

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

PROPOSED CHANGE OF AUDITORS

1. INTRODUCTION

The board of directors ("**Board**") of China Bearing (Singapore) Ltd. (the "**Company**") wishes to announce the Company's intention to change its auditors from Foo Kon Tan LLP ("**FKT LLP**") to Baker Tilly TFW LLP ("**Baker Tilly**").

2. PROPOSED CHANGE OF AUDITORS

The Board is of the opinion that it is in the interest of the Company to appoint Baker Tilly as auditors of the Company as:

- (a) following the Company's announcement of the proposed acquisition of the entire issued and paid-up share capital of FE Resources Pte. Ltd. ("**Target Company**") on 1 November 2016 ("**Proposed Acquisition**"), Baker Tilly has been appointed as the Reporting Accountants and Auditors of the Target Company and its subsidiaries (collectively the "**Target Group**"); and
- (b) upon completion of the Proposed Acquisition, the Company, which as at the date of this Circular is considered a cash company pursuant to Rule 1018 of the Listing Manual, will assume the business of the Target Group (together with the Company, the "**Enlarged Group**"). Accordingly, the appointment of Baker Tilly will provide continuity and will facilitate the financial review and audit processes, as well as the financial reporting requirements of both the Company and the Enlarged Group, prior and pursuant to the completion of the Proposed Acquisition.

In connection with the above, the Company had on 21 December 2017 received a notice from FKT informing the Company, inter alia, that FKT had applied to ACRA to seek its consent for resignation as auditors of the Company.

The resignation of FKT will only take effect upon the appointment of Baker Tilly, which will be effective upon the approval of shareholders being obtained at the extraordinary general meeting ("**EGM**") of the Company to be held in due course. Upon the appointment, Baker Tilly will hold office until conclusion of the next annual general meeting of the Company.

FKT has confirmed by way of a letter dated 1 December 2017 to Baker Tilly that they are not aware of any professional reasons why Baker Tilly should not accept appointment as auditors of the Company.

The Board wishes to express their appreciation for the services rendered by FKT in the past.

A circular containing further details on the Proposed Change of Auditors, together with the notice of EGM will be despatched to the shareholders in due course.

3. CAUTIONARY STATEMENT

Shareholders of the Company are advised that the Proposed Acquisition is subject to numerous conditions and 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 advised to read this announcement and any further announcements by the Company carefully. 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

28 December 2017