

## BLACKGOLD NATURAL RESOURCES LIMITED

(Formerly known as **NH CERAMICS LTD**)  
(Company Registration Number: 199704544C)  
(Incorporated in the Republic of Singapore)  
(the "**Company**")

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### PROPOSED DISPOSAL OF 100% INTEREST IN NH SUBSIDIARIES

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The board of directors (the "**Board**" or the "**Directors**") of the Company refers to the circular to shareholders of the Company (the "**Shareholders**") dated 30 December 2014 (the "**Circular**") in relation to, *inter alia*, the proposed acquisition of 100% of the total equity interests of BlackGold Asia Resources Pte. Ltd. and BlackGold Energy Limited (the "**Proposed Acquisition**"), as well as announcements made by the Company on 30 December 2014, 5 January 2015, 28 January 2015, 27 February 2015, 2 March 2015, 4 March 2015 and 10 March 2015 (collectively, the "**Announcements**").

*Capitalised terms used in this announcement, unless otherwise defined herein, shall have the same meaning as ascribed to them in the Circular and the Announcements.*

#### 1. INTRODUCTION

Pursuant to Rule 704(17)(c) of the Catalist Rules, the Board wishes to announce that the Company has, on 23 March 2015, entered into a sale and purchase agreement (the "**SPA**") with Ace Stone (Xiamen) Co., Ltd. (the "**Purchaser**"), pursuant to which the Purchaser has agreed to acquire the entire issued and paid-up share capital of the Company's wholly-owned subsidiaries, comprising NH Enterprises (2008) Pte. Ltd., Nam Hong Properties Pte. Ltd., Nam Huat Tiling & Panelling Co. Pte. Ltd. and Nam Tat Pte. Ltd. (collectively, the "**NH Subsidiaries**"), for an aggregate purchase consideration of S\$5,000 (the "**Purchase Consideration**") on the terms and conditions of the SPA (the "**Proposed Disposal**").

Upon completion of the Proposed Disposal ("**Completion**"), each of the NH Subsidiaries will cease to be a subsidiary of the Company.

#### 2. THE PROPOSED DISPOSAL

##### 2.1 Information on the NH Subsidiaries

Based on the financial statements of the NH Subsidiaries for the financial year ended 30 September 2014, the aggregate book value and net tangible asset value of the NH Subsidiaries are S\$5,982,000 and S\$11,728,000, respectively. As at 9 March 2015, based on the management accounts of the NH Subsidiaries, both the aggregate book value and net tangible asset value of the NH Subsidiaries are approximately S\$10,000 respectively

Subject to the terms and conditions of the SPA, the Company shall sell, and the Purchaser shall purchase, the entire issued and paid-up share capital of the NH Subsidiaries, free from all charges, liens and other encumbrances and together with all rights now or hereafter attaching thereto.

## **2.2 Conditions Precedent**

The Proposed Disposal will be subject to the fulfilment and satisfaction of the following conditions precedent (unless waived in writing by the Company) on or prior to Completion:

- (a) the approval of each of the board of directors of the NH Subsidiaries, respectively, for the transfer of the entire issued and paid-up share capital of the NH Subsidiaries upon the terms and conditions of the SPA; and
- (b) the approval(s) of any other relevant authority(ies) and/or parties.

Completion of the Proposed Disposal is expected to take place on 31 March 2015, or such other date as may be mutually agreed between the parties in writing.

## **2.3 Purchase Consideration**

The Purchase Consideration was arrived at after arms' length negotiations amongst the parties, on a willing-buyer willing-seller basis, after taking into consideration, *inter alia*, the existing aggregate cash amount of S\$5,000 in the bank balances of the NH Subsidiaries as at 9 March 2015.

The Purchase Consideration shall be satisfied in cash on Completion.

## **3. RATIONALE FOR THE PROPOSED DISPOSAL**

The Proposed Disposal is undertaken by the Company in connection with the Proposed Selective Capital Reduction Exercise. Following Completion, the Purchase Consideration shall form part of the Distribution Capital and, subject to the approval of the Special Committee, the Distribution Capital shall be paid out to shareholders entitled as at the SCRE Books Closure Date to the Distribution Capital under the Proposed Selective Capital Reduction Exercise.

Please refer to section 6 (pages 42 to 46) of the Circular for further details on the Proposed Selective Capital Reduction Exercise.

## **4. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE LISTING MANUAL**

| <b>Rule 1006</b> | <b>Bases</b> | <b>Relative figure computed in accordance with the bases set out in Rule 1006</b> |
|------------------|--------------|---|
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| <b>(a)</b> | The net asset value of the assets to be disposed of, compared with the Group's net asset value  | 3.4% <sup>1</sup>  |
| <b>(b)</b> | The net loss attributable to the assets disposed of, compared with the Group's net loss   | 52.5% <sup>2</sup>   |
| <b>(c)</b> | The aggregate value of the consideration received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares | Less than 0.01% <sup>3</sup>   |
| <b>(d)</b> | The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue              | Not applicable to a disposal   |
| <b>(e)</b> | The aggregate amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves                           | Not applicable as the NH Subsidiaries are not mineral, oil and gas companies |

**Notes:**

1. Based on the net asset value ("**NAV**") attributable to the NH Subsidiaries and the Enlarged Group of approximately S\$467,000 and S\$13,886,000 as at 30 September 2014 respectively. The NAV attributable to the NH Subsidiaries had been adjusted to exclude non-trade inter-company balances (specifically the amounts owing to/by the NH Subsidiaries by/to the Company) to be comparable with the corresponding NAV of the Enlarged Group.
2. Based on the loss before tax attributable to the NH Subsidiaries and the Enlarged Group of approximately S\$976,000 and S\$1,858,000 as at 30 September 2014 respectively.
3. Based on the Purchase Consideration of S\$5,000 and the Company's market capitalisation of approximately S\$228,726,000 (computed based on the Company's existing issued share capital of 788,708,783 shares and the volume weighted average price of the shares of S\$0.290 traded on the SGX-ST on 19 March 2015, being the last market day on which trades were recorded on the SGX-ST preceding the date of the SPA).

Notwithstanding that the relative figure computed based on Rule 1006(b) is more than 50%, the Board, with the concurrence of the Sponsor and the SGX-ST, is of the view that the Proposed Disposal need not be subject to Shareholders' approval, having considered the following:-

- (a) the Proposed Disposal has been foreshadowed as stated in the Circular;
- (b) following completion of the Proposed Acquisition, the principal business of the Enlarged Group is that of the BlackGold Group, which is engaged in the business of coal exploration and mining. The existing business of the NH Subsidiaries is no longer a core business of the Enlarged Group; and

(c) the Proposed Disposal will not affect the nature of the Enlarged Group's principal business as the NH Subsidiaries are non-core and loss-making businesses of the Enlarged Group.

**5. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL**

The Proposed Disposal is not expected to have any material impact on the net tangible assets and earnings per Share of the Company for the current financial year ending 30 September 2015.

**6. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or controlling Shareholders has any interest, direct or indirect, in the Proposed Disposal (other than through their respective shareholdings in the Company).

**7. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the SPA will be made available for inspection during normal business hours at the Company's registered office at 7 Temasek Boulevard, #06-02A, Suntec City Tower 1, Singapore 038987 for a period of three (3) months commencing from the date of this announcement.

**8. RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

**9. MISCELLANEOUS**

The Company will make further announcements in relation to the Proposed Disposal as and when appropriate.

**By Order of the Board**

Philip Cecil Rickard  
Executive Director and Chief Executive Officer  
23 March 2015

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of 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.*

*The contact person for the Sponsor is Ms Karen Soh, Managing Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road, #21-02 Singapore 068896, telephone (65) 6854 6150.*

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