

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. ("PROPOSED ACQUISITION") – RECEIPT OF WAIVER FROM THE SECURITIES INDUSTRY COUNCIL ("SIC")

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, 1 November 2016 and 2 December 2016 in relation to the proposed acquisition of the entire issued and paid-up share capital of FE Resources Pte. Ltd. ("**Proposed Acquisition**") ("**Announcements**"). Unless otherwise defined herein, capitalised terms used herein shall bear the same meaning ascribed to them in the Announcements.

2. RECEIPT OF WAIVER FROM SIC

2.1. Further to the Announcements, the Board wishes to announce that the SIC has on 9 January 2017 granted a waiver in respect of the obligation of the Vendor and its concert parties (if any) from the requirement to make a mandatory general offer to the Company's shareholders under Rule 14 of the Singapore Code on Take-overs and Mergers ("**Code**"), subject to the following conditions:

- (a) a majority of holders of voting rights of the Company present and voting at a general meeting, held before the Proposed Acquisition, approve by way of a poll, in a resolution (the "**Whitewash Resolution**"), to waive their rights to receive a general offer from the Vendor;
- (b) the Whitewash Resolution is separate from other resolutions;
- (c) the Vendor, its concert parties as well as parties not independent of them abstain from voting on the Whitewash Resolution;
- (d) the Vendor did not acquire and are not to acquire any shares in the Company ("**Shares**") or instruments convertible into, rights to subscribe for and options in respect of Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in the circular):
 - (A) during the period between the date of the announcement of the Proposed Acquisition (being 1 November 2016) and the date the shareholders' approval is obtained for the Whitewash Resolution; and

- (B) in the six (6) months prior to the date of the announcement of the Proposed Acquisition (being 1 November 2016) but subsequent to the negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to the Proposed Acquisition;
- (e) the Company appoints an independent financial adviser to advise its independent shareholders on the Whitewash Resolution;
- (f) the Company sets out clearly in its circular to shareholders;
 - (A) details of the Proposed Acquisition, including the proposed allotment and issue of the Consideration Shares and the Earn-Out Consideration Shares;
 - (B) the dilution effect to existing holders of voting rights of the Company upon the issue of the Consideration Shares and the Earn-Out Consideration Shares;
 - (C) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by the Vendor as at the latest practicable date;
 - (D) the number and percentage of voting rights to be acquired by the Vendor upon the issue of the Consideration Shares and Earn-Out Consideration Shares;
 - (E) a specific and prominent statement that the issue of the Consideration Shares would result in the Vendor and its concert parties (if any) holding Shares carrying over 49% of the voting rights of the Company based on the enlarged share capital, and that the Vendor will be free to acquire further Shares (including the Earn-Out Consideration Shares) without incurring any obligation under Rule 14 to make a general offer for the Company;
 - (F) a specific and prominent statement that the Company shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the Vendor at the highest price paid by the Vendor and its concert parties (if any) for the Company's Shares in the six (6) months preceding the commencement of the offer;
- (g) the circular by the Company to its shareholders states that the waiver granted by the SIC to the Vendor from the requirement to make a general offer under Rule 14 is subject to the conditions stated at Paragraph 2.1(a) to (f) above;
- (h) the Company obtains SIC's approval in advance for those parts of the circular that refer to the Whitewash Resolution; and
- (i) to rely on the Whitewash Resolution, the acquisition of the Consideration Shares under the SPA must be completed within three (3) months of the approval of the Whitewash Resolution.

3. CAUTIONARY STATEMENT

A circular containing further details on, among other things, the Proposed Acquisition and the Whitewash Resolution, together with the notice of extraordinary general meeting, will be despatched to Shareholders in due course.

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

11 January 2017