

CHINA BEARING (SINGAPORE) LTD.
(Company Registration No. 200512048E)
(Incorporated in the Republic of Singapore)

PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF FE RESOURCES PTE. LTD. – EXTENSION OF TIME FOR CASH COMPANY TO MEET REQUIREMENTS OF NEW LISTING

1. INTRODUCTION

The board of directors ("**Board**") of China Bearing (Singapore) Ltd. (the "**Company**") refers to the announcements made by the Company on 24 August 2016 and 1 November 2016 in relation to the proposed acquisition of the entire issued and paid-up share capital of FE Resources Pte. Ltd. ("**Proposed Acquisition**") and the announcement made by the Company on 14 November 2016 on the unaudited third quarter results for the period ended 30 September 2016 of the Company ("**Announcements**"). Unless otherwise defined herein, capitalised terms used herein shall bear the same meaning ascribed to them in the Announcements.

2. EXTENSION OF TIME FOR THE COMPANY

2.1. Since 21 December 2015, the Company has been a cash company pursuant to Rule 1018 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual ("**SGX-ST Listing Manual**"). Under Rule 1018(2) of the SGX-ST Listing Manual, the SGX-ST will proceed to remove an issuer from the Official List if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company. The financial adviser to the Proposed Acquisition, ZICO Capital Pte. Ltd. had on behalf of the Company, written to the SGX-ST on 11 November 2016 to seek approval for a 12-month extension of time under Rule 1018(2) of the SGX-ST Listing Manual for the Company to complete the Proposed Acquisition by 20 December 2017 ("**Application**").

2.2. The reasons for the Application were:

- (a) the Company had signed a definitive binding agreement for the Proposed Acquisition by way of a sale and purchase agreement on 27 October 2016, being preceded by the term sheet as announced on 24 August 2016;
- (b) subject to sufficient time being allocated for reasonable due diligence and other works to be performed by the professionals appointed for the Proposed Acquisition and pursuant to the Proposed Catalist Transfer, the Board believes that the Target Group is expected to satisfy SGX-ST's requirements for a new listing on the Catalist;
- (c) the Board is of the view that the Company will be able to complete the Proposed Acquisition by 20 December 2017;

- (d) while the Company would have to incur additional expenses for the Proposed Acquisition, the Vendor shall bear all costs and expenses incurred in relation to or in connection with the Proposed Acquisition on a reimbursement basis to the Company in the event the Proposed Acquisition is not completed or not capable of being completed for any reason, save where such failure to complete is solely due to a breach or default or misrepresentation by the Company;
- (e) the Application and Proposed Catalyst Transfer, if approved by the Exchange, will enable the Company to acquire a business which meets the requirements of a new listing on Catalyst;
- (f) the Proposed Acquisition will provide the Company an opportunity to acquire a profitable business in the nickel mining industry with a view of enhancing shareholder value;
- (g) if the Company is able to meet the requirements for a new listing, it can remain listed and the shareholders of the Company will be able to trade the shares of the Company and exit through the market to realise returns from their shareholdings; and
- (h) shareholders of the Company will not be prejudiced by the Application and should be given a genuine opportunity to consider and decide on the merits of the Proposed Acquisition and the Company continuing as a listed company, instead of facing the prospect of being removed from the Official List.

2.3. The Board wishes to announce that SGX-ST has on 30 November 2016 agreed to grant the Company an extension of time to 20 June 2017 ("**Extension Date**") under Rule 1018(2) of the SGX-ST Listing Manual for the Company to be meet the requirements for a new listing, subject to the Company announcing the period of extension granted, the reasons for seeking the extension of time and the conditions, as required under Rule 107 of the SGX-ST Listing Manual. The Board wishes to highlight that SGX-ST has reserved its right to amend/vary its decision and such decision is subject to changes in the policies of the SGX-ST.

3. CAUTIONARY STATEMENT

Shareholders of the Company are advised that the Proposed Acquisition is subject to numerous conditions and further due diligence by the Vendor and the Company. As such, there is no assurance that the Parties will be able to complete the Proposed Acquisition and that the shares of the Company will eventually resume trading on the SGX-ST. Shareholders are therefore advised to exercise caution when dealing in the shares of the Company and should consult their legal, financial, tax and other professional advisers if they have any doubt as to the action to take.

BY ORDER OF THE BOARD

LIM KEAN TIN

Non-Executive Chairman

2 December 2016