



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

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## **LEGAL PROCEEDINGS AGAINST XIN MING HUA PTE LTD – FURTHER UPDATES**

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The Board of Directors (the “**Board**”) of XMH Holdings Ltd (the “**Company**” and together with its subsidiaries collectively referred to as the “**Group**”) refers to its announcement dated 23 March 2012 in relation to the legal proceeding (the “**Suit**”) brought against its wholly-owned subsidiary, Xin Ming Hua Pte Ltd (the “**Xin Ming Hua**”). Further thereto, the Board wishes to announce that a court judgment has been granted against Xin Ming Hua in the Suit.

The Suit was brought against Xin Ming Hua by Pacific Marine & Shipbuilding Pte Ltd (the “**Plaintiff**”) alleging that Xin Ming Hua had supplied to the Plaintiff four defective marine propulsion units which comprised marine diesel engine with gearbox and related components (the “**Propulsion Units**”), pursuant to a sales contract entered into between Xin Ming Hua and the Plaintiff (the “**Parties**”) on or around 10 June 2010.

The Plaintiff claimed against Xin Ming Hua for the following sums:

- (i) JPY65,600,000 as recovery of the purchase price of the Propulsion Units;
- (ii) S\$ 645,748.06 plus US\$ 307,188.90 being charges incurred in investigations, testing and survey, insurance premium, port and berth charges and liquidated damages arising out of termination of shipbuilding contracts; and
- (iii) S\$2,440,000 less JPY65,600,000 as the loss and damage suffered by the Plaintiff for the loss of the shipbuilding contracts.

Xin Ming Hua also counter-claimed against the Plaintiff for the sum of approximately S\$180,696.43 plus diminution in value of the Propulsion Units on the basis that it incurred expenses in the course of the relevant investigations carried out by Xin Ming Hua and in attempting to rectify the defective units.

The trial of the Suit took place in January 2014 and the written submissions of the Parties were exchanged and submitted in February 2014. The High Court of Singapore has on 31 March 2014 delivered its judgment and allowed the Plaintiff’s claim and dismissed Xin Ming Hua’s counterclaim. In total, the Plaintiff is entitled to recover approximately S\$3.47 million from Xin Ming Hua.

The Company will make the necessary and appropriate provisions in respect of the liabilities under the Suit in its full year accounts ending 30 April 2014 (“**FY2014**”). This claim is expected to have a material impact on the Company’s financial performance for FY2014.

The Company is presently considering its options with regard to an appeal against the decision of the High Court. The Company will announce further updates on the Suit when there are any material developments.

For and on behalf of the Board

**Tan Tin Yeow**

Chairman and Chief Executive Officer

3 April 2014