

NH CERAMICS LTD

INCORPORATION OF A SUBSIDIARY COMPANY

The Board of Directors of NH Ceramics Ltd (the "Company") wishes to announce that the Company has on 11 February 2005 incorporated a wholly-owned subsidiary in Singapore known as Nam Hong Properties Pte. Ltd. ("Nam Hong") with an authorised share capital of S\$1,000,000 divided into 1,000,000 ordinary shares of S\$1/- each. The initial paid up share capital is S\$2/-.

The principal activities of Nam Hong is the management of properties and leases.

Nam Hong has since increased its paid up share capital from S\$2/- to S\$20,000/-. The Company has subscribed for and has been allotted an additional 19,998 ordinary shares of S\$1/- each at par in the capital of Nam Hong for cash.

The above transaction is not expected to have any significant impact on the net tangible assets and earnings per share of the Company and the Group for the financial year ending 30 June 2005.

None of the directors or substantial shareholders of the Company has any interest, direct or indirect in the above transaction other than through their shareholdings in the Company.

Submitted by Ricky Paul Goh Moh Chye, Managing Director on 15/2/2005 to the SGX