NH CERAMICS LTD

(the "Company")
Incorporated in the Republic of Singapore
(Co Registration No. 199704544C)

PROPOSED ACQUISITION OF BLACKGOLD ASIA RESOURCES PTE. LTD. AND BLACKGOLD ENERGY LIMITED

The board of directors (the "**Board**") of the Company 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, 3 October 2014, 29 December 2014, 30 December 2014, 5 January 2015 and 28 January 2015 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**").

*Capitalised terms used in this announcement, unless otherwise defined herein or in the Announcements, shall have the same meanings as ascribed to them in the circular to shareholders of the Company (the "**Shareholders**") dated 30 December 2014 (the "**Circular**").*

The Board wishes to advise that it has been informed of an article entitled "*Singapore Deal Points to "Shady" PLN Contract*" which was published in the Jakarta Globe print and online editions on Saturday, 21 February 2015 (the "**Article**").

The Article casts the government and state-owned energy companies in an unfavourable light by alleging that "parastatals operating virtual monopolies, such as PLN and state energy company Pertamina, have long been treated as "cash cows" by those in power". The BlackGold Group was unfortunately dragged into association as the Article contained allegations specifically relating to the BlackGold Group by virtue of the coal supply tender that PLN recently awarded to the BlackGold Group in December 2014 as set out in the Circular.

The Article quoted an anonymous "Jakarta-based energy consultant" who alleged, *inter alia*, the following:

- The BlackGold Group's potential supply agreement with PLN in respect of the Tenayan Raya power plant tender (the "**Tender**") is "very suspicious and non-commercial"; and
- The coal sale price assumed in the independent valuation report ("**IVR**") of the BlackGold Group contained in the Circular appears to be "excessively high"

(together, the "**Allegations**").

Further to consultation with and confirmation from the BlackGold Group, the Board, the Proposed New Directors as well as the Sponsor and Financial Adviser are of the view that there are no robust bases for the Allegations. Both the Company and the BlackGold Group were not contacted on the veracity of the Allegations by any member of the Jakarta Globe.

The BlackGroup Group has reconfirmed that, prior to being awarded the Tender, it was subject to prescribed rigorous tendering procedures which were professionally managed, and these broadly involved pre-qualification, technical, legal and financial due diligence as well as interview sessions with PLN. As disclosed in the Circular, the BlackGold Group had won the Tender in December 2014, and the award of the coal supply contract is subject to mutual agreement on the price of coal which shall be determined in accordance with the "cost plus margin" pricing formula prescribed by Regulation 10 and subject to final approval from DGMC.

Details on the pricing of the Coal SPAs, as well as the views of the Proposed New Directors, the Independent Qualified Person, the Independent Valuer as well as the Sponsor and Financial Adviser

on the reasonableness of the base coal sale price used in the IQPR and Independent Valuation Report have been set out in the Circular.

The Board understands that the Article was retracted from the website of the Jakarta Globe on the same day it was published. The Board understands that the Proposed New Directors of the Enlarged Group are considering all necessary and viable measures, which may include taking legal action against the relevant persons involved, to protect the reputation and integrity of the BlackGold Group.

Having considered the above, the Board, the Proposed New Directors as well as the Sponsor and Financial Adviser are of the opinion that the Article did not bring to their attention, any new and material information not already disclosed and addressed in the Circular. It should be noted that the coal sales price used in arriving at the Fair Market Value of the Concession Blocks ("FMV") took into account the contracted prices pursuant to the Coal SPAs, and was not predicated on the Tender. Accordingly, the Article is not expected to result in any impact to the FMV set out in the Circular. Based on the foregoing, the Sponsor and Financial Adviser is of the opinion that due diligence has already been carried out in respect of information set out in the Circular, and no additional due diligence is necessary in order to address the Allegations. On the basis of the due diligence carried out in relation to the information set out in the Circular, the Board, the Proposed New Directors as well as the Sponsor and Financial Adviser remain of the opinion that the RTO should proceed to completion as planned.

Shareholders may direct their queries on the above matter to:-

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By Order of the Board

Lee Yong Miang
Executive Chairman
27 February 2015

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 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.
