

UPDATE ON USE OF PROCEEDS FROM THE PRIVATE PLACEMENT AND EXERCISE OF CALL OPTIONS

The Board of Directors (the “**Board**” or the “**Directors**”) of PNE Micron Holdings Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”), refers to the Company’s announcement dated 5 December 2014 (the “**Announcement**”) in relation to the proposed acquisition of 50% interest shareholding in SMC Industrial Pte. Ltd. (“**SMC**”). Capitalised terms used in this announcement, unless otherwise defined herein, have the same meaning as used in the **Announcement**.

The Board is pleased to announce that on 9 December 2014, the Company had re-deployed the sum of approximately S\$ 407,000 out of S\$ 4.8 million un-utilised proceeds from the Private Placement and exercise of Call Options for the payment of deposit to the Vendor upon signing of the SPA.

The gross proceeds received from the private placement of shares (“**Private Placement**” completed on 7 January 2013 is approximately S\$ 3,078,000 and from the exercise of call options (“**Call Options**”) pursuant to the grant of Call Options to nine (9) subscribers on 7 January 2013 is approximately S\$ 1,962,000.

As at the date of this announcement, the Company had utilised approximately S\$ 1,582,000 out of S\$ 4.8 million, the un-utilised proceeds from the Private Placement and exercise of Call Options, which was earlier intended for the purposes of funding new potential investments and business through acquisitions, joint ventures and collaboration in business involving the trading of resources, as and when the opportunities arise, for the investment in PNE Teknikast Sdn. Bhd. (“**PNET**”) of approximately S\$ 1.2 million, and another S\$ 407,000 for being the payment of deposit to the Vendor upon the signing of the SPA dated 2 December 2014. The Board believes that the proposed acquisition of 50% interest shareholding in SMC will be able to further enhance the Group’s continued and long-term growth and expansion objective.

Pursuant to the above, the following table shows an update on the use of the proceeds from the Private Placement and exercise of Call Options, as at the date of this announcement:-

Intended Use of Proceeds	Private Placement and Exercise of Call Options Proceeds (S\$'000)	Status of Use	Amount Utilised To-Date (S\$'000)	Balance Un-utilised (S\$'000)
1. Fund new investments and businesses involving the trading of resources	4,800	Re-deployment of S\$1.2 million for the investment in PNET.	(1,175)	-
		Payment of deposit of S\$ 407,000 to the Vendor for the proposed acquisition of 50% interest shareholding in SMC, upon signing the SPA agreement dated 2 December 2014.	(407)	3,218
2. Expenses incurred in connection with the Private Placement and exercise of Call Options	240	Utilised for intended use	(240)	-
Total	5,040		(1,822)	3,218

The Company will make further announcements via SGXNET as and when the remaining proceeds from the Private Placement and Exercise of Call Options are materially disbursed.

By Order of the Board

Tan Tee Ching
Company Secretary

9 December 2014

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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