



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

LEGAL CLAIM BY A CUSTOMER – NOMINATING COMMITTEE’S DECISION ON THE 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 25 March 2012 in relation to the capacity of Mr. Ng Sey Ming (“**Mr. Ng**”) to remain as an independent director of the Company (the “**Earlier Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall adopt the same definitions as stated in the Earlier Announcement.

The Board would like to announce that the Nominating Committee (“**NC**”) is of the view that Mr. Ng’s status as an independent director of the Company would not be compromised by the appointment of Messrs Rajah & Tann LLP (“**R&T**”) as lawyers acting for the plaintiff, Pacific Marine, in the Claim (of which Xin Ming Hua is named as the defendant), notwithstanding that Mr. Ng is a Partner of R&T.

In arriving at its view, the NC has considered the spirit and letter of the Code of Corporate Governance 2005, and has taken into account the following:

- (1) 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 Pacific Marine is not a client of Mr. Ng.
- (2) The conduct of the Claim is managed by the “Admiralty & Shipping” practice group of R&T, which is a separate department from the “Banking & Finance” practice group in which Mr. Ng is a partner. Mr. Ng does not report to the R&T Partner who has the conduct of the Claim and *vice versa*. Both practice groups are located on different floors of the Straits Trading Building, the principal offices of R&T, one of the largest law firms in Singapore.
- (3) In order to address any potential conflict of interest, Mr. Ng has undertaken to:
 - (i) 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; and
 - (ii) ensure that he does not participate in any manner whatsoever in the conduct of the Claim by R&T or to discuss the Claim with any person within R&T or access any documents or information relating to the Claim.

In addition, the management and the Board of Directors of the Company and Xin Ming Hua will not give access to or copies of the confidential documents, strategy of the defence and legal advice pertaining to the Claim to Mr. Ng.

- (4) Mr. Ng has also confirmed that, to the best of his knowledge, he does not have any other relationship with the Company or its related companies that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement with a view to the best interests of the Company.

Mr. Ng has abstained from participating in all deliberations taken by the NC in relation to assessing Mr. Ng's independence.

Having considered the NC's views set out above, the Board considers Mr. Ng independent for the purpose of his role as an independent director of the Company, and is of the view that Mr. Ng is suitable to continue to serve in such capacity.

The Board will release further announcement(s) as and when there are material developments on the Claim.

BY ORDER OF THE BOARD

TAN TIN YEOW

Chairman and CEO

27 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.
