

NH CERAMICS LTD
(the “Company” or “NH Ceramics”)
Incorporated in the Republic of Singapore
(Co Registration No. 199704544C)

**PROPOSED ACQUISITION OF BLACKGOLD ASIA RESOURCES PTE. LTD. AND
BLACKGOLD ENERGY LIMITED – SIGNING OF 5TH SUPPLEMENTAL SALE AND PURCHASE
AGREEMENT**

The board of directors (the “**Board**”) of NH Ceramics Ltd refers to the announcements made by the Company on 28 March 2013, 22 April 2013, 2 May 2013, 26 May 2013, 3 June 2013, 29 December 2013, 10 February 2014, 29 August 2014, 30 September 2014, 2 October 2014 and 3 October 2014 in relation to the proposed acquisition of 100% of the total equity interests of BlackGold Asia Resources Pte. Ltd. and BlackGold Energy Limited (collectively, the “**Announcements**”).

All capitalised terms used and not defined herein shall have the same meanings given to them in the Announcements.

Further to the Announcements, the Board wishes to announce that the Company has, on 29 December 2014, entered into a 5th supplemental sale and purchase agreement with the Vendors (the “**5th Supplemental Sale and Purchase Agreement**”), pursuant to which the Company and the Vendors have mutually agreed to revise the terms of the Sale and Purchase Agreement as follows:

- (i) to delete the existing Clause 4A in relation to the Selective Capital Reduction Exercise in its entirety and to replace it with the following for further clarity:

“4A. CONDITION SUBSEQUENT

4A.1 In conjunction with and inter-conditional upon Completion, NH Ceramics will undertake the Selective Capital Reduction Exercise, which will entail the disposal of its assets and subsequent winding-up and/or disposal of all of the NH Ceramics Subsidiaries. Following Completion, the cash from the foregoing (the “**SCRE Capital**”) will be distributed by NH Ceramics to the Shareholders after deduction of (i) S\$2,000,000 to be paid as the Introducer’s Fee and (ii) S\$100,000 to be left in the capital of the Company (the “**Distribution Capital**”).

4A.2 The Vendors shall procure that the Selective Capital Reduction Exercise will be executed and completed by NH Ceramics within four (4) months following Completion, in accordance with the following:

- (a) Prior to completion, NH Ceramics shall deposit the SCRE Capital of at least S\$12,100,000 into an escrow account (the “**SCRE Account**”), such account and escrow agent to be agreed to by the Parties. The SCRE Account shall have two signatories (the “**SCRE Signatories**”), both of whom shall be the members of the Special Committee (as defined below). Upon Completion, NH Ceramics and the SCRE Signatories shall as soon as reasonably practicable effect the change of the SCRE Signatories, such that one of whom shall be a member of the Special Committee, and the other shall be appointed at the discretion of NH Ceramics (the “**BlackGold Signatory**”). The BlackGold Signatory’s endorsement in respect of any matter in relation to the SCRE Account, where required, shall not be unreasonably withheld;

- (b) NH Ceramics shall not at any time prior to or following Completion, create any pledge, charge, encumbrance or any form of security in respect of the SCRE Capital and the SCRE Account;
- (c) Within seven (7) days upon Completion, a special committee (the “**Special Committee**”) will be appointed by NH Ceramics to supervise the conduct and execution of the Selective Capital Reduction Exercise. The Special Committee shall comprise only two (2) of the Existing NH Ceramics Directors, at least one (1) of whom shall have been an independent director of NH Ceramics prior to Completion. The Special Committee shall remain in existence until the Selective Capital Reduction Exercise has been completed. Whilst the Special Committee is in existence and for so long as both of the aforementioned Existing NH Ceramics Directors are members of the Special Committee, their respective remuneration shall be S\$3,000 per month each;
- (d) Commencing from the day falling one month from Completion, NH Ceramics shall submit monthly progress reports to the Special Committee, containing details of all matters relating to the disposal of assets and winding-up and/or disposal of the NH Ceramics Subsidiaries;
- (e) As and when any divestment or disposal of assets under the Selective Capital Reduction Exercise is to be undertaken, NH Ceramics will submit a recommendation to the Special Committee for their review, and upon their satisfaction will approve the recommendation subject to all applicable laws and regulations being observed;
- (f) Upon completion of the disposal of its assets and subsequent winding-up and/or disposal of all of the NH Ceramics Subsidiaries, and prior to the distribution of the Distribution Sum, NH Ceramics shall submit a final account to the Special Committee detailing the amount of the SCRE Capital, and the monies available for distribution to the eligible Shareholders (otherwise known as the Distribution Capital) (the “**Final Account**”). The Final Account shall be submitted by NH Ceramics within three and a half (3.5) months upon Completion, and shall be reviewed and approved by the Special Committee;
- (g) Upon approval of the Final Account by the Special Committee, NH Ceramics shall as soon as reasonably practicable, but in any event no later than the date falling within four (4) months following Completion, forthwith effect on the same day in the following manner: (a) distribution of the Distribution Capital to the eligible Shareholders and (b) payment of the Introducer’s Fee. For the avoidance of doubt, the Introducer’s Fee shall not be paid until and unless distribution of the Distribution Capital to the eligible Shareholders is effected;
- (h) The books closure date to determine the Shareholders entitled to the Distribution Capital will be fixed before Completion;
- (i) Save for the remuneration of the Special Committee which shall be deducted from the SCRE Account and the SCRE Capital, all costs and expenses incurred and/or associated with the Selective Capital Reduction Exercise (the “**SCRE Expenses**”) shall be borne by NH Ceramics. Accordingly, the SCRE Expenses shall not be charged to or deducted from the SCRE Account and the SCRE Capital;

- (j) For the avoidance of doubt, NH Ceramics shall be entitled to deduct from the SCRE Account such monies to make payment of any Additional Professional Costs (as set out in Clause 8.10.2) which are due and payable, up to the date of payment of the Introducer's Fee;
- (k) Following Completion and during the Selective Capital Reduction Exercise, each of the NH Ceramics Subsidiaries agree to jointly and severally indemnify NH Ceramics in respect of any costs, liabilities, guarantees, contingent liabilities, assurances or the like provided by NH Ceramics prior to Completion; and
- (l) Cash held by, and income earned or attributable to the NH Ceramics Subsidiaries are to be retained by the respective NH Ceramics Subsidiary and shall not be distributed or disbursed to any party except: (a) in the ordinary course of business; and/or (b) for any distribution to NH Ceramics for the purposes of the Selective Capital Reduction Exercise.

4A.3 The Parties hereby agree that NH Ceramics shall deduct the following amounts from the SCRE Capital:

- (i) S\$2,000,000 to satisfy the payment of the Introducer's Fee (subject to the setting off of any part of the Additional Professional Costs paid by NH Ceramics on behalf of Asset Empire Investments Limited as set out in Clause 8.10.2); and
- (ii) S\$100,000 to be left in the capital of NH Ceramics.

The remaining monies from the SCRE Capital (the "**Distribution Capital**") shall be distributed to the eligible Shareholders, but will not involve the cancellation of any NH Ceramics Shares. For the avoidance of doubt, the Introducer's Fee shall not be paid until and unless distribution of the Distribution Capital to the eligible Shareholders is effected. For the avoidance of doubt, the proceeds from the Proposed Placement will not be subject to the Selective Capital Reduction Exercise and will be used solely for the payment of professional costs and expenses in connection with the Proposed Acquisition. The Vendors (who will become shareholders of NH Ceramics upon Completion) and the placees of the Compliance Placement (who will become shareholders of NH Ceramics upon completion of the Compliance Placement) will not be entitled to benefit from the Selective Capital Reduction Exercise."

(ii) in connection with (i) above,

(a) to delete the existing Clause 2.1.2(f) in its entirety and to replace it with the following:

"(f) the distribution of all capital arising from the disposal of assets and subsequent winding-up and/or disposal of all of the NH Ceramics Subsidiaries to selected Shareholders (the "**Selective Capital Reduction Exercise**"), in accordance with the provisions of Clause 4A below; and";

(b) to delete the existing Clause 2.1.11 in its entirety and to replace it with the following:

"2.1.11 **Submission of Written Proposal on Selective Capital Reduction Exercise:** Prior to Completion, the submission by NH Ceramics to the Vendors of a written report in relation to the Selective Capital Reduction Exercise, which shall include details of (a) the divestments completed in connection with the Selective Capital Reduction Exercise and the resulting

net proceeds thereof; (b) the proposed disposal of remaining assets (if any) and/or winding-up proceedings, which will include details of such remaining assets and NH Ceramics Subsidiaries to be disposed and/or wound up, professional parties to be appointed, associated costs, targeted completion dates and proceeds from such divestments; and (c) the aggregate amount of monies deposited into the SCRE Account as at the date of such written report.”.

Save for the above, all other terms of the Sale and Purchase Agreement remained unchanged.

A copy of the 5th Supplemental Sale and Purchase Agreement is available for inspection during normal business hours at the registered office of the Company at 112 Robinson Road #05-01, Singapore 068902 for a period of three (3) months from the date of this announcement.

Shareholders should note that the Proposed Acquisition is subject to numerous conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed, or that no changes will be made to the terms thereof. Accordingly, Shareholders of the Company and potential investors should exercise caution when trading in the shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other advisors.

By Order of the Board

Lee Yong Miang
Executive Chairman
29 December 2014

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor, Canaccord Genuity Singapore Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”). Canaccord Genuity Singapore Pte. Ltd. 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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