

WAIVER OF RULE 705(2) OF THE SGX-ST LISTING MANUAL

1. INTRODUCTION

The board of directors (the “**Board**”) of China Energy Limited (the “**Company**”) refers to the circular dated 13 August 2014 (the “**Delisting Circular**”) issued by the Company to its shareholders (“**Shareholders**”) in connection with the proposed voluntary delisting of the Company from the Official List of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) pursuant to Rules 1307 and 1309 of the listing manual of the SGX-ST (“**Listing Manual**”), and the exit offer letter issued by Lianguo International Limited (the “**Offeror**”) to the Shareholders dated 15 September 2014 in connection with the exit offer (the “**Exit Offer**”) made by the Offeror, to acquire all the issued ordinary shares in the capital of the Company (the “**Shares**”).

All capitalised terms used and not defined herein shall have the same meanings given to them in the Delisting Circular, unless otherwise expressly stated or the context otherwise requires.

2. COMPULSORY ACQUISITION

On 7 October 2014, the Company and the Offeror jointly announced that as at 5.00 p.m. on 7 October 2014, the Offeror had received valid acceptances pursuant to the Exit Offer for not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of Exit Offer and excluding treasury shares). Accordingly, the Offeror was entitled to, and would, exercise its right under Section 215(1) of the Companies Act, Chapter 50 of Singapore, to compulsorily acquire all the Shares of Shareholders who have not accepted the Exit Offer, at a price equal to the Exit Offer Price of S\$0.052 in cash for each Share (“**Compulsory Acquisition**”).

On 14 October 2014, the Company announced that the Offeror had despatched a letter to Shareholders who did not accept the Exit Offer (“**Dissenting Shareholders**”) enclosing, *inter alia*, Form 57 (Notice to Dissenting Shareholder) that the Offeror intends to and will exercise its rights of Compulsory Acquisition under Section 215(1) of the Companies Act, on or after 15 November 2014, being one month after the Form 57 is given to Dissenting Shareholders.

3. WAIVER OF RULE 705(2) OF THE LISTING MANUAL

Under Rule 705(2) of the Listing Manual, the Company is required to announce its unaudited financial statements for the third quarter ended 30 September 2014 (“**3Q**”) by 14 November 2014 (being 45 days after the end of the 3Q) (“**3Q Results Announcement**”).

As the Offeror will be entitled to exercise its rights of Compulsory Acquisition on or after 15 November 2014 pursuant to which the Company will become wholly-owned by the Offeror and will be delisted shortly thereafter, the Company had sought from the SGX-ST a waiver from the requirement to comply with Rule 705(2) of the Listing Manual to make the 3Q Results Announcement in order not to incur further additional compliance costs.

The Board wishes to announce that the SGX-ST had, on 20 October 2014, informed the Company that it has no objections to the Company’s application for waiver with regard to compliance with Rule 705(2) of the Listing Manual subject to the following:

- (a) the Company announcing the waiver granted, the reasons for seeking the waiver and the conditions as required under Listing 107 of the Listing Manual;

- (b) submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company and the articles of association of the Company; and
- (c) submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company.

By the release of this announcement, the condition as set out in paragraph 3(a) above has been satisfied. The Company has submitted to the SGX-ST the written confirmations referred to in paragraphs 3(b) and (c) above.

As such, the Company will not be required to release and will not be releasing the 3Q Results Announcement.

BY ORDER OF THE BOARD

Ong Kian Min
Lead Independent Director
23 October 2014