayable upon demand and are subject to review on or about 30 August 2007. Unless renewed or extended at that time, the Working Capital Facilities will cease to be available to the Borrowers on 30th August 2007.

Interest is payable on the cleared daily debit balance of amounts drawn down under the Working Capital Facilities at the annual rate which is equal to the margin (as such term is defined in the Working Capital Facility Letter) plus the BoS base lending rate from time to time. Interest is calculated daily and payable monthly in arrears. The interest margin may be adjusted depending on the financial performance of the Borrowers, as measured against the financial covenants and the detailed margin ratchet provisions are contained in the Acquisition Facility Letter (described below). Default interest will be charged on overdue amounts.

Under the Working Capital Facility Letter, the Borrowers make certain representations and warranties in favour of BoS and give certain undertakings and covenants in favour of BoS, including agreeing to adhere to certain financial covenants (as detailed in the Working Capital Facility Letter) and to provide to BoS certain financial and other information. The Borrowers also indemnify BoS against certain fees, costs and expenses that BoS may incur in connection with the provision of the Working Capital Facilities and the Working Capital Facility Letter, including without limitation, against break costs and increased costs. The Working Capital Facility Letter is expressed to be governed by English law.

14.2 *Acquisition Facilities*

XP Power; XP PLC; FORX, Inc. (a company organised under the laws of Delaware); XP Power, Inc. (a company organised under the laws of California); and XP Power Inc. (a company organised under the laws of Massachusetts), (together the “Borrowers”) are party to a Facility Letter with the Governor and Company of the Bank of Scotland (“BoS”) originally dated 16 and 22 August 2001; as amended by an amendment letter dated 9 and 18 October 2002; an amendment letter dated 3 December 2003; an amendment letter dated 16 October 2005; an amendment letter dated 9 and 24 November 2005; and as amended and restated by an amendment letter dated on or around 14 December 2006.

Under the Acquisition Facility Letter, BoS has made available to the Borrowers multi currency facilities in a principal amount of up to £15,000,000. The facilities may be used for acquisitions of companies with complementary or similar activities to those of the Borrowers and for the general corporate purposes of the Borrowers. The facilities comprise a term loan facility in a principal amount of up to £10,000,000 and a revolving credit facility in a principal amount of up to £5,000,000, (together the “Acquisition Facilities”).

It is proposed that a further amendment letter is entered into during February 2007 between BoS and each of the Borrowers in order to effect certain amendments to the Acquisition Facilities, (the “February 2007 Amendment”). Pursuant to the proposed February 2007 Amendment,

approximately £6,000,000 of the Working Capital Facilities currently available to the Borrowers shall be redesignated as committed term loan facilities under the Acquisition Facility Letter. Accordingly, once the February 2007 Amendment is in full force and effect, the Acquisition Facilities shall be available to the Borrowers in a maximum principal amount of up to £21,000,000 comprising a term loan facility in a maximum principal amount of up to £16,000,000 together with a revolving credit facility in a principal amount of up to £5,000,000, subject to and on the terms set out in the Acquisition Facility Letter.

Under the Acquisition Facility Letter, the Borrowers make certain representations and warranties in favour of BoS and give various undertakings and covenants in favour of BoS, including agreeing to adhere to specified financial covenants and to provide to BoS certain financial and other information. The Borrowers also indemnify BoS against certain costs and expenses that BoS may incur in connection with the provision of the Acquisition Facilities and the Acquisition Facility Letter, including without limitation, against break costs and increased costs. The Acquisition Facility Letter is expressed to be governed by English law.

The Acquisition Facilities shall become immediately repayable if an event of default occurs. The events of default are defined and described in the Acquisition Facility Letter, but include, without limitation, failure by any Borrower to repay any amount on the due date; misrepresentation; breach of covenant or undertaking; cross default; or the occurrence of an insolvency event.

An arrangement fee is payable.

Revolving Credit

The revolving credit facility comprised in the Acquisition Facilities may be drawn down in advances, subject to and on the terms of the Acquisition Facility Letter. Each advance drawn down is repayable on its repayment date (as such dates are defined in the Acquisition Facility Letter) and all advances, together with interest, must be repaid by the maturity date, (being 30 September 2009, as such term is defined in the Acquisition Facility Letter).

The period for which advances are outstanding under the revolving credit facility shall be divided into successive interest periods of three or six months. The relevant Borrower is liable to pay interest on each advance drawn down under the revolving credit facility for each interest period at the annual rate which is the sum of the margin, (as such term is defined in the Acquisition Facility Letter) plus LIBOR/EURIBOR, as appropriate, plus the mandatory costs rate from time to time. Interest is payable in arrears on each repayment date in respect of an advance and on the maturity date as applicable. Default interest will be charged on overdue amounts. The interest margin may be adjusted depending on the financial performance of the Borrowers, as measured against the financial covenants and the detailed margin ratchet provisions are contained in the Acquisition Facility Letter.

Subject to the terms of the Acquisition Facility Letter, the Borrowers may prepay and/or cancel the revolving credit facility (in each case, in whole or in part). Prepayment and cancellation fees may apply in the event of prepayment and/or cancellation of the facility. A commitment fee and a non utilisation fee also apply to the revolving credit facility, as set out in the Acquisition Facility Letter.

Term Loan

The term loan facility comprised in the Acquisition Facilities may be drawn down in one amount on or prior to 15 December 2006 (subject to the conversion of a further £6,000,000 pursuant to the proposed February 2007 Amendment). The principal amount drawn down is repayable in three instalments: £2,500,000 falls due for repayment on 30 September 2009; a further £2,500,000 falls due for repayment on 30 September 2010; and £5,000,000 falls due for repayment on 30 September 2011 although under the proposed February 2007 Amendment, the repayment falling due on 30 September 2011 shall be increased to £11,000,000.

The period for which advances are outstanding under the term loan facility shall be divided into successive interest periods of three or six months. The relevant Borrower is liable to pay interest on each advance drawn down under the term loan facility for each interest period at the annual rate which is the sum of the margin (as such term is defined in the Acquisition Facility Letter) LIBOR/EURIBOR, as appropriate and the mandatory costs rate. Interest is payable in arrears on the last business day of each interest period. Default interest will be charged on overdue amounts. The interest margin may be adjusted depending on the financial performance of the Borrowers, as measured against the financial covenants and the detailed margin ratchet provisions are contained in the Acquisition Facility Letter.

Subject to the terms of the Acquisition Facility Letter, the Borrowers may prepay the term loan (in whole or in part) and there are also specified events which would trigger mandatory prepayment of the term loan. A prepayment fee may apply.

14.3 **Security**

The Working Capital Facilities and the Acquisition Facilities are secured by:

- (a) debentures granted in favour of BoS by each of XP Power; XP PLC; XP Engineering Limited; XP Electronics Limited; and XP Power International Limited;
- (b) a composite cross guarantee in favour of BoS by each of XP Power; XP PLC; XP Power Holdings Limited; XP Engineering Limited; XP Electronics Limited; FORX, Inc.; XP Power International Limited; and XP Power, Inc. (California);
- (c) a stock pledge in favour of BoS by XP Power International;
- (d) an assignment of keyman insurance policy in favour of BoS by XP PLC;
- (e) security agreements in favour of BoS by each of FORX, Inc. and XP Power, Inc. (California);
- (f) subsidiary guarantees in favour of BoS by each of FORX, Inc. and XP Power, Inc. (California); and
- (g) reaffirmation agreements in favour of BoS by each of XP Power; XP PLC; FORX, Inc.; XP Power, Inc. (California); and XP Power, Inc. (Massachusetts),

together with such other security as BoS may require from time to time.

15. **Working capital**

XP Power Singapore is of the opinion that, taking into account the bank and other facilities available to the XPS Group, the XPS Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of publication of this Prospectus.

16. **Property, plant and equipment**

16.1 The XPS Group's principal establishments (all of which are leasehold and are used for the operating of the business) are as follows:

<i>Property</i>	<i>Tenure</i>	<i>Lease expiry date</i>	<i>Current rent</i>
1590 S, Sinclair Street, Anaheim, California 92806	Leasehold	31.8.2007 from 1.9.2007 – 31.7.2009	US\$18,972.00 per month US\$19,731.00 per month
990 Benecia Ave, Sunnyvale, California 94085	Leasehold	31.1.2012	\$40,698.00 per month (increasing by 3 per cent per annum starting on 1 February 2008)
FPK Realty LLC, 305 Foster Street, Littleton, MA	Leasehold	31.7.2010	US\$18,750.00 per month

Unit No 14, Horseshoe Park, Horseshoe Road, Pangbourne, Reading, Berkshire UK	Long leasehold	25.3.2982	£100 per month ground rent
Unit No 15, Horseshoe Park, Horseshoe Road, Pangbourne, Reading, Berkshire UK	Long leasehold	25.3.2982	£100 per month ground rent
Unit No 16, Horseshoe Park, Horseshoe Road, Pangbourne, Reading, Berkshire UK	Leasehold	23.6.2011	£7,219 per quarter
Unit No 17, Horseshoe Park, Horseshoe Road, Pangbourne, Reading, Berkshire UK	Long leasehold	25.3.2982	£50.00 per month ground rent
Unit B2, Deacon Way, Reading, Berkshire	Leasehold	6.5.2001	£20,562 per quarter
Haw Par Technocentre, 401 Commonwealth Drive, Singapore 149598	Leasehold	15.3.2007 – 14.3.2010	S\$14,401.80 per month plus S\$3,200.40 service charge per month
10 Dong Huan Road, Zhang Pu Town, Kunshan City, Jiang Su Province, China 215321	Long leasehold	Reverts to local government in 2047	None

- 16.2 To the best of XP Power Singapore's knowledge, as at 20 February 2007 (being the last practicable date prior to the publication of this Prospectus), XP Power Singapore is unaware of any environmental issues that may affect XP Power Singapore's utilisation of its tangible fixed assets.

17. Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which XP Power Singapore is aware) which may have, or have had during the 12 months preceding the date of this Prospectus, a significant effect on XP Power Singapore and/or the Group's financial position or profitability.

18. Significant change

There has been no significant change in the financial or trading position of the Group since 31 December 2006, being the date up to which the last audited consolidated financial statements of the Group were prepared.

There has been no significant change in the financial or trading position of XP Power Singapore since its incorporation.

19. Consents

- 19.1 Deloitte & Touche LLP has given and has not withdrawn its written consent to the inclusion in this Prospectus of its report set out on the financial information relating to XP Power Singapore in Part IX of this Prospectus in the form and context in which it is included.
- 19.2 Investec has given and has not withdrawn its written consent to the inclusion in this Prospectus of the references to its name in the form and context in which it is included.

20. Miscellaneous

- 20.1 The total expenses of or incidental to the transaction are estimated to amount to approximately £1.1 million plus VAT in respect of professional fees, together with approximately £1.0 million in respect of the relocation payments referred to in paragraph 11.5 of this Part X.
- 20.2 Deloitte Singapore Limited, whose registered office is 6 Shenton Way #32-00, DBS Building Tower Two, Singapore 068809, are the independent auditors of XP Power Singapore and have been the only auditors of XP Power Singapore since its incorporation.
- 20.3 Deloitte & Touche LLP, whose registered office is Blenheim House, Fitzalan Court, Newport Road, Cardiff CF24 0TS are the auditors of XP and audited the financial statements of XP for the three financial years ended 31 December 2006, 2005 and 2004. The reports in respect of the financial statements for the year ended 31 December 2006, 2005 and 2004, respectively were unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act. Deloitte & Touche LLP is a member of the Institute of Chartered Accountants in England and Wales.
- 20.4 Since the date of incorporation of the Company, there has been no public takeover bid for any XPS Shares.
- 20.5 XP Power Singapore's principal register of shareholders will be maintained in Singapore by M & C Services Pte Ltd of 138 Robinson Road #17-00, The Corporate Office, Singapore 068906. A branch register will be maintained by Capita Registrars (Jersey) Limited of Victoria Chambers, Liberation Square, 1/3 The Esplanade, St Helier, Jersey.
- 20.6 The Company confirms that all information in this document which has been sourced from third parties has been accurately reproduced and, so far as the Company is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 20.7 *Forward-looking statements*

This document includes statements that are, or may be deemed to be, "forward-looking statements". Those forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "projects", "assumes", "expects", "intends", "may", "will", or "should", or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to all matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of XP Power Singapore concerning, amongst other things, results of operations, financial condition, liquidity, prospects, growth strategies and dividend policy of XP Power Singapore and the development of the industry in which the XPS Group operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance. The XPS Group's actual results of operations, financial condition, liquidity, dividend policy and the development of the industry in which the XPS Group operates may differ materially from the impression created by the forward-looking statements contained in this Prospectus. In addition, even if the results of operations, financial condition and liquidity and the development of the industry in which XPS Group operates are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions generally, legislative/regulatory changes, changes in taxation regimes and the availability and cost of capital for future investments.

Shareholders are advised to read this Prospectus in its entirety, and, in particular, Part II of this Prospectus for a further discussion of the risk factors that could affect the XPS Group's future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Prospectus may not occur.

These forward-looking statements speak only as at the date of this Prospectus. XP Power Singapore expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based unless required to do so by applicable law, the Listing Rules or the Prospectus Rules.

20.8 *References to defined terms*

Certain terms used in this Prospectus, including capitalised terms and certain other terms are explained in the section entitled "Definitions". Certain technical terms are explained in the section entitled "Glossary".

All references to "€" or "Euro" are to the lawful single currency of members states of the European Community that adopt or have adopted the Euro as their currency in accordance with the legislation of the European Union relating to the European Monetary Union.

All references to "£", "GBP" or "pound sterling" are to the lawful currency of the United Kingdom.

All references to "\$" or "US dollar" are to the lawful currency of the United States of America.

All references to "S\$" or "Singapore Dollar" are to the lawful currency of Singapore.

21. Sources and bases of information

In this Prospectus, unless otherwise stated or the context otherwise requires, the following sources and bases of certain information and calculations have been used.

Financial information

The financial information relating to the Group for the years ended 31 December 2006, 31 December 2005 and 31 December 2004 has been extracted without material adjustment from the audited IFRS financial information which is contained in the 2006 Annual Report of the Group, the 2005 Annual Report of the Group and the 2004 Annual Report of the Group, and which is incorporated into this Prospectus by reference.

22. Assumptions

Information set out in this Part X regarding the interests of the Directors and others in the share capital of XP Power Singapore assumes that, between the date of this Prospectus and the time at which the Schemes becomes effective, no further XP Shares are purchased or issued or sold out of treasury and no further XPS Shares are purchased or issued other than under the Scheme.

23. Documents available for inspection

Copies of the documents listed below may be inspected free of charge at the offices of XP Power Singapore at 138 Robinson Road #17-00, The Corporate Office, Singapore 068906 and at the offices of XP at 16 Horseshoe Park, Pangbourne, Berkshire RG8 7JW United Kingdom, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until close of business on the Scheme Effective Date and will also be available for inspection for at least 15 minutes prior to both the Court Meeting and the XP EGM and during both the Court Meeting and the XP EGM:

- (a) the Memorandum of Association of XP and the XP Articles;
- (b) the amendments to the XP Articles proposed at the XP EGM;
- (c) the XPS Memorandum and the XPS Articles;
- (d) the report of Deloitte & Touche LLP set out on pages 39 to 40 of this Prospectus;
- (e) the audited financial statements of the Group for the year ended 31 December 2006;
- (f) the 2005 Annual Report and the 2004 Annual Report of the Group;
- (g) the Directors' service contracts referred to in paragraph 11 of this Part X;
- (h) the material contracts referred to in paragraph 13 of this Part X;
- (i) the XP Share Schemes;

- (j) the written consents referred to in paragraph 19 of this Part X; and
- (k) this Prospectus.

24. Documents incorporated by reference

24.1 This Prospectus incorporates by reference certain sections of the 2005 Annual Report of the Group and the 2004 Annual Report of the Group, which are available, free of charge, on XP's website at www.xppower.com. The sections of the Annual Reports of the Group incorporated by reference are as follows:

- (a) the audit report relating to the consolidated financial statements of the Group for the year ended 31 December 2005 (the "2005 Financial Statements") set out on page 25 of the 2005 Annual Report;
- (b) the consolidated income and expenditure statement and the consolidated statement of recognised income and expenses in the 2005 Financial Statements set out on page 27 of the 2005 Annual Report;
- (c) the consolidated balance sheet in the 2005 Financial Statements set out on page 28 of the 2005 Annual Report;
- (d) the consolidated cash flow statement in the 2005 Financial Statements set out on page 29 of the 2005 Annual Report;
- (e) the notes to the 2005 Financial Statements set out on pages 30 to 51 of the 2005 Annual Report;
- (f) the audit report relating to the consolidated financial statements of Group for the year ended 31 December 2004 (the "2004 Financial Statements") set out on page 24 of the 2004 Annual Report;
- (g) the consolidated profit and loss account in the 2004 Financial Statements set out on page 25 of the 2004 Annual Report;
- (h) the statement of total recognised gains and losses and the reconciliation of movements in shareholders' funds and the statement of movement in reserves in the 2004 Financial Statements set out on page 26 of the 2004 Annual Report;
- (i) the consolidated balance sheet in the 2004 Financial Statements set out on page 27 of the 2004 Annual Report;
- (j) the consolidated cash flow statement in the 2004 Financial Statements set out on page 28 of the 2004 Annual Report; and
- (k) the notes to the 2004 Financial Statements set out on pages 29 to 40 of the 2004 Annual Report.

24.2 In addition, this Prospectus incorporates by reference certain sections of the Annual Report of the Group for the year ended 31 December 2006 (a copy of which accompanies this Prospectus where distributed to XP Shareholders) and which is available, free of charge, on XP's website at www.xppower.com. The sections of the Annual Report of the Group incorporates by reference are as follows:

- (a) the audit report relating to the consolidated financial statements of the Group for the year ended 31 December 2006 (the "2006 Financial Statements") set out on page 26 of the 2006 Annual Report;
- (b) the consolidated income and expenditure statement and the consolidated statement of recognised income and expenses in the 2006 Financial Statements set out on page 29 of the 2006 Annual Report;
- (c) the consolidated balance sheet in the 2006 Financial Statements set out on page 30 of the 2006 Annual Report;
- (d) the consolidated cash flow statement in the 2006 Financial Statements set out on page 31 of the 2006 Annual Report; and
- (e) the notes to the 2006 Financial Statements set out on pages 32 to 55 of the 2006 Annual Report.

Dated 21 February 2007

PART XI

THIS DEED POLL is made on 20 February, 2007.

BY CAPITA IRG TRUSTEES LIMITED an English company, number 2729260, whose registered office is at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (the “**Depository**”), which expression shall, unless the context otherwise requires, include any successor depository appointed in accordance with clause 13.2 of this Deed, in favour of the holders of Depository Interests as hereinafter defined.

WHEREAS:

- (A) The Company is a company incorporated and registered in the Territory, whose central management and control is not exercised in the United Kingdom and whose securities are not registered in a register kept in the United Kingdom by or on behalf of the Company.
- (B) Company Securities are to be admitted to trading on the Market and are admitted to trading on the Admission Date.
- (C) The Regulations and the CREST Manual do not provide for the direct holding and settlement of foreign securities such as Company Securities by participants in CREST.
- (D) The Depository has determined to constitute and issue from time to time, upon the terms of this Deed, series of Depository Interests, each such series representing a particular Class of Company Securities, with a view to facilitating the indirect holding of, and settlement of transactions in, Company Securities of each Class concerned by participants in CREST in accordance with the arrangements described in the CREST Manual.
- (E) The Financial Services Authority in its capacity as UK Listing Authority has confirmed that the First Series of Depository Interests will not require a listing separate from that of the particular Class of Company Securities which it represents.
- (F) London Stock Exchange plc has confirmed that the Depository Interests will not require an ISIN separate from that of the particular Class of Company Securities which it represents.
- (G) The Depository has arranged with the Operator for the First Series of Depository Interests to be admitted to CREST as participating securities.
- (H) Title to the Depository Interests shall be evidenced only by entry on the Depository Interest Register and may be transferred only by means of the CREST system.
- (I) CAPITA IRG PLC, an English company, number 2605568, which is already a System Participant, has been retained by the Depository to maintain the Depository Interest Register on behalf of the Depository.

NOW IT IS WITNESSED AND DECLARED as follows:-

1. INTERPRETATION

1.1 In this Deed the following expressions shall have the following meanings:-

Agent	any agent appointed by the Depository pursuant to this Deed;
Class	a particular class of Company Securities, units of which are for the time being in issue, where all the individual units of the Class concerned are identical in all respects and cannot be separately distinguished;
Company Securities	securities issued by the Company in accordance with its Constitutional Documents, whether represented by bearer certificates or instruments or by being recorded on a

	register or otherwise howsoever, and which are not participating securities (as defined in the Regulations), but excluding such securities or Classes of securities as the Depositary may from time to time determine;
Constitutional Documents	the Memorandum and Articles of Association, By-Laws or other constitutional documents of the Company, as amended or replaced from time to time;
CREST Manual	the document entitled the “CREST Manual” issued by the Operator but excluding the CREST International Manual;
CREST member	a person who has been admitted by the Operator as a system member;
CREST Rules	rules within the meaning of the Regulations and/or the FSMA made by the Operator;
CREST system	the meaning ascribed thereto in the Glossary of the CREST Manual;
CREST Transfer	the form of stock transfer in use from time to time within the CREST system for a transfer of a certificated unit of a participating security to a CREST member to be held by a CREST member in uncertificated form;
Custodian	subject to clause 3.3, any custodian or custodians or any nominee of any such custodian of the Deposited Property as may from time to time be appointed by the Depositary for the purposes of this Deed;
Demat Form	the CREST Dematerialisation Request Form in use from time to time within the CREST system for conversion of a unit of a participating security held by a CREST member into uncertificated form;
Depositary Interest Registrar	CAPITA IRG PLC or such other CREST Registrar who for the time being maintains the Depositary Interest Register;
Depositary Interest Register	in relation to a particular series of Depositary Interests, the register of Holders referred to in clause 2.9 and maintained in the United Kingdom on behalf of the Depositary by the Depositary Interest Registrar;
Depositary Interests	Depositary Interests of a particular series issued in uncertificated form from time to time by the Depositary on the terms and conditions of this Deed and in accordance with the Regulations, title to which is evidenced by entry on the Depositary Interest Register and which represent a particular Class of Company Securities;
Deposited Company Securities	means Company Securities of a particular Class or entitlements thereto from time to time credited to an account of the Custodian on behalf of the Depositary in the Share Register which are to be held under the terms of this Deed and in respect of which Depositary Interests of a series representing that Class of Company Securities shall be issued pursuant to the terms of this Deed;

Deposited Property	in relation to a particular Class of Company Securities, the Deposited Company Securities and all and any rights and other securities, property and cash for the time being held by or for the Custodian or the Depositary and attributable to the Deposited Company Securities;
FSA	The Financial Services Authority;
FSMA	The Financial Services and Markets Act 2000;
Holder	in relation to a particular Class of Company Securities and subject to clause 6.2.1, the CREST member recorded in the Depositary Interest Register for the time being as the holder of a Depositary Interest of the series which represents Company Securities of that Class; and, where the context admits, shall include a former Holder and the personal representatives or successors in title of a Holder or former Holder;
Liabilities	any liability, damage, loss, cost, claim or expense of any kind or nature whether direct, indirect, special, consequential or otherwise;
Membership Agreement	the agreement entered into by a Holder with the Operator pursuant to which the Operator agreed to admit the Holder as a system-member;
Operator	CRESTCo Limited or such other person who is for the time being the Operator of the CREST system for the purposes of the Regulations;
Proceedings	any proceeding, suit or action of any kind and in any jurisdiction arising out of or in connection with this Deed or its subject matter;
Regulations	The Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) and such other regulations under Section 207 of the Companies Act 1989 as are applicable to the Operator and/or the CREST relevant system and are from time to time in force;
Schedule	The schedule attached to and forming part of this Deed.
Share Register	means the register of members of the Company maintained in accordance with its Constitutional Documents by the Company or on behalf of the Company by the Share Registrar;
Share Registrar	the person who for the time being maintains the Share Register;
Stock Deposit Transaction	a properly authenticated dematerialised instruction in respect of a transaction type referred to in the CREST Manual as a stock deposit;
Stock Withdrawal Transaction into New Name	a properly authenticated dematerialised instruction in respect of a transaction type referred to in the CREST Manual as a stock withdrawal and which includes a transferee; and

Stock Withdrawal Transaction into Own Name

a properly authenticated dematerialised instruction in respect of a transaction type referred to in the CREST Manual as a stock withdrawal and which does not include a transferee.

Other definitions are set out in the Schedule.

1.2 In this Deed, unless otherwise specified:-

- 1.2.1 references to clauses, sub-clauses, schedules and paragraphs are to clauses, sub-clauses, schedules and paragraphs, of this Deed;
- 1.2.2 headings to clauses and paragraphs are for convenience only and do not affect the interpretation of this Deed;
- 1.2.3 references to a “person” shall be construed so as to include any individual, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having a separate legal personality) of two or more of the foregoing;
- 1.2.4 references to any statute or statutory instrument or any provision thereof shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted;
- 1.2.5 words importing the singular shall include the plural and vice versa unless the context otherwise requires;
- 1.2.6 references to fees, costs, charges, expenses or other payments, shall be exclusive of any value added tax or similar tax charged or chargeable in respect thereof; and when any value added tax is chargeable, the Depositary shall be entitled to recover that tax in addition to the stated fees, costs, charges, expenses or other payments;
- 1.2.7 words and phrases defined in the Regulations, the CREST Rules, and the CREST Manual which are not defined in this Deed shall have the same meanings where used herein unless the context otherwise requires;
- 1.2.8 in construing this Deed, general words shall not be given a restrictive meaning by reason of the fact that they are preceded or followed by words indicating a particular class of acts, matters or things or by particular examples intended to be embraced by the general words;
- 1.2.9 any provision to the effect that the Depositary shall not be liable in respect of a particular matter shall be construed to mean that the Depositary shall not have any liability which the Depositary might, in the absence of such a provision, incur, whether the Depositary could incur such a liability:-
 - (a) under the terms of this Deed or any other agreement or instrument relating to the CREST system (whether such terms are express or implied by statute, law or otherwise);
 - (b) in tort;
 - (c) for misrepresentation;
 - (d) for breach of trust or of any other duty imposed by law; or
 - (e) in any other way;
- 1.2.10 unless otherwise stated, nothing in this Deed is intended to confer a benefit on, and no term in this Deed will, therefore, be enforceable by, any third party pursuant to the Contracts (Rights of Third Parties) Act 1999 but this is without prejudice to the rights and obligations of the Depositary and any Holder created by this Deed. For these purposes, a term of this Deed shall only be “otherwise stated” if it incorporates an express reference to a right or benefit of the Custodian or the Company; and

1.2.11 if a benefit is conferred on any third party in accordance with clause 1.2.10, the Depositary may rescind or vary any term of this Deed in accordance with its terms without the consent of the third party at all times.

2. FORM AND ISSUE OF DEPOSITARY INTERESTS

2.1 Subject to clause 6.2, the Depositary shall only issue and transfer Depositary Interests to CREST members who in accepting such issue or transfer give CRESTCo the authority to confirm such membership and supply a copy of their Membership Agreement to the Depositary. In accepting any issue or transfer to it of Depositary Interests, each Holder shall be deemed to be accepting and agreeing to the terms of this Deed and all obligations imposed on it hereunder.

2.2 Subject to the provisions of this Deed, the Depositary shall issue to a CREST member such number or amount of Depositary Interests of a particular series as is equal to the number or amount (as the case may be) of Company Securities of the relevant Class issued or transferred to the Custodian on behalf of the Depositary, for the account of that CREST member.

2.3 Subject to the provisions of this Deed, the Depositary shall only issue Depositary Interests upon either:-

2.3.1 receipt by the Depositary of a CREST Transfer or a Demat Form in respect of a specified number and Class of Company Securities which, in either case, has been executed by or on behalf of the holder of such Company Securities; or

2.3.2 the issue to the Custodian on behalf of a CREST member of a specified number and Class of Company Securities; and in either case; or

2.3.3 receipt by the Depositary of a Stock Deposit Transaction for an equivalent number of Depositary Interests.

2.4 Receipt by the Depositary of:

2.4.1 a CREST Transfer or a Demat Form as referred to in clause 2.3.1; and

2.4.2 a Stock Deposit Transaction for a number of Depositary Interests equivalent to that specified in such CREST Transfer or Demat Form;

shall by virtue of the Board Resolution constitute an instrument of transfer of such Company Securities in favour of the Custodian as transferee and by virtue of this clause but subject to the provisions of this Deed, be deemed to constitute:

(a) an irrevocable instruction to the Depositary to issue an equivalent number of Depositary Interests in the name of the CREST member in whose favour such CREST Transfer is made or in whose name such Demat Form is made; and

(b) an irrevocable direction to the Depositary or the Depositary Interest Registrar on its behalf, to adjust by means of a registrar's adjustment transaction the stock account of the relevant CREST member in respect of the relevant number of Depositary Interests;

and accordingly, forthwith upon receipt of the same the Depositary shall, subject to the provisions of this Deed:

(i) procure that there is forthwith delivered to the Custodian on behalf of the Depositary, by unconditional credit to the Custodian's account in the Share Register, a number or amount of Company Securities of the Class concerned equal to the number or amount of Depositary Interests to be so issued;

(ii) issue such Depositary Interests; and

(iii) send such Registrar's adjustment transaction.

2.5 The issue to the Custodian on behalf of a CREST member of a specified number and Class of Company Securities shall be deemed, subject to the provisions of this Deed, to constitute:

- 2.5.1 an irrevocable instruction to the Depositary to issue an equivalent number of Depositary Interests in the name of the CREST member in whose favour such Company Securities are issued; and
 - 2.5.2 a direction to the Depositary or the Depositary Interest Registrar on its behalf, to adjust by means of a registrar's adjustment transaction the stock account of the relevant CREST member in respect of the relevant number of Depositary Interests;
- and, accordingly, forthwith upon the issue of such Company Securities, the Depositary shall, subject to the provisions of this Deed:
- (a) procure that there is forthwith delivered to the Custodian on behalf of the Depositary, by unconditional credit to the Custodian's account in the Share Register, a number or amount of Company Securities of the Class concerned equal to the number or amount of Depositary Interests so issued;
 - (b) issue such Depositary Interests; and
 - (c) send such Registrar's adjustment transaction.
- 2.6 The sending by the Depositary or the Depositary Interest Registrar of a Registrar's adjustment transaction in accordance with this Deed is taken to constitute confirmation by the Depositary that:
- 2.6.1 the relevant number of Depositary Interests has been issued in the name of the relevant CREST member; and that
 - 2.6.2 there has been delivered to the Custodian on behalf of the Depositary, by unconditional credit to the Custodian's account in the Share Register, a number or amount of Company Securities of the Class concerned equal to the number or amount of Depositary Interests so issued.
- 2.7 If at any time after the date of this Deed, the Company creates any separate Class(es) of Company Securities then any Depositary Interests to be issued in respect of any such separate Class of Company Securities shall be issued in series, each series representing interests in a separate Class of Company Securities.
- 2.8 Depositary Interests shall be issued on the terms and conditions set forth or referred to in or prescribed pursuant to this Deed and the CREST Manual, in each case as from time to time amended.
- 2.9 The Depositary shall maintain in England separate registers in respect of each series of Depositary Interests in accordance with the Regulations. Each such register shall record:
- 2.9.1 the number of Depositary Interests outstanding from time to time;
 - 2.9.2 the name and address of each person holding the Depositary Interests;
 - 2.9.3 how many Depositary Interests each such person holds; and
 - 2.9.4 the date of issue and cancellation and changes in ownership in respect of all of Depositary Interests.
- 2.10 Title to Depositary Interests shall be evidenced only by entry on the Depositary Interest Register and may be transferred only by means of the CREST system.
- 2.11 The Depositary shall, if requested to do so by the Company:
- (a) arrange for the Depositary Interest Register to be open to the inspection of any Holder or Holders in general, in either case without charge, and of any other person or persons in general, in either case on payment of a fee; and

- (b) provide a copy of the Depositary Interest Register, or any part of it, to any Holder, Holders in general, persons or persons in general, in any such case on payment of a fee; and the Depositary shall cause any copy so required to be sent within 10 days beginning with the day next following that on which the requirement is received by the Depositary.
- 2.12 The fees and other provisions relating to the inspection and copying of the Depositary Interest Register will be those set out in the Companies (Inspection and Copying of Registers, Indices and Documents) Regulations 1991 (SI 1991/1998) as amended or replaced from time to time, as if those regulations applied to the Depositary Interest Register. Each Holder consents to such arrangements to open the Depositary Interest Register for inspection.
- 2.13 Depositary Interests may be issued only in uncertificated form. A request for conversion of Depositary Interests into certificated units of a security for the purposes of the Regulations shall be deemed to be a request to the Depositary for cancellation of such Depositary Interests and withdrawal of the Deposited Property represented by such Depositary Interests in accordance with this Deed.
- 2.14 Subject to clauses 9.13 and 10.2, Depositary Interests shall be transferable free from any equity, set-off or counterclaim between the Depositary and the original or any intermediate Holder.
- 2.15 The Depositary shall have no obligation to arrange for the Depositary Interests to be listed on any stock exchange or quoted or permitted to be dealt in or on any other market.
- 2.16 The Depositary Interests have not been and will not be registered under the securities legislation of any territory other than England and Wales.
- 2.17 Save for the trusts declared by clause 5.1 of this Deed, the Depositary shall not be bound by or compelled to recognise any express, implied or constructive trust or other interest in respect of Deposited Property, even if it has actual or constructive notice of the said trust or interest. The Depositary does not undertake any duty or obligation to any person (other than a Holder) and accepts no liability to any such person.
- 2.18 Depositary Interests may be cancelled by the Depositary pursuant to clauses 6, 7 and 9.3 and, so far as the Depositary considers appropriate, in the circumstances contemplated in clauses 9.11, 9.13, 10.2 and 11.1.
- 2.19 The Depositary shall maintain in respect of each Holder:
- 2.19.1 a securities account showing the amount of Deposited Company Securities attributable to that Holder and, if and so long as the Deposited Property includes cash;
- 2.19.2 a cash account recording the cash amounts (if any) attributable to such Deposited Company Securities.
- 2.20 The Depositary may suspend registration of transfers of Depositary Interests and may in addition request the Operator to suspend the Depositary Interests if:
- 2.20.1 transfers of the Deposited Company Securities are suspended; or
- 2.20.2 trading in the Deposited Company Securities is suspended in any market or on any exchange on which the Deposited Company Securities are traded or listed or the Deposited Company Securities are no longer transferable for any other reason; or
- 2.20.3 the Operator is entitled under the Regulations or the CREST Rules to suspend the Deposited Company Securities; or
- 2.20.4 in all the circumstances the Depositary considers it reasonable to do so.
- 2.21 The Depositary shall not be bound to enquire whether any of the circumstances described in clause 2.20 has arisen.

- 2.22 The Depositary shall not be bound to enquire whether any transactions in Depositary Interests are in train before deciding to suspend or request a suspension and shall incur no liability to any Holder or potential Holder by reason of any suspension or request made in accordance with clause 2.20.

3. APPOINTMENT OF CUSTODIAN

- 3.1 The Depositary shall from time to time appoint one or more persons to act for it as Custodian. The function of the Custodian shall be to hold such of the Deposited Property as may be designated from time to time by the Depositary, and any cash or other property derived from such Deposited Property, on behalf of the Depositary. The Custodian shall be subject at all times and in all respects to the direction of the Depositary and shall be responsible solely to it. The Depositary may at any time terminate the appointment of any Custodian and appoint a successor Custodian. The Custodian may be a member of the same group of companies as the Depositary.
- 3.2 The Depositary shall require the Custodian to ensure that all Deposited Property held by the Custodian is identified as being held on behalf of the Depositary for the account of Holders. The Depositary shall not be liable to earn any interest on or to account to the Company or any Holder or any other person for any interest earned on moneys held either by it or by the Custodian or by any Agent which shall have been paid by or on behalf of the Company or any Holder under this Deed or shall otherwise have been received in respect of Deposited Property.
- 3.3 Notwithstanding the provisions of clause 3.1, the Depositary may, to the extent permitted by applicable laws and regulations to which it is subject, itself perform the functions of the Custodian, in which case references in this Deed to the Custodian shall be deemed to be references to the Depositary.

4. DEPOSIT OF DEPOSITED PROPERTY; FURTHER PROVISIONS

- 4.1 Each person to whom Depositary Interests are to be issued pursuant to this Deed (the “Taker”) shall be bound to give such warranties and certifications to the Depositary as the Depositary may reasonably require. Each Taker shall in any event be taken to warrant that Company Securities which are transferred or issued to the Custodian on behalf of the Depositary for the account of the Taker are transferred or, as the case may be, issued free and clear of all liens, charges, encumbrances or third party interests (other than the interests therein arising pursuant to clause 5 of this Deed) and that such transfers or, as the case may be, such issues of Company Securities to the Custodian are not in contravention of the Constitutional Documents of the Company or of any contractual obligation binding on the Taker or the person making the transfer or of any applicable law or regulation or order binding on or affecting the Taker or the person making the transfer, and the Taker shall indemnify the Depositary and keep it indemnified from and against any liability which it may suffer by reason of any breach of any such warranty.
- 4.2 The Depositary shall be entitled to refuse to accept Company Securities for deposit hereunder:
- 4.2.1 whenever it is notified in writing that the Company has restricted the transfer thereof to comply with ownership restrictions under applicable law or under the Articles or any contractual provision binding the Company; or
- 4.2.2 if the Depositary is requested to do so by or on behalf of the Company in order to facilitate the Company’s compliance with or to avoid any breach of any securities or other laws in any jurisdiction; or
- 4.2.3 if such action is deemed necessary or advisable by the Depositary at any time or from time to time because of any requirement of any applicable law or of any government or governmental authority, body or agency or any regulatory authority or the Operator, or under any provision of this Deed or for any other reason.

5. DECLARATION OF TRUST; NO SECURITY INTEREST; DUTIES WITH RESPECT TO DEPOSITED PROPERTY

- 5.1 The Depositary hereby declares and confirms that it holds (itself or through the Custodian) as bare trustee and will so hold, subject to the terms of this Deed, all the Deposited Property pertaining to each series of Depositary Interests for the benefit of the Holders of that series as tenants in common and that each of the Holders is entitled to rights in relation to the relevant Deposited Property accordingly. For the avoidance of doubt, in acting hereunder the Depositary shall have only those duties, obligations and responsibilities expressly undertaken by it in this Deed and, except to the extent expressly provided by this Deed, does not assume any relationship of trust for or with the Holders or any other person.
- 5.2 Nothing in this Deed is intended to nor shall create a charge or other security interest in favour of the Depositary. Any right or power of the Depositary in respect of the Deposited Property is reserved by the Depositary under its declaration of trust contained in clause 5.1 and is not given by way of grant by any Holder.
- 5.3 The Depositary shall pass on to and, so far as it is reasonably able, exercise on behalf of and shall ensure that the Custodian passes on to and, so far as it is reasonably able, exercises on behalf of the relevant Holder(s) all rights and entitlements which it or the Custodian receives or is entitled to in respect of Deposited Company Securities in accordance with this Deed and which are capable of being passed on or exercised.
- 5.3.1 Any such rights or entitlements to cash distributions, to information, to make choices and elections, and to call for, and vote by proxy at general meetings and any class meetings shall, subject to the other provisions of this Deed, be passed on to the relevant Holder(s) forthwith (and in any event within 3 working days) upon being received by the Custodian in the form in which they are received by the Custodian together with such amendments or such additional documentation as shall be necessary to effect such passing-on or, as the case may be, exercised in accordance with the terms of this Deed. The Holder should note that under article 77 of the Company's Articles of Association, any person holding depositary interests shall be entitled to attend and speak at any general meeting of the Company but shall not be entitled to vote at such meeting. If the Holder wishes to exercise its voting rights in general meeting it should therefore ensure that it completes an appropriate form of direction directing the Depositary to vote on its behalf and deposits the same with the Depositary before the meeting.
- 5.3.2 Any such rights or entitlements to any other distributions, including but not limited to scrip dividends, to bonus issues or arising from capital reorganisations shall be passed on to the relevant Holder(s) (a) by means of the consolidation, sub-division, change in currency denomination, cancellation and/or issue of Depositary Interests to reflect the consolidation, sub-division, change in currency denomination and/or cancellation of the underlying Deposited Company Securities or the issue of additional Depositary Interests to the relevant Holder(s) to reflect the issue of additional Company Securities to the Custodian and (b) in either case forthwith following such consolidation, sub-division, change in currency denomination and/or cancellation or issue of such Company Securities as the case may be.
- 5.3.3 If the Company makes a distribution in specie to the Custodian of an asset which is not readily divisible among Holders in their due proportions, the Custodian will use reasonable endeavours to sell the relevant asset within a reasonable time at the best price reasonably obtainable in the market and to distribute the net proceeds of sale appropriately. For the avoidance of doubt, the Custodian shall not be under any obligation to sell a relevant asset if there is in fact no market for it, nor will it be under any obligation to operate the asset in question in order to produce income from it.
- 5.3.4 If arrangements are made which allow a Holder to take up any rights in Company Securities requiring further payment from a Holder, it must if it wishes the Depositary to exercise such rights on its behalf put the Depositary in cleared funds before the relevant payment date or such other date that the Depositary may notify the Holders in respect of such rights.

- 5.3.5 The Depositary will accept all compulsory purchase and similar notices in respect of Depositary Interests but will not, and the Custodian will not, exercise choices, elections or voting or other rights or entitlements in the absence of express instructions from the relevant Holder.
- 5.3.6 The Depositary shall re-allocate any Company Securities or distributions which are allocated to the Custodian and which arise automatically out of any right or entitlement to Deposited Company Securities to Holders pro-rata to the Deposited Company Securities held for their respective accounts provided that the Depositary shall not be required to account for any fractional entitlements arising from such re-allocation which fractional entitlements shall be aggregated and given to charity.
- 5.3.7 Any other rights or entitlements shall be passed on to or, as the case may be exercised on behalf of, Holders in such manner and by such means as the Depositary shall in its absolute discretion determine. Where the rights or entitlements consist of reports, notices, circulars or other information received by the Custodian, the obligation to pass them on is subject to the Custodian having received a sufficient number of each such document to pass on one copy to each Holder.
- 5.4 The Depositary will not be bound to take notice of, nor to see to the carrying out of, any trust, mortgage, charge, pledge or claim in favour of any other person. A receipt from a Holder (or from a Holder's personal representatives or nominated transferee in accordance with clause 6) for the Depositary Interests will free the Depositary from responsibility to any such other person in respect of any such interest. The Depositary may ignore any notice it receives of the right, title, interest or claim of any other person to an interest in those assets, except where the interest is conferred by operation of law.

6. WITHDRAWAL OF DEPOSITED PROPERTY ON TRANSFER AND RELATED MATTERS

- 6.1 Subject to the provisions of this Deed, the Depositary shall only cancel Depositary Interests and transfer the Deposited Property represented thereby upon the request of the Holder.
- 6.2 The receipt by the Depositary of either a Stock Withdrawal Transaction into Own Name or a Stock Withdrawal Transaction into New Name for a specified number of Depositary Interests shall in addition to the meaning attributed to it within the CREST system (if different) be deemed to constitute:
- 6.2.1 in the event of a Stock Withdrawal Transaction into New Name, an irrevocable instruction to the Depositary Interest Registrar to debit the account on the Depositary Interest Register of the CREST member who issued such Stock Withdrawal Transaction and credit the account of the transferee specified in such Stock Withdrawal Transaction, whether or not a CREST member, in each case with the relevant number of Depositary Interests and for the avoidance of doubt any such transferee whether or not a CREST member shall not become a Holder;
- 6.2.2 in the event of a Stock Withdrawal Transaction (whether into New Name or Own Name) an irrevocable request from the Holder on the Depositary Interest Register for those Depositary Interests to be cancelled and for the Deposited Property represented thereby to be withdrawn; and
- 6.2.3 an irrevocable instruction from the Holder on the Depositary Interest Register to the Custodian to forthwith transfer the relevant Deposited Property to the transferee specified in such Stock Withdrawal Transaction into New Name or, in the case of a Stock Withdrawal Transaction into Own Name, the Holder of the relevant Depositary Interests (in either case the "Transferee") and to pay any money comprised in or referable to the Deposited Property relating to such Depositary Interests to such Transferee.

6.3 In respect of any transfer to the Transferee:

6.3.1 The Depositary shall be entitled to deliver to the Transferee, in lieu of the relevant Deposited Company Securities to which he is entitled, any securities into which such Deposited Company Securities have been converted, sub-divided, re-denominated or consolidated, any securities which are substituted by the Company for such Deposited Company Securities or any proceeds and/or securities received or issued in lieu of such Deposited Company Securities as a result of any corporate event of or affecting the Company; and

6.3.2 without prejudice to the generality of clause 6.3.1, where the Depositary has at the direction of the Holder assented Deposited Company Securities to a third party pursuant to a take-over offer, the Depositary shall deliver to the Transferee in question the proceeds and/or securities received in respect of the assented Deposited Company Securities attributed to the Depositary Interests being withdrawn in lieu of such Deposited Company Securities;

in each case as soon as practicable following receipt if the same have not been received by the Depositary by the time of receipt of the relevant Stock Withdrawal Transaction whether into Own Name or into New Name.

6.4 Notwithstanding the provisions of clause 6, the Depositary shall not be required to make arrangements for the transfer of Company Securities of a particular Class during any period when the Share Register is closed.

6.5 The Depositary shall not be liable to a Holder or a Transferee if any Deposited Property cannot be delivered to or to the order of a Transferee by reason of any prohibition imposed upon the Depositary or the Holder by applicable law or any other matter beyond the Depositary's reasonable control.

6.6 Notwithstanding the withdrawal of Deposited Company Securities under this clause 6, income distributions attributable thereto will be dealt with in accordance with clause 5.

6.7 Any person requesting cancellation of Depositary Interests may be required by the Depositary to furnish it with such reasonable proof, certificates and representations and warranties as to matters of fact, including, without limitation, as to his identity and with such further documents and information as the Depositary may reasonably deem necessary or appropriate for the administration or implementation of this Deed in accordance with applicable laws and regulations. The Depositary may withhold delivery of the Deposited Property until such items are so furnished.

7. COMPULSORY WITHDRAWAL

7.1 If it shall come to the notice of the Depositary, or if the Depositary shall have reason to believe, that

7.1.1 any Depositary Interests are owned directly or beneficially by any person in circumstances which, in the opinion of the Depositary, might result in the Depositary or the Custodian suffering any liability to taxation or pecuniary, fiscal or material regulatory disadvantage which it might not otherwise have suffered; or

7.1.2 any Depositary Interests are owned directly or beneficially by, or otherwise for the benefit of, any person in breach of any law or requirement of any jurisdiction or governmental authority or so as to result in ownership of any Company Securities exceeding any limit under, or otherwise infringing the Constitutional Documents of or law applicable to the Company or the terms of issue of the Company Securities; or

7.1.3 any Depositary Interests are owned directly or beneficially by, or otherwise for the benefit of, any person who fails to furnish to the Depositary such proof, certificates and representations and warranties as to matters of fact, including, without limitation, as to his identity, as the Depositary may deem necessary or appropriate for the administration or implementation of this Deed in accordance with applicable laws and regulations, including (without limitation) information specified in the CREST Manual; or

- 7.1.4 any Depositary Interests are owned by a Holder who ceases at any time to be, or is suspended in whole or in part as, a CREST member for any reason; or
- 7.1.5 any Depositary Interests cease to be capable of being held in the CREST system; or
- 7.1.6 any restriction is placed upon the rights of the Holder, his Depositary Interests or the shares underlying his Depositary Interests by the Company pursuant to the Company's articles of association including (without limitation) articles 40, 174 or 189; or
- 7.1.7 any Depositary Interests are held by a Holder who has failed to duly and punctually perform any obligation to the Depositary or Custodian or the Company imposed upon him by virtue of this Deed or any other agreement or instrument to which he is a party or by which he is bound with respect to those or any other Depositary Interests, and in relation to whom the Depositary determines that it is appropriate that the provisions of this clause shall apply,

then the Holder shall be deemed to have requested the cancellation of his Depositary Interests and the withdrawal of the Deposited Company Securities represented by his Depositary Interests.

- 7.2 If any regulatory authority refuses to approve the holding of the Depositary or the Custodian of Company Securities at or above a certain level, and requires the Depositary or Custodian to divest itself of some or all of the Company Securities held by it, then:

- 7.2.1 the Depositary will consult with the Company as to what action it proposes to take; and
- 7.2.2 a Holder or Holders (as appropriate) will be deemed to have requested the cancellation of their Depositary Interests and the withdrawal of the Company Securities represented by those Depositary Interests.

In deciding what action to take the Depositary will start from the presumption that all Holders should have their Depositary Interests cancelled proportionally, but this presumption may be departed from in any particular case if, in the Depositary's view, the circumstances make it appropriate to do so.

- 7.3 On the Holder being deemed, at the election of the Depositary, to have requested the withdrawal of the Deposited Company Securities represented by his Depositary Interests pursuant to clause 7.1, the Depositary shall make such arrangements to the extent practicable and permitted by applicable law and regulation for the delivery of the Deposited Property represented by the Holder's Depositary Interests to the Holder as the Depositary shall think fit. Without limitation, the Depositary may:-

- 7.3.1 arrange for the Depositary Interests of such Holder to be transferred (or cancelled and re-issued) to a CREST member selected by the Depositary who shall hold the same as nominee for such Holder on such terms as the Depositary or that CREST member shall think fit; or
- 7.3.2 arrange for such Depositary Interests to be cancelled and for the Deposited Property represented thereby to be transferred to such Holder; or
- 7.3.3 in its absolute discretion, liquidate all or part of the Deposited Property and deliver the net proceeds in respect thereof to the Holder.

The Depositary shall be entitled to deduct such fees, costs, duties, taxes and charges as may be applicable and any other sums owing to the Depositary in accordance with the provisions of this Deed from the Deposited Property or from the net proceeds thereof before delivering the same to the Holder. If any official consents need to be obtained prior to the delivery of the Deposited Property or the net proceeds thereof to the Holder, the Depositary shall make such arrangements with respect to the Deposited Property or the net proceeds thereof as it shall see fit.

8. AUTHORISATIONS, CONSENTS, etc

- 8.1 The Depositary warrants that it is an authorised person under the FSMA and is duly authorised to carry out the custodial and other activities required of it by this Deed in accordance with that Act and undertakes that, if and so long as this Deed remains in force, it shall, at its own burden and expense,

maintain that status and authorisation or any corresponding status under any legislation or regulatory requirement in England which may from time to time apply to the carrying on of such activities in addition to or in substitution for the requirements of the FSMA. Subject to clause 9, the Depositary further warrants that it shall, and shall procure that every Depositary Interest Registrar, Custodian, Agent or other person appointed by the Depositary pursuant to this Deed shall, at all times and in all respects comply with and maintain in place all necessary registrations/notifications and procedures to comply with the Data Protection Act 1998 at no cost to any Holder.

- 8.2 Subject to clause 8.1, if any other governmental or administrative authorisation, consent, registration or permit or any report to any governmental or administrative authority is required in order for the Depositary to receive Company Securities to be deposited hereunder and/or for Depositary Interests representing the same to be issued pursuant to this Deed, or in order for Company Securities or other securities or property to be distributed or to be subscribed or acquired in accordance with the provisions prescribed in or pursuant to this Deed, the prospective Holder shall apply for such authorisation, consent, registration, or permit or file such report within the time required. The Depositary shall not be bound to issue Depositary Interests or distribute, subscribe or acquire Company Securities or other property with respect to which such authorisation, consent, registration, permit or such report shall not have been obtained or filed, as the case may be, and shall have no duties to obtain any such authorisation, consent, registration or permit or to file any such report except in circumstances where the same may only be obtained or filed by the Depositary and only without unreasonable burden or expense.

9. LIABILITY

- 9.1 The Depositary shall not incur any liability to any Holder or to any other person for any Liabilities suffered or incurred, arising out of or in connection with the performance or non-performance of its obligations or duties whether arising under this Deed or otherwise save to the extent that such Liabilities result from its negligence or wilful default or fraud or that of any person for whom the Depositary is vicariously liable provided that the Depositary shall not incur any such liability as a result of the negligence or wilful default or fraud of any Custodian or Agent which is not a member of the same group of companies as the Depositary unless the Depositary shall have failed to exercise reasonable care in the appointment and continued use and supervision of such Custodian or Agent. Nor shall the Depositary incur any such liability if any Liability suffered or incurred by the Holder is attributable to or results from the negligence or wilful default or fraud of the Operator or the Company or the acts or omissions of any person who provides banking services in connection with the CREST system. Except in the case of personal injury or death, any liability incurred by the Depositary to a Holder under this Deed will be limited to:
- 9.1.1 the value (at the date the act, omission or other event giving rise to the liability is discovered and as if such act, omission or other event had not occurred) of the Deposited Property that would have been properly attributable (if such act, omission or other event had not occurred) to the Depositary Interests to which the liability relates; or if less;
 - 9.1.2 that proportion of £10 million which corresponds to the proportion which the amount the Depositary would otherwise be liable to pay to the Holder bears to the aggregate of the amounts that the Depositary would otherwise be liable to pay to all or any Holders in respect of the same act, omission or event which gave rise to such liability or if there are no such other amounts, £10 million.
- 9.2 The Depositary shall not incur any liability to any Holder or to any other person if, by reason of:
- 9.2.1 any provision of any present or future law or regulation of any jurisdiction or of any governmental authority, or by reason of the interpretation thereof; or
 - 9.2.2 any compulsory withdrawal pursuant to clause 7; or
 - 9.2.3 the Constitutional Documents of the Company; or
 - 9.2.4 the provisions of the CREST Manual or CREST Rules or the application thereof; or

9.2.5 any refusal or failure of the Operator or of any other person to provide any service in relation to the CREST system or any operational failure of the CREST system; or

9.2.6 any act or omission of the Company; or

9.2.7 any computer failure; or

9.2.8 any circumstance beyond the reasonable control of the Depositary,

the performance by it or any other person of any act or thing which is required or permitted or contemplated to be done or performed by or pursuant to this Deed shall be prevented or delayed or required to be effected in some manner or to an extent which is different in any respect from that provided for or contemplated by this Deed.

- 9.3 If and to the extent that by virtue of laws of any jurisdiction outside the United Kingdom, or the application or operation of those laws in any particular event or circumstance, or by virtue of the provisions of the Constitutional Documents of the Company or the application or operation of those provisions in any particular event or circumstance, the Depositary or the Custodian does not acquire unconditional and absolute title or right to any Deposited Property, or acquires a title or right to any Deposited Property which is in any manner encumbered or defective or liable to be displaced or avoided, or where as a result of an event or circumstance beyond the Depositary's reasonable control the Deposited Property is reduced or depleted or the Depositary does not hold sufficient Company Securities to cover the Depositary Interests in issue, neither the Depositary nor the Custodian shall be in any way liable to any Holder or any other person by reason thereof; but in any such case the Depositary shall be entitled to take or cause to be taken such action as shall in its opinion be reasonable or appropriate, including without limitation the cancellation without compensation of the Depositary Interests of any Holder(s) determined by the Depositary whether or not such Holder(s) are in any way responsible for the relevant event or circumstance; and each Holder agrees that, by acquiring and holding Depositary Interests representing Company Securities by means of the arrangements contemplated by this Deed, he accepts the risk that, by virtue of such laws or terms and conditions, or the application or operation thereof, or any such event or circumstance, his interest in any relevant Deposited Property may not be entire, complete and unimpeachable.

If the Depositary becomes entitled to take or cause to be taken action as aforesaid, it will in its sole discretion consider whether it may directly or indirectly transfer or make available to any Holder adversely affected, in whole or in part, the benefit of any rights, claims or other assets which may be available to the Depositary and which pertain to the matter(s) giving rise to the relevant event or circumstance.

- 9.4 The Depositary may rely on, and shall not be liable for any loss suffered by any Holder or any other person by reason of its having accepted (or the Custodian or any other Agent or the Company or its agents having accepted) as valid and having relied upon, any written notice, request, direction, transfer, certificate for Company Securities (or other securities) electronic communication or any other document or any translation thereof or communication reasonably believed by it in good faith to be genuine notwithstanding that the same shall have been forged or shall not be genuine or accurate or shall not have been duly authorised or delivered.
- 9.5 The Depositary may act, or take no action, on the advice or opinion of, or in reliance upon, any certificate or information obtained from, the Company or any reputable lawyer, valuer, accountant, banker, broker, information provider, settlement system operator registrar or other expert whether obtained by the Company, the Depositary or otherwise and shall not except where any such person is a member of the same group of companies as the Depositary be responsible or liable to any Holder or any other person for any loss or liability occasioned by so acting or refraining from acting or relying on information from persons depositing Company Securities or otherwise entitled to the issue of Depositary Interests. Any such advice, opinion, certificate or information may be sent or obtained by letter, telex, facsimile transmission, e-mail, telegram, cable or other electronic communication and the Depositary shall not be liable for acting on any such advice, opinion, certificate or information notwithstanding that the same shall have been forged or shall not be genuine or accurate.

- 9.6 The Depositary may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing, a certificate, letter or other written communication, purporting to be signed on behalf of the Company by a director of the Company or by a person duly authorised in writing by a director of the Company or such other certificate from any such person as is specified in clause 9.5 which the Depositary considers appropriate and the Depositary shall not be bound in any such case to call for further evidence or be responsible to any Holder or any other person for any loss or liability that may be occasioned by the Depositary acting on such certificate.
- 9.7 The Depositary shall not be required or obliged to monitor, supervise or enforce the observance and performance by the Company of any of its obligations, including, without limitation, those arising under or in connection with applicable law, or any contract or instrument to which the Company is a party or by which it or any of its assets is bound. The Depositary makes no representation or recommendation to any person regarding the financial condition of the Company or the advisability of acquiring Depositary Interests or Company Securities or other property or as to the type or character or suitability thereof and takes no responsibility for the operations of the Company or the effect thereof on the value of the relevant Company Securities or Depositary Interests or any rights derived therefrom.
- 9.8 The Depositary, the Custodian and any Agent may engage or be interested in any financial or other business transactions with the Company or any other member of any group of which the Company is a member, or in relation to the Deposited Property (including, without prejudice to the generality of the foregoing, the conversion of any part of the Deposited Property from one currency to another), may at any time hold or be interested in Depositary Interests for their own account, and shall be entitled to charge and be paid all usual fees, commissions and other charges for business transacted and acts done by them otherwise than in the capacity of Depositary or Custodian or Agent (as the case may be) in relation to matters arising under this Deed (including, without prejudice to the generality of the foregoing, charges on the conversion of any part of the Deposited Property from one currency to another and on any sales of property) without accounting to the Holders or any other person for any profit arising therefrom.
- 9.9 The Depositary shall endeavour to effect any sale of securities or other property or transferable right and any conversion of currency as is referred to or contemplated by this Deed in accordance with its normal practices and procedures but shall have no liability with respect to the terms of such sale or conversion or if the effecting of such sale or conversion shall not be reasonably practicable.
- 9.10 The Depositary shall have no responsibility whatsoever to any Holder or any other person as regards any deficiency which might arise because the Depositary is subject to or accountable for any tax in respect of any or any part of the Deposited Property or any income or capital distribution or other payment arising therefrom or any proceeds of sale thereof. The Depositary shall be entitled to make such deductions from the Deposited Property or any income or capital arising therefrom or to sell all or any of the Deposited Property and make such deductions from the proceeds of sale thereof as may be required by applicable law in order to comply with its obligations to account for any tax liability in respect thereof.
- 9.11 Without prejudice to any other powers which the Depositary may have hereunder, the Depositary shall be entitled to enter into any agreement with or give any undertakings to any relevant taxation authority concerning the taxation status of the transactions effected pursuant to this Deed and to do all such things as may be required under the terms of any such agreement or undertakings.
- 9.12 Notwithstanding anything else contained in this Deed but subject always to the rights of a Holder under clause 5, the Depositary may refrain from doing anything which could or might, in its reasonable opinion, be contrary to any law of any jurisdiction or any of the CREST Rules or any regulation or requirement of any regulatory authority or other body which is binding upon it, or which would or might otherwise in its reasonable opinion render it liable to any person and the Depositary may do anything which is, in its opinion, necessary to comply with any such law, regulation or requirement or which is in its opinion necessary to avoid any such liability.

- 9.13 No provision of this Deed shall require the Depositary to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder. If, notwithstanding this provision, the Depositary reasonably does so, it shall be entitled to make such deductions from the Deposited Property or any income or capital arising therefrom or to sell all or any of the Deposited Property and make such deductions from the proceeds of sale thereof as may be required to account for any loss or liability suffered by the Depositary in respect thereof.
- 9.14 All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Holders or their agents will be delivered to or sent to or from them at their own risk.
- 9.15 The Depositary shall not be liable to a Holder in respect of any of its obligations under this Deed if it is unable to fulfil those obligations by reason of any prohibition imposed upon the Depositary or the Holder by applicable law, any benefit attaching to Company Securities being unable to pass through the CREST system and alternative arrangements not being agreed with the Company or any other matter beyond the Depositary's reasonable control.

10. DEPOSITARY'S FEES AND EXPENSES

- 10.1 The Depositary shall be entitled to charge Holders in respect of the provision of its services under this Deed the fees and expenses notified from time to time.
- 10.2 The Depositary shall not be liable for any taxes, duties, charges, costs or expenses which may become payable in respect of the Deposited Company Securities or other Deposited Property or the Depositary Interests, whether under any present or future fiscal or other laws or regulations or otherwise, and such part thereof as is proportionate or in the opinion of the Depositary referable to a Depositary Interest shall be payable by the Holder thereof to the Depositary at any time on request; or may be deducted from Deposited Property held for the account of the Holder and/or from any amount due or becoming due on such Deposited Property in respect of any dividend or other distribution. In default thereof, the Depositary may in its sole discretion sell, and for the account of the Holder discharge the same out of the proceeds of sale of, any appropriate number of Deposited Company Securities or other Deposited Property, and subsequently pay any surplus to the Holder.

11. INDEMNITIES

- 11.1 A Holder shall be liable for and shall indemnify the Depositary and the Custodian and their respective agents, officers and employees and hold each of them harmless from and against, and shall reimburse each of them for, any and all Liabilities, arising from or incurred in connection with, or arising from any act performed in accordance with or for the purposes of or otherwise related to, this Deed insofar as they relate to Deposited Property held for the account of, or Depositary Interests held by, that Holder, except for Liabilities caused by or resulting from any wilful default or negligence or fraud of (i) the Depositary or (ii) the Custodian or any Agent if such Custodian or Agent is a member of the same group of companies as the Depositary or if, not being a member of the same group of companies, the Depositary shall have failed to exercise reasonable care in the appointment and continued use and supervision of such Custodian or Agent. The Depositary shall be entitled to make such deductions from the Deposited Property or any income or capital arising therefrom or to sell all or any of the Deposited Property and make such deductions from the proceeds of sale thereof as may be required to discharge the obligations of the Holder(s) under this clause.
- 11.2 The obligations of each Holder under clause 11.1 shall survive any termination of this Deed in whole or in part and any resignation or replacement of the Depositary and any Custodian.
- 11.3 Should any amount paid or payable under this Deed by a Holder be itself subject to tax in the hands of the recipient or be required by law to be paid under any deduction or withholding, the relevant Holder(s) will pay such sums as will after any such tax, deduction or withholding leave

the recipient with the same amount as he would have had if no such tax had been payable and no deduction or withholding had been made and such payments and adjustments shall be made as may be necessary to give effect to this clause 11.3.

12. AGENTS

- 12.1 The Depositary may from time to time appoint one or more Agents on such terms as the Depositary may think fit to perform any obligations of the Depositary under this Deed and the Depositary may remove any such Agent.
- 12.2 In particular but without prejudice to the generality of clause 12.1, the Depositary shall be entitled to delegate by power of attorney or otherwise to any Agent, all or any of the powers, authorities and discretions vested in the Depositary by this Deed and such delegation may be made upon such terms and subject to such conditions, including the power to sub-delegate, as the Depositary may think fit.
- 12.3 Notice of any appointment or removal pursuant to clause 12.1 or any delegation pursuant to clause 12.2 shall, where such matter is in the opinion of the Depositary material to the Holders of any series of Depositary Interests, be given by or for the Depositary to the Holders of that or those series.

13. RESIGNATION OF THE DEPOSITARY

- 13.1 Subject to clause 13.2, the Depositary may resign as Depositary by giving at least 30 days' prior notice in writing to that effect to the Holders.
- 13.2 The resignation of the Depositary shall take effect on the date specified in such notice provided that no such resignation shall take effect until the appointment by the Depositary of a successor Depositary. The Depositary undertakes to use its reasonable endeavours to procure the appointment of a successor Depositary with effect from the date specified in such notice as soon as reasonably practicable following the giving of notice of resignation. Upon any such appointment and acceptance, notice thereof shall be given by or for the Depositary to the Holders as soon as reasonably practicable.
- 13.3 Upon the resignation of the Depositary (referred to in this clause 13.3 as the "Retiring Depositary") and against payment of all sums due to the Retiring Depositary under this Deed, the Retiring Depositary shall deliver to its successor as Depositary (the "Successor") sufficient information and records to enable the Successor efficiently to perform its obligations under this Deed and shall transfer to the Successor or to a Custodian or other Agent appointed by the Successor all Deposited Property held by the Retiring Depositary as trustee under this Deed. Upon the date when such resignation takes effect, any Custodian appointed by the Retiring Depositary shall be instructed by the Retiring Depositary to transfer to the Successor or to a Custodian or other Agent appointed by the Successor the Deposited Property held by it pursuant to this Deed.

14. TERMINATION OF DEED

- 14.1 The Depositary may terminate this Deed either in its entirety or in respect of one or more series of Depositary Interests by giving not less than 30 days' prior notice to that effect to the Holders of the Depositary Interests concerned.
- 14.2 Termination of this Deed for whatever reason shall be without prejudice to any and all accrued rights, obligations and liabilities of the Depositary and any Holder as at the date of termination.
- 14.3 During the period from the giving of such notice to the Holders until termination, each Holder shall be entitled to cancel the Depositary Interests held by it and withdraw the Deposited Property related thereto in accordance with the terms of this Deed.

- 14.4 If any Depositary Interests in respect of which this Deed is terminated remain outstanding after the date of termination, the Depositary shall as soon as reasonably practicable (i) deliver the Deposited Property then held by it under this Deed in respect of the Depositary Interests to the respective Holder; or, at its discretion (ii) sell all or part of such Deposited Property; (iii) request the Operator to remove the relevant Depositary Interests from the CREST system and (iv) following such removal shall not register transfers of the relevant Depositary Interests, pass on dividends or distributions or take any other action in respect of such Deposited Property, except that it shall, as soon as reasonably practicable, deliver the net proceeds of any such sale, after deducting any sums then due to the Depositary, together with any other cash then held by it under this Deed, *pro rata* to Holders in respect of their Depositary Interests. After making such sale, the Depositary shall, without prejudice to clause 14.2, be discharged from all further obligations under this Deed, except its obligation to account to Holders for such net proceeds and other cash comprising the Deposited Property without interest.
- 14.5 For the avoidance of doubt, any obligations of a Holder herein to make payments to the Depositary and indemnify it shall survive any such termination.

15. AMENDMENT OF DEED

- 15.1 All and any of the provisions of this Deed (other than this clause) may at any time and from time to time be amended or supplemented by the Depositary in any respect which it may deem necessary or desirable by a deed supplemental to this Deed.
- 15.2 Notice of any amendment or supplement, other than an amendment or supplement of a minor or technical nature which does not in the reasonable opinion of the Depositary materially affect the interests of the Holders of the Depositary Interests concerned, shall be given by or for the Depositary to the Holders of such series within 30 days of the amendment or supplement taking effect.
- 15.3 Any amendment or supplement which shall, in the reasonable opinion of the Depositary, be materially prejudicial to the interests of the Holders as a whole or to the Holders of one or more series of Depositary Interests shall only be made following consultation with the Company and shall not take effect until 40 days after service of notice on the Holders at which time the Holders shall be deemed to have accepted the amendment or supplement.
- 15.4 The Depositary shall not be obliged to have regard to the consequences for the Holders of any proposed amendment or supplement to this Deed or the exercise of any power conferred on the Depositary by this Deed except to the extent expressly provided in this Deed.

16. FURTHER ACKNOWLEDGEMENTS BY THE HOLDER

- 16.1 The Holder acknowledges and agrees that:-
- 16.1.1 the Depositary has no responsibility for the operation or non-operation of the CREST system; accordingly, the Depositary shall be entitled without further enquiry to execute or otherwise act upon instructions or information or purported instructions or information received by means of the CREST system notwithstanding that it may afterwards be discovered that such instructions or information were not genuine or were not initiated by the Operator, a CREST member or other person authorised to give them; any such execution or action by the Depositary shall, save in the case of wilful default or reckless disregard of its obligations, constitute a good discharge to the Depositary, which shall not be liable for any Liabilities suffered or incurred by the Holder or any other person arising in whatever manner directly or indirectly from and/or as a result of such execution or action;
- 16.1.2 the Depositary and the Custodian rely on the Company and/or the Share Registrar to supply information relating to cash distributions, corporate actions, forthcoming meetings of the holders of those securities and other matters having a bearing on the rights of persons holding Depositary Interests representing Company Securities; accordingly the

content of the information made available to Holders and the time at which such information is available will reflect the content of and timing of the supply of information to the Depositary, the Custodian or its nominee, for which no responsibility is accepted;

- 16.1.3 the Holder shall not cause or endeavour to cause the Depositary, the Custodian or its nominee to make or assert any right or claim whatsoever against the Operator or the Company or its directors, officers, employees or agents;
- 16.1.4 the Depositary and the Custodian may hold Holders' money entitlements in client bank accounts outside the United Kingdom on a pooled basis pending distribution and such money may not be protected as effectively as money held in a bank account in the United Kingdom; in particular, the relevant bank may be entitled to combine funds held in a client bank account with any other account of the Depositary or the Custodian or to exercise any right of set off or counterclaim against money held in a client bank account in respect of any sum owed to it on any other account by the Depositary or the Custodian;
- 16.1.5 the Depositary undertakes to take reasonable care in the selection and continued use of any person who provides banking and related services in connection with the Deposited Company Securities but neither the Depositary nor the Custodian is responsible for the acts or omissions of any such person; and the Holder further acknowledges and agrees that any such person is responsible only to any or both of the Depositary and the Custodian and undertakes to take no action to recover damages, compensation or payment or remedy of any other nature from any such person; and that
- 16.1.6 nothing in this Deed shall prevent the Depositary carrying out nominee or depositary services for anybody else.

17. LIABILITY TO PAY STAMP DUTY RESERVE TAX

- 17.1 The Holder agrees and acknowledges that if and to the extent that stamp duty reserve tax ("SDRT") is not payable on agreements to transfer certain Depositary Interests by virtue of the Stamp Duty Reserve Tax (UK Depositary Interests in Foreign Securities) Regulations 1999, it shall be the responsibility of the Holder, and not the Depositary or any other person, to ensure that any Depositary Interests which the Holder is proposing to acquire or dispose of by means of the CREST system and which are identified by the CREST system as being exempt from the charge to SDRT on their transfer are so exempt.
- 17.2 The Holder undertakes:
 - 17.2.1 to notify the Operator and the Depositary forthwith if Depositary Interests which the Holder is proposing to acquire or dispose of by means of the CREST system and which are identified by the CREST system as being exempt from the charge to SDRT on their transfer are not so exempt; and
 - 17.2.2 to pay to the Operator any SDRT and any interest, charges or penalties in relation to late or non-payment of SDRT arising directly or indirectly from any agreement of the Holder to acquire or dispose of Depositary Interests or Company Securities represented or to be represented by Depositary Interests which are not exempt for whatever reason from the charge to SDRT on their transfer and to hold the Depositary harmless from any and all Liabilities arising from or incurred in connection therewith.
- 17.3 For the purposes of this clause 17, a CREST member will be taken to be proposing to acquire Depositary Interests or to have entered into an agreement to acquire Depositary Interests if he acquires Depositary Interests from another CREST member or if the Depositary Interests are to be issued to him and to be proposing to dispose of Depositary Interests or to have entered into an agreement to dispose of Depositary Interests if he disposes of Depositary Interests to another CREST member or if the Depositary Interests would, as a result, be cancelled.

18. REGULATORY REQUIREMENTS

- 18.1 The Depositary is regulated in the conduct of its investment business (which for these purposes is taken to refer to the safeguarding and administration of the holdings of Company Securities in the manner described in this Deed) by the FSA. The following further provisions apply in relation to such investment business.
- 18.2 The Holder may give instructions to the Depositary in the manner described in this Deed. The Depositary will not specifically acknowledge such instructions.
- 18.3 The Depositary has established procedures in accordance with the requirements of the FSA for the effective consideration of complaints by Holders. All formal complaints should be made in writing to the compliance officer of the Depositary at the registered office address of the Depositary from time to time. In addition, Holders have a right of complaint direct to the Financial Ombudsman Service.
- 18.4 A statement is available from the Depositary describing Holders' rights to compensation if the Depositary is unable to meet its liabilities.
- 18.5 None of the Depositary, the Custodian or its nominee shall (a) arrange for any Company Securities or other Deposited Property to be lent to any other person, or (b) charge in favour of any other person any such property as security.

19. DISCLOSURE OF OWNERSHIP, etc

- 19.1 The Depositary or the Custodian may from time to time require from any Holder or former or prospective Holder:
- 19.1.1 information as to the capacity in which such Holder owns, owned, holds or held Depositary Interests and regarding the identity of any other person or persons who then or previously has or has had any interest of any kind whatsoever in such Depositary Interests and/or the underlying Company Securities represented thereby and the nature of any such interest; and
- 19.1.2 evidence or declaration of nationality or residence of the legal or beneficial owner(s) of Depositary Interests registered or to be registered in his name and such information as is required for the transfer of the relevant Company Securities to the Holder,
- and such other information as may be necessary or desirable for the purposes of this Deed or any other agreement or arrangement relating to the CREST system. Each Holder agrees to provide any such information requested by the Company or the Depositary or the Custodian and consents to the disclosure of such information by the Depositary or Custodian or the Company to the extent necessary or desirable to comply with their respective legal or regulatory obligations in any jurisdiction or any provision of the Constitutional Documents of the Company.
- 19.2 To the extent that provisions of or governing any Company Securities or the Constitutional Documents of the Company or applicable law or regulation in any jurisdiction may require the disclosure to the Company of, or limitations in relation to, beneficial or other ownership of or any interest of any kind whatsoever in Company Securities or other securities, the Holders of Depositary Interests shall comply with the provisions of such Constitutional Documents, and applicable laws and regulations and with the Company's instructions in respect of such disclosure or limitation, as may be forwarded to them from time to time by the Depositary. Holders shall comply with all such disclosure requirements of the Company from time to time.

20. NOTICES

Any notice shall be in writing and signed by or on behalf of the person giving it. Except in the case of personal service, any such notice shall be sent or delivered to the party to be served, in the case of the Depositary, at the address set out above and marked for the attention of the Company Secretary and, in the case of a Holder, at the address set out in the Depositary Interest Register. Any alteration in the details of the party to be served shall, to have effect, be notified to the other party in accordance with this clause. Service of a notice must be effected by one of the following methods:-

- 20.1.1 personally on any person or on a director or officer or the secretary of any party and shall be treated as served at the time of such service;
- 20.1.2 by prepaid first class post (or by airmail if from one country to another) and shall be treated as served on the second (or if by airmail the fourth) business day after the date of posting. In proving service it shall be sufficient to prove that the envelope containing the notice was correctly addressed, postage paid and posted;
- 20.1.3 by delivery of the notice through the letterbox of the party to be served and shall be treated as served on the first business day after the date of such delivery;
- 20.1.4 if by fax when received in a legible form; or
- 20.1.5 if by e-mail or other electronic communication (such contact details as agreed by the party to be served) when received in a legible form.

21. SEVERABILITY

If at any time any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect or impair the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Deed.

22. COPIES OF DEED

A Holder shall be entitled to one copy of this Deed upon payment of a reasonable copying charge upon written request made to the Depositary.

23. GOVERNING LAW AND JURISDICTION

- 23.1 This Deed and the Depositary Interests shall be governed by and construed in accordance with English law.
- 23.2 For the benefit of the Depositary, the Holder irrevocably agrees that the courts of England shall have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with this Deed. For such purposes, the Holder irrevocably submits to the jurisdiction of the courts of England.
- 23.3 The Holder irrevocably waives any objection which it might now or hereafter have to the courts referred to in clause 23.2 being nominated as the forum to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with this Deed and agree not to claim any such court is not a convenient or appropriate forum.
- 23.4 The submission to the jurisdiction of the courts referred to in clause 23.2 shall not (and shall not be construed so as to) limit the right of the Depositary to take proceedings against the Holder in any other court of competent jurisdiction nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not.

24. OVERRIDING PROVISIONS

- 24.1 For so long as the Depositary Interests remain a participating security in CREST, no provision of this Deed or of any other instrument relating to the Depositary Interests of that series shall apply or have effect to the extent that it is in any respect inconsistent with:-
 - 24.1.1 the holding of the Depositary Interests in uncertificated form;
 - 24.1.2 the transfer of title to the Depositary Interests by means of a relevant system; or
 - 24.1.3 the Regulations.
- 24.2 Without prejudice to the generality of clause 24.1 and notwithstanding anything contained in this Deed or any such instrument:-

- 24.2.1 all Depositary Interest Registers shall be maintained at all times in the United Kingdom;
- 24.2.2 Depositary Interests may be issued in uncertificated form in accordance with and subject as provided in the Regulations;
- 24.2.3 title to the Depositary Interests which are recorded on a Depositary Interest Register as being held in uncertificated form may be transferred by means of the relevant system concerned;
- 24.2.4 the Depositary shall comply with the provisions of regulations 25 and 26 of the Regulations in relation to the Depositary Interests;
- 24.2.5 regulation 41 of the Regulations may be applied by the Depositary where relevant; and
- 24.2.6 a number of persons up to but not exceeding four may be registered as joint holders of a Depositary Interest.

SCHEDULE
TO THE TRUST DEED POLL BY CAPITA IRG TRUSTEES LIMITED

in respect of securities in relation to

XP POWER LIMITED

Unless the context otherwise requires, in this Deed the following expressions shall have the meanings ascribed below:-

Admission Date	25 April 2007
Board Resolution	the resolution of the Board of Directors of the Company duly passed on 20 February 2007 by virtue of which the Company treats a CREST Transfer or a Demat Form in which either no transferee or a transferee other than the Custodian is specified together with a Stock Deposit Transaction for a number of Depositary Interests equivalent to that specified in such CREST Transfer or Demat Form as valid instruments of transfer of shares in the capital of the Company and to authorise the same for registration as valid transfers of the number of securities specified therein to the Custodian;
Company	XP Power Limited, a company incorporated and registered in the Territory with limited liability under the Singapore Companies Act (Cap 50) with registered number 200702520N and the ordinary shares of which are to be admitted to trading on the Market;
First Series of Depositary Interests	all Depositary Interests from time to time constituted and issued in accordance with this Deed in relation to Company Securities which are ordinary shares of £0.01 each having the rights set out in the Memorandum and Articles or other constitutional documents of the Company;
Market	the market for securities admitted to the Official List of the UK Listing Authority operated by London Stock Exchange plc; and
Territory	Singapore where the Company is incorporated and registered.

IN WITNESS whereof this Deed has been duly entered into the day and year first above written.

The Common Seal of)
CAPITA IRG TRUSTEES LIMITED)
was hereunto affixed in)
the presence of:)

.....

PART XII

DEFINITIONS

“Admission”	admission to the Official List and to trading on the London Stock Exchange’s main market for listed securities becoming effective in accordance with, respectively, the Listing Rules and the Admission and Disclosure Standards
“Admission and Disclosure Standards”	the rules issued by the London Stock Exchange in relation to the admission to trading of, and continuing requirements for, securities admitted to the Official List
“Board”	the board of directors of XP Power Singapore from time to time
“Business Day”	means a day (excluding Saturdays, Sundays and public holidays) on which banks are generally open for business in London and on which the London Stock Exchange is open for transaction of business
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CREST)
“Combined Code”	the Combined Code on Corporate Governance annexed to the Listing Rules
“Companies Act”	the United Kingdom Companies Act 1985, as amended
“Court”	the High Court of Justice in England and Wales
“Court Hearing”	the hearing by the Court of the petition to sanction the Scheme
“Court Meeting”	the meeting of the XP Shareholders convened by order of the Court pursuant to section 425 of the Companies Act to consider and, if thought fit, approve the Scheme and any adjournment of that meeting
“Court Order”	the order of the court sanctioning the Scheme and confirming the reductions of capital and share premium involved therein
“CREST”	the relevant system (as defined in the Regulations) in respect of which CRESTCo is the Operator (as defined in the Regulations)
“CREST member”	a person who has been admitted by CRESTCo as a system-member (as defined in the Regulations)
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the Regulations)
“CREST Sponsor”	a CREST participant admitted to CREST as a CREST sponsor
“CREST Sponsored Member”	a CREST member admitted to CREST as a sponsored member
“CRESTCo”	CRESTCo Limited
“Current Directors”	Seng Kok Sng, Michael Laver and Joseph Lynch
“Daily Official List”	the Daily Official List of the London Stock Exchange
“Deed Poll”	the deed poll dated 20 February 2007 executed by the Depositary in favour of the holders of XPS DIs from time to time

“Depositary”	Capita IRG Trustees Limited, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
“Depositary Agreement”	the agreement for the provision of depositary services and custody services in respect of the XPS DIs dated 20 February 2007 between the Depositary and XP Power Singapore
“Depositary Interests” or “DIs”	dematerialised depositary interests
“Directors”	Seng Kok Sng, Michael Laver and Joseph Lynch
“Disclosure and Transparency Rules”	the Disclosure and Transparency Rules made by the FSA
“EEA”	European Economic Area
“Effective Date”	means the date on which an office copy of the Court Order has been delivered by or on behalf of XP to the Registrar of Companies in England and Wales for registration and is registered by him
“Excluded Territories”	Australia, Canada, the Republic of South Africa and Japan
“Executive Directors”	the executive directors of XP Power Singapore from time to time
“Fortron/Source”	Fortron/Source Corporation of 23181 Antonio Parkway, Rancho Santa Margarita, California CA 92688, United States of America
“FSA”	the United Kingdom Financial Services Authority
“FSMA”	the United Kingdom Financial Services and Markets Act 2000
“Group”	XP and its subsidiaries (as defined in the Companies Act)
“Hearing Date”	the date of the Court Hearing
“holder”	a registered holder and includes any person(s) entitled by transmission
“IFRS”	International Financial Reporting Standards
“Investec”	Investec Investment Banking, a division of Investec Bank (UK) Limited
“Listing Rules”	the listing rules made by the UK Listing Authority
“London Stock Exchange”	London Stock Exchange plc
“Model Code”	the Model Code on restrictions on dealings in the securities of a listed company annexed to the Listing Rules
“Non-Executive Directors”	the non-executive directors of XP Power Singapore from time to time
“Official List”	the Official List of the UK Listing Authority
“Overseas Shareholder”	a holder of XP Scheme Shares who is a citizen resident or national of any jurisdiction outside the United Kingdom
“the Panel”	the Panel on Takeovers and Mergers in the United Kingdom and, from time to time, any successor or replacement body thereof
“Powersolve”	Powersolve Electronics Limited incorporated in England and Wales with number 02136010

“Proposed Directors”	Lawrence Tracey, James Peters, Duncan Penny, John Dyson and Michael Hafferty
“Prospectus Rules”	the prospectus rules made by the FSA
“Registrars”	Capita Registrars (Jersey) Limited, Victoria Chambers, Liberation Square, 1/3 The Esplanade, St Helier, Jersey
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
“Resolutions”	the resolutions of XP proposed to be passed in connection with the Scheme
“SCA”	Singapore Companies Act (Cap. 50)
“Scheme” or “Scheme of Arrangement”	the proposed scheme of arrangement under section 425 of the Companies Act between XP and holders of XP Scheme Shares with or subject to any modification, addition or condition approved or imposed by the Court
“Scheme Record Time”	6.00 p.m. on the Business Day immediately prior to the Effective Date
“stock account”	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited
“Takeover Code”	the Takeover Code as issued from time to time by or on behalf of the Panel or any successor to or replacement thereof from time to time issued by or on behalf of the Panel
“UK Listing Authority”	the Financial Services Authority, in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of the admission of securities to the Official List other than in accordance with Part VI of FSMA
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or “in uncertificated form”	a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST
“US”, “USA” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction
“US Securities Act”	the US Securities Act of 1933, as amended, and rules and regulations promulgated thereunder
“Voting Record Time”	6.00 p.m. on the day prior to the day immediately before the Court Meeting or any adjournment thereof (as the case may be)
“XP” or “XP Power”	XP Power plc, incorporated in England and Wales with registered number 3902867
“XP Articles”	the articles of association of XP at the date of this Prospectus
“XP Directors”	the directors of XP from time to time
“XP EGM”	the extraordinary general meeting of the holders of XP Shares to be held in connection with the Scheme, and any adjournment thereof

“XP Power Singapore”, “XPS” or “the Company”	XP Power Ltd, incorporated in Singapore with registered number 200702520N
“XP Scheme Shares”	(i) the XP Power Shares in issue at the date of this Prospectus; (ii) any XP Power Shares issued after the date of this Prospectus and prior to the Voting Record Time; and (iii) any XP Power Shares issued at or after the Voting Record Time and prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme, but excluding any treasury shares (within the meaning of section 162A(3) Companies Act) except insofar as these shares cease to be treasury shares prior to the Effective Date.
“XP Shareholders”	the holders for the time being of XP Power Shares
“XP Shares”	the ordinary shares of £0.01 each in the capital of XP Power
“XP Share Schemes”	the XP Power Share Option Plan and the XP Power Share Purchase Plan 2000
“XPS Articles” or “Articles”	the articles of association of XP Power Singapore
“XPS DIs”	DIs in respect of the XPS Shares to be issued by the Depositary each representing one XPS Share
“XPS Group”	XP Power Singapore and its subsidiary and associated undertakings including, on and after the implementation of the Scheme, the Group
“XPS Memorandum”	the memorandum of association of XP Power Singapore
“XPS Scheme Shares”	the new XPS Shares to be allotted and issued pursuant to the Scheme
“XPS Shareholders”	the holders of XPS Shares
“XPS Shares”	the ordinary shares of £0.01 each in the capital of XPS

PART XIII

GLOSSARY

The technical terms below have the following meanings throughout this Prospectus:

“AC”	alternating current, which is usually derived from the mains electricity supply
“AC/DC converter”	a power supply product converting AC voltage to smooth DC voltages for use by electronic equipment
“battery”	a valve-regulated lead acid or nickel cadmium battery
“custom power supply”	a customer and application specific power supply, which usually involves changing the electrical design of the power supply to meet customer requirements
“DC”	direct current, which provides a smooth voltage or current for driving electronic equipment such as computer processors and logic circuits
“design in”	matching a power supply to the power requirements of a customer’s application
“DC/DC converter”	a power supply product converting one DC voltage to another for use by electronic equipment
“Lower Tier”	the lower tier of the merchant power supplies market as described in Part V of this Prospectus
“merchant power supplies”	power supplies that are sourced from a third party and not manufactured in-house
“Mid Tier”	the mid tier of the merchant power supplies market as described in Part V of this Prospectus
“modified standard power supply”	a standard power supply modified to suit a specific application
“OEM”	original equipment manufacturer
“power supply”	a product converting one voltage (usually AC) to another voltage (usually DC). Power supplies are used to supply, regulate and distribute electrical power within electronic equipment
“power supply solution”	the incorporation of a power supply and associated products into electronic equipment to meet both the demands of the equipment and its end market
“standard power supply”	a power supply designed for multiple applications without identifying a specific customer
“time to market”	the total time taken to supply a completed product to the market
“Upper Tier”	the upper tier of the merchant power supplies market as described in Part V of this Prospectus
“UPS”	an uninterruptible power supply which is a product that provides electrical power in the event of a mains power failure
“virtual manufacturer”	a supplier of goods that outsources the physical manufacture of those goods, and then brands them with its own name and unique part number

