



(Incorporated in the Republic of Singapore)
(Company Registration Number: 199704544C)

ENHANCEMENT OF INCOME & DEPLOYMENT OF ASSETS

The Board of Directors (the "Board") of NH Ceramics Ltd (the "Company") is pleased to inform Shareholders, its wholly owned subsidiary, Nam Huat Tiling & Panelling Co Pte Ltd ("NHTP"), has entered into agreements to rent out its leasehold properties as follows:

- A) 1&3 Tuas Avenue 8, Singapore
 - 2 units JTC detached E7 factories (land area =18,600 sqm / built-in area =8,140 sqm)
- B) #01-10 E-Centre@Redhill, Jalan Bukit Merah, Singapore
 - Industrial shop unit (259 sqm)

The tenants are well-reputed and established corporations, independent and unrelated to each other, or any director or substantial shareholder of the Group.

The properties are rented out on a 3-year basis, with an option for a further 3 years with the rates to be revised according to prevailing market rates.

The rental income from these properties are expected to generate a net surplus in excess of \$1 million (after deducting taxes, maintenance, interests and other costs accruing on these properties), on an annualised basis, with effect from the current financial year ending 30 September 2008.

NHTP has also entered into agreement to re-locate its operations and showroom to a 5,800 sqm premises in Sungei Kadut Industrial Estate. The new premises are selected on the merit of location, size and cost for NHTP to focus and expand on its core project business in the supply of ceramic tiles and marble/granites for project work. The current order book of supply contracts exceeds \$9.0m.

The re-location, restructuring of operations and book orders are expected to have a positive impact on profitability with effect from the current financial year.

Barring any unforeseen circumstances, the Directors anticipate a return to profitability for the Group for FY2008 ending 30 September 2008.

Paul Goh Moh Chye
Managing Director

28 December 2007