KIAN HO BEARINGS LTD

(Incorporated in the Republic of Singapore)
(Company Registration No.: 197302030N)

ANNOUNCEMENT

MANDATORY UNCONDITIONAL CASH OFFER FOR KIAN HO BEARINGS LTD – DESPATCH OF OFFEREE CIRCULAR

1. DESPATCH OF OFFEREE CIRCULAR

The Board of Directors (the "**Board**") of Kian Ho Bearings Limited ("**KH**" or the "**Company**") refers to the announcement made on 19 June 2014 by Raffles United Pte. Ltd. (the "**Offeror**") in relation to the despatch of the offer document dated 19 June 2014 (the "**Offer Document**") which contains details of the mandatory unconditional cash offer (the "**Offer**") for all the issued ordinary shares of KH ("**Shares**") other than those Shares which are owned, controlled or agreed to be acquired, directly or indirectly, by the Offeror and parties acting in concert with it and enclosing the appropriate form(s) of acceptance of the Offer, to shareholders of the Company ("**Shareholders**").

The Board wishes to announce that the Company has today despatched its circular dated 27 June 2014 in relation to the Offer (the "**Offeree Circular**") to Shareholders.

The Offeree Circular contains, *inter alia*, the advice of Asiasons WFG Capital Pte. Ltd. (the "**IFA**") as the independent financial adviser to the Directors of the Company who are considered independent for the purposes of the Offer (the "**Independent Directors**") and the recommendations of the Independent Directors in respect of the Offer.

A copy of the Offeree Circular is attached to this announcement and is also available on the website of the Singapore Exchange Securities Trading Limited at www.sgx.com.

The Offeree Circular requires the immediate attention of Shareholders. Shareholders should read and consider the information and the recommendations of the Independent Directors as well as the advice of the IFA set out in the Offeree Circular before deciding whether or not to accept the Offer. Shareholders who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

Shareholders who do not receive the Offeree Circular within a week from the date of this announcement may obtain a copy of the Offeree Circular from the share registrar of the Company at the following address, during normal business hours on any day (other than a public holiday, Saturday or Sunday) up to the closing date of the Offer at 5.30 p.m. (Singapore time) on 17 July 2014.

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

2. CLOSING DATE

Shareholders should note that the Offeror has given notice that the Offer will not be open for acceptance beyond 5:30 p.m. on 17 July 2014, save that such notice shall not be capable of being enforced in a competitive situation.

3. RESPONSIBILITY STATEMENT

The Directors of the Company (including those who have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and that no material facts have been omitted from this announcement.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Document), the sole responsibility of the Directors of the Company has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement.

By Order of the Board

Yeo Wee Kiong
Chairman
27 June 2014, Singapore