



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

LEGAL CLAIM BY A CUSTOMER – CAPACITY OF MR NG SEY MING TO REMAIN AS INDEPENDENT DIRECTOR

The Board of Directors of the Company (the "**Board**") refers to its earlier announcement made on 23 March 2012 in relation to the legal claim made against the Company's wholly-owned subsidiary, Xin Ming Hua Pte Ltd ("**Xin Ming Hua**"), by Pacific Marine & Shipbuilding Pte Ltd ("**Pacific Marine**"), in relation to a dispute on a sales contract for marine diesel engines with gearboxes and related components supplied by Xin Ming Hua (the "**Claim**").

The Board wishes to highlight that the lawyers representing Pacific Marine in the Claim are from the Admiralty & Shipping practice group of Rajah & Tann LLP ("**R&T**"). Mr Ng Sey Ming, an independent director of the Company, is a partner in the Banking & Finance practice group of R&T.

The Board understands that Mr Ng is not in any way involved in the conduct of the Claim in his professional capacity as a partner in R&T and that both practice groups are separate and Mr Ng does not report to the R&T partner who has conduct of the Claim and vice versa.

In order to address any potential conflict of interest, Mr Ng will refrain from participating in any deliberations of the Board in relation to the Claim, and will abstain from voting on any resolution of the Board or shareholders of the Company pertaining to the same. In addition, the management of the Company and/or Xin Ming Hua will also not give access to or copies of the confidential documents, strategy of the defence and legal advice pertaining to the Claim to Mr Ng.

In view of the foregoing, the Nominating Committee of the Company and the Board are presently deliberating on the capacity of Mr Ng to remain as an independent director of the Company in consultation with the relevant regulator.

The Board will make the appropriate announcement(s) as and when there are material developments on the matter.

BY ORDER OF THE BOARD

TAN TIN YEOW

Chairman and CEO

25 March 2012

United Overseas Bank Limited ("**UOB**") was the manager, underwriter and placement agent for the initial public offering of XMH Holdings Ltd.. UOB assumes no responsibility for the contents of this announcement.
