



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

**SUPPLEMENTAL AGREEMENT TO CONVERTIBLE LOAN AGREEMENT AND THE
APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

1. Introduction

The Board of Directors (the "**Board**") of NH Ceramics Ltd (the "**Company**") refers to the announcement dated 25 April 2007 in relation to the convertible loan agreement entered into on 25 April 2007 by the Company with Merryland Pacific Limited, Lim Oon Hock, Lee Yong Miang, Ong Soon Liong, Chua Beng Huat, and Lee Kian Soo (collectively known as the "**Investors**") (the "**Agreement**"), pursuant to which the Investors had extended a convertible loan of an aggregate principal amount of S\$4,997,000 (the "**Loan**") to the Company.

The Board wishes to announce that the Company had on 12 June 2007 entered into a supplemental agreement with the Investors to amend certain terms of the Agreement (the "**Supplemental Agreement**") as described below.

2. Amendments to the Agreement

The Loan shall be increased by an additional S\$1,052,000, to an aggregate sum of S\$6,049,000 (the "**Revised Loan**"), which shall be contributed by (1) Merryland Pacific Limited for the additional sum of S\$526,000, and (2) Lee Yong Miang for the additional sum of S\$526,000.

The Supplemental Agreement also provides for the right of the Investors to convert all of the Revised Loan into 230,000,000 new ordinary shares in the issued and paid-up share capital of the Company at an agreed conversion price of S\$0.0263 (the "**New Shares**").

The Investors' contribution to the Revised Loan and the proportions for the allotment of the New Shares is as follows:

<u>Name of Investor</u>	<u>Contribution to the Revised Loan (S\$)</u>	<u>No. of Shares</u>
Merryland Pacific Limited	2,314,400	88,000,000
Lee Yong Miang	1,578,000	60,000,000
Ong Soon Liong	1,052,000	40,000,000
Lim Oon Hock	526,000	20,000,000
Chua Beng Huat	289,300	11,000,000
Lee Kian Soo	289,300	11,000,000
Total	6,049,000	230,000,000

For illustration purposes, the proforma shareholding structure of the Company assuming the conversion of the Revised Loan into New Shares and exercise of the Call Option⁽¹⁾ (and assuming that there are no other changes to the share capital structure of the Company) is as follows:

<u>Name of Shareholder</u>	<u>No. of Shares</u>	<u>Percentage (%)</u>
Merryland Pacific Limited	88,000,000	28.85
Lee Yong Miang	60,000,000	19.67
Ong Soon Liong	40,000,000	13.11
Lim Oon Hock	20,000,000	6.56
Paul Goh Moh Chye	13,481,690	4.42
Chua Beng Huat	11,000,000	3.61
Lee Kian Soo	11,000,000	3.61
NH Investments Pte Ltd	7,500,000	2.46
Chan Ewe Teik ⁽¹⁾	20,000,000	6.56
Others	33,996,135	11.15
Total	304,977,825	100.00

Note:

- (1) As announced on 11 May 2007, NH Investments Pte Ltd and Paul Goh Moh Chye had granted an option to Chan Ewe Teik to purchase from them 20,000,000 ordinary shares in the issued and paid-up share capital of the Company.

3. Appointment of Independent Financial Adviser

The Board also wishes to announce that the Company has appointed Kim Eng Capital Pte Ltd as the independent financial adviser to advise its independent shareholders in connection with the proposed whitewash resolution for the waiver of the rights of the independent shareholders of the Company to receive a mandatory general offer from the Investors and their concert parties as a result of the proposed issue and allotment of the New Shares.

4. Directors' Responsibility Statement

The Directors of the Company have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted, and they jointly and severally accept responsibility accordingly.

BY ORDER OF THE BOARD

Paul Goh Moh Chye
Managing Director

12 June 2007