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

– UPDATE ON THE PLACEMENT

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, 28 January 2015 and 27 February 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**").*

1. EXECUTION OF THE UNDERWRITING AND PLACEMENT AGREEMENT

Further to Section 9 entitled "The Proposed Share Placement" of the Circular, on 2 March 2015, the Company entered into an underwriting and placement agreement (the "**Underwriting and Placement Agreement**") with Canaccord Genuity Singapore Pte. Ltd. ("**Canaccord Genuity**"), UOB Kay Hian Private Limited ("**UOBKH**") and the Vendors, pursuant to which Canaccord Genuity Singapore Pte. Ltd. and UOB Kay Hian Private Limited have been appointed as the joint underwriters and joint placement agents (the "**Joint Underwriters**" or "**Joint Placement Agents**" or "**Joint Underwriters and Joint Placement Agents**") in respect of the placement of an aggregate of 86,000,000 Placement Shares at the placement price of S$0.295 per Placement Share (the "**Placement Price**") which shall be fully underwritten for an aggregate gross amount of S$25.37 million (the "**Placement**").

The Placement Shares will, upon allotment and issue, rank *pari passu* in all respects with the existing Shares for any dividends, rights, entitlements, allotments or other distributions, save that it shall not rank for any dividends, rights, entitlements, allotments or distributions (if any), the record date in respect of which falls prior to the date of issue of the Placement Shares.

2. UNDERWRITING AND PLACEMENT ARRANGEMENTS

2.1 Underwriting and Placement Obligations

Pursuant to the Underwriting and Placement Agreement, the Company has agreed to allot and issue the Placement Shares, and each of the Joint Underwriters and Joint Placement Agents has agreed to procure subscriptions for the Placement Shares at the Placement Price in accordance with the Underwriting and Placement Agreement and which shall be fully underwritten, severally (and not jointly), by the Joint Underwriters and Joint Placement Agents in the proportion as set out in the Underwriting and Placement Agreement for an aggregate gross amount of S$25.37 million.

2.2 Commission

Pursuant to the Underwriting and Placement Agreement, in consideration of the Joint Placement Agents procuring subscribers for the Placement Shares, the Company shall pay a commission of 3.0% of the Placement Price for each Placement Share (and if applicable, goods and services tax thereon) which the Joint Underwriters and Joint Placement Agents have procured subscription for and/or underwritten (the "**Commission**"), which shall be paid to the Joint Underwriters and Joint Placement Agents in the following proportions:

(i) in respect of UOBKH, 60% of the aggregate Commission; and

(ii) in respect of Canaccord Genuity, 40% of the aggregate Commission.

2.3 Conditions

The obligations of the Joint Underwriters and Joint Placement Agents under the Underwriting and Placement Agreement (being several, and not joint) are conditional upon the performance by the Company of its obligations under the Underwriting and Placement Agreement and also upon, *inter alia*, the following:-

a) an Offer Information Statement, which complies as to the form and content with the SFA and the Sixteenth Schedule of the SFR, being lodged with the SGX-ST;

b) the listing and quotation notice for the listing of and quotation for the Placement Shares on Catalist obtained from the SGX-ST not having been revoked or amended and, where such approval is subject to conditions, to the extent that any conditions for the listing of and quotation for the Placement Shares on Catalist are required to be fulfilled on or before the date of completion of the Placement (the "**Completion Date**"), they are so fulfilled;

c) the allotment, issue and subscription or sale of the Placement Shares not being prohibited by any statue, order, rule, regulation or directive promulgated or issued after the date of Underwriting and Placement Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company or the Joint Underwriters and Joint Placement Agents;

d) there not having occurred, in the reasonable opinion of the Joint Underwriters and Joint Placement Agents, any material adverse change, or any development reasonably likely to involve a prospective material adverse change, whether or not arising from transactions in the ordinary course of business, subsequent to the date of this Agreement which, in the reasonable opinion of the Joint Underwriters and Joint Placement Agents, is or is reasonably likely to be materially adverse in the context of the Placement or is reasonably likely to prejudice materially the success of the Placement or dealings in the Placement Shares in the secondary market; and

e) the representations, warranties and undertakings in Clauses 3 and 3A of the Underwriting and Placement Agreement (where relevant) remaining true and correct in all respects as at the Completion Date and the Company having performed all of its respective obligations hereunder to be performed on or before the Completion Date.

The Company has, on 27 January 2015, received the listing and quotation notice from the SGX-ST in respect of the listing of and quotation for, the Placement Shares on Catalist. The listing and quotation notice from the SGX-ST is not an indication of the merits of, *inter alia*, the Company, its subsidiaries, the Placement, and the Placement Shares.

2.4 Use of Proceeds

The Company intends to use the entire net proceeds from the issue of the Placement Shares for the following purposes:-

Use of proceeds	**Estimated amount (S$ million)**	**Estimated amount for each dollar of the gross proceeds from the issue of the Placement Shares (S$)**	**As a percentage of gross proceeds from the issue of the Placement Shares (%)**
Gross proceeds	25.37	1.00	100.0
Professional fees and costs incurred in connection with the Placement	0.76	0.03	3.00
Net proceeds			
(a) Capital expenditures for the development of PT SB Mine Concession	11.14	0.44	43.91
(b) Exploration works within the Concession Blocks	3.00	0.12	11.82
(c) General working capital purposes	10.47	0.41	41.27

The Company will make periodic announcements as and when the proceeds from the issue of the Placement Shares are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in the Offer Information Statement. Where there is any material deviation from the stated use of net proceeds, the Company will announce the reasons for such deviation. The Company will also provide a status report on the use of the net proceeds in its annual report.

The Directors are of the opinion that after taking into consideration the NH Group's present internal resources, the working capital available to the NH Group is sufficient to meet its present requirements. Notwithstanding the above and as stated in Section B.11 of the Letter from the Proposed New Directors of the Circular entitled "Management's Discussion and Analysis of the Results of Operations and Financial Position of the Target Group", as the BlackGold Group is in net liabilities and negative working capital position as at 30 June 2014, the Company intends to raise funds of S$25.37 million via the Placement to provide the Enlarged Group with funds for the above-mentioned use of proceeds.

2.5 Completion

It is intended that the completion of the Proposed Share Placement will take place concurrently with Completion of the Proposed Acquisition, or such other date as the Company and the Joint Underwriters and Joint Placement Agents may agree.

3. OTHER CONDITIONS

The Placement will be carried out pursuant to the exemption under Section 277 of the SFA. An Offer Information Statement will be lodged by the Company with the SGX-ST acting as agent on behalf of the Authority. Pursuant to the Underwriting and Placement Agreement, the Joint Underwriters and Joint Placement Agents shall (severally and not jointly) to the best of its knowledge and belief, not offer the Placement Shares for sale to or procure subscriptions for the Placement Shares to any person in the categories set out in Rule 812(1) of the Catalist Rules. None of the Placement Shares will be issued to any placees which will result in such placees holding a controlling interest (i.e. 15% of the enlarged issued and paid-up share capital of the Company) in the Company.

4. FURTHER ANNOUNCEMENTS

The Company will make such announcement(s) as may be necessary and/or appropriate in relation to the Placement, including but not limited to the lodgement of the Offer Information Statement and the completion of the Placement, in due course.

5. DIRECTORS' RESPONSIBILITY

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 Placement, 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 or reproduced 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.

6. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when trading in the shares of the Company. Shareholders and potential investors 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. The Company will make the necessary announcements when there are further developments on the Proposed Acquisition.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Where in doubt as to the action they should take, Shareholders and potential investors should consult their financial, tax or other professional advisors.

By Order of the Board

Lee Yong Miang
Executive Chairman
2 March 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. 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.

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.
