PNE MICRON HOLDINGS LTD
Registration No. 200105909M
(Incorporated in the Republic of Singapore)

NON-BINDING MEMORANDUM OF UNDERSTANDING RELATING TO A PROPOSED ACQUISITION

INTRODUCTION

The Board of Directors of PNE Micron Holdings Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 2 March 2015 entered into a non-binding Memorandum of Understanding (the "**MOU**") with Mr. Ye Jing Long, an individual who is independent from and unrelated to the Company ("**Vendor**") for the acquisition of 25% of the total registered capital of Zhen Tong Mining Co, (昆明真铜矿业有限公司) ("**Zhen Tong**") (or its holding company) by the Company ("**Proposed Acquisition**").

INFORMATION ON ZHEN TONG

Zhen Tong is a company incorporated in the People's Republic of China which is in the business of mining and producing copper and currently holds the mining rights of a copper mine known as 昆明真铜矿业有限公司西岳庙铜矿.

RATIONALE AND KEY TERMS OF THE MOU

The rationale for the Proposed Acquisition is to expand the Company's business in the resources industry.

Pursuant to the MOU, the purchase consideration for the Proposed Acquisition will be derived after commencing the due diligence, taking into account the net assets value, the earnings potential and prospects of Zhen Tong. The purchase consideration shall be fully satisfied by cash in the manner to be mutually agreed between the Vendor and the Company. If the Proposed Acquisition were to proceed, the Company intends to engage in fund raising exercise to raise cash to fund the Proposed Acquisition by way of issuing new shares or convertible securities and/or obtaining bank financing.

The terms and conditions of the Proposed Acquisition shall be further discussed and negotiated, and is subject to, amongst others, a satisfactory due diligence review by the Company, the receipt of all applicable governmental and regulatory approvals, shareholders' approval if required, and/or consents for the Proposed Acquisition. The MOU shall terminate upon the entry into the definitive sale and purchase agreement ("**Definitive Agreement**") by the Company and the Vendor**,** and shall expire automatically if the Company and the Vendor fail to enter into the Definitive Agreement within 120 days after the date of the MOU (unless extended upon the mutual agreement of the Company and the Vendor) ("**Validity Period**").

FURTHER ANNOUNCEMENTS

As at the date of this announcement, no Definitive Agreement has been executed in relation to the Proposed Acquisition. The Company will make further announcements to disclose the details of the Proposed Acquisition upon the execution of the Definitive Agreement and/or appropriate update announcement(s) on the Proposed Acquisition at the relevant time.

CAUTIONARY STATEMENT

Shareholders of the Company and potential investors should exercise caution when trading in the Shares of the Company, as there is no certainty or assurance, as at the date of this announcement, as to whether (i) a Definitive Agreement will be entered into or (ii) the Proposed Acquisition will proceed at all, as it is subject to the fulfilment of terms and conditions set out in the MOU. When in doubt as to the action they should take, shareholders and potential investors should consult their financial, tax or other advisors.

INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, save for their shareholdings in the Company.

BY ORDER OF THE BOARD

PNE Micron Holdings Ltd

Liew Nyok Wah
Executive Director
2 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, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms. Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.