

COMPULSORY ACQUISITION

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, and the exit offer letter issued by Lianguo International Limited (the “**Offeror**”) to the Shareholders dated 15 September 2014 (the “**Exit Offer Letter**”) 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 and the Exit Offer Letter, unless otherwise expressly stated or the context otherwise requires.

2. RIGHT OF COMPULSORY ACQUISITION UNDER SECTION 215(1) OF THE COMPANIES ACT

The Company wishes to inform the Shareholders that the Offeror has today issued a letter (the “**Letter**”) to the Shareholders who did not accept the Exit Offer (“**Dissenting Shareholders**”). The Letter states that as the Offeror has received acceptances pursuant to the Exit Offer for not less than 90% of the total Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Exit Offer and excluding treasury shares), the Offeror is entitled to exercise its right under Section 215(1) of the Companies Act, Chapter 50 of Singapore (“**Companies Act**”) to compulsorily acquire, at the Exit Offer Price, all the Shares in respect of which acceptances have not been received by it pursuant to the Exit Offer (“**Compulsory Acquisition**”), on or after **15 November 2014** (the “**Transfer Date**”), being after the expiration of one month after the date on which a Notice to Dissenting Shareholder in the form prescribed under the Companies Act (“**Form 57**”) is given to Dissenting Shareholders, subject to and on the terms set out in Form 57 and the provisions of Section 215(4) of the Companies Act.

A copy of the Letter together with the requisite Form 57 is attached to this announcement.

3. SHAREHOLDERS’ RIGHTS UNDER SECTION 215(3) OF THE COMPANIES ACT

As stated in the Letter, under Section 215(3) of the Companies Act, a Non-Assenting Shareholder has the right to require the Offeror to acquire his Shares at the Exit Offer Price. A copy of the Notice to Non-Assenting Shareholder in the form prescribed under the Companies Act (“**Form 58**”) which is enclosed with the Letter is also attached to this announcement.

As stated in the Letter, a Non-Assenting Shareholder may, within three months from receiving the Form 58, give notice to the Offeror c/o Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 to require the Offeror to acquire his Shares, and the Offeror shall be entitled and bound to acquire the Shares at S\$0.052 in cash for each Share (or otherwise in accordance with Section 215(3) of the Companies Act).

As stated in the Letter, as the Offeror would be proceeding to compulsorily acquire all the Shares on the terms set out in the enclosed Form 57, such Shareholders need not take any action in relation to Form 58. Nevertheless, if any Shareholder wishes to exercise his right under Section 215(3) of the Companies Act or if he is in any doubt, he should seek his own independent legal advice.

4. GENERAL

If a Shareholder is in any doubt in relation to the Compulsory Acquisition, the Form 57 or Form 58 or as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

5. RESPONSIBILITY STATEMENT

The directors of the Company (the “**Directors**”) (including any director who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed herein are fair and accurate and that no material facts have been omitted from this announcement and the Directors jointly and severally accept responsibility accordingly. Where any information has been extracted or reproduced from published or publicly available sources, the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement. The Directors do not accept any responsibility for any information relating to the Delisting Proposal, the Exit Offer, the Offeror or any opinion expressed by the Offeror.

BY ORDER OF THE BOARD

Ong Kian Min
Lead Independent Director
14 October 2014