

CIRCULAR DATED 2 DECEMBER 2015

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, financial, tax or other professional adviser(s) immediately.

If you have sold or transferred all your shares in the capital of China Bearing (Singapore) Ltd. (the “**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should forward this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the contents of this Circular, including the correctness of any of the statements made, opinions expressed or reports contained in this Circular.



CHINA BEARING (SINGAPORE) LTD.

(Company Registration No. 200512048E)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

**THE PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP CAPITAL OF
LINYI KAIYUAN BEARING CO., LTD.**

IMPORTANT DATES AND TIMES:-

Last date and time for lodgement of Proxy Form	:	15 December 2015 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	17 December 2015 at 10.00 a.m.
Place of Extraordinary General Meeting	:	Hotel Royal Level 3, Room 1 36 Newton Road Singapore 307964

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DEFINITIONS

In this Circular, the following words and phrases shall have the meanings set out against them unless the context otherwise requires:-

<i>"1HFY2015"</i>	:	Has the meaning ascribed to it in section 3.1 of this Circular
<i>"Board"</i>	:	The board of Directors of the Company
<i>"CDP"</i>	:	The Central Depository (Pte) Limited
<i>"Circular"</i>	:	This circular to Shareholders dated 2 December 2015 in relation to the Proposed Disposal
<i>"Companies Act"</i>	:	The Companies Act, Chapter 50 of Singapore, as modified, supplemented or amended from time to time
<i>"Company"</i>	:	China Bearing (Singapore) Ltd.
<i>"Company Outstanding Debts"</i>	:	Has the meaning ascribed to it in section 2.7 of this Circular
<i>"Completion"</i>	:	Has the meaning ascribed to it in section 1.1 of this Circular
<i>"Conditions"</i>	:	Has the meaning ascribed to it in section 2.5 of this Circular
<i>"Consideration"</i>	:	Has the meaning ascribed to it in section 2.3 of this Circular
<i>"Consideration Adjustment"</i>	:	Has the meaning ascribed to it in section 2.3 of this Circular
<i>"Controlling Shareholder"</i>	:	A person who:- (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the Company; or (b) in fact exercises control over the Company
<i>"Deposit Date"</i>	:	Has the meaning ascribed to it in section 2.3 of this Circular
<i>"Directors"</i>	:	The directors of the Company for the time being
<i>"EGM"</i>	:	The extraordinary general meeting of the Company to be held on 17 December 2015, notice of which is set out on pages N-1 and N-2 of this Circular
<i>"EPS"</i>	:	Earnings per Share
<i>"Escrow Agent"</i>	:	Has the meaning ascribed to it in section 6 of this Circular
<i>"foreign currency"</i>	:	Currency other than Singapore Dollars (S\$)
<i>"FY"</i>	:	Financial year ended 31 December
<i>"Group"</i>	:	The Company and its subsidiaries
<i>"Latest Practicable Date"</i>	:	24 November 2015, being the latest practicable date prior to the printing of this Circular
<i>"Listing Manual"</i>	:	The listing manual of the SGX-ST, as modified, supplemented or amended from time to time

DEFINITIONS

<i>“Long Stop Date”</i>	: Has the meaning ascribed to it in section 2.6 of this Circular
<i>“LYKY”</i>	: Has the meaning ascribed to it in section 1.1 of this Circular
<i>“LYKY Outstanding Debts”</i>	: Has the meaning ascribed to it in section 2.7 of this Circular
<i>“Market Day”</i>	: A day on which the SGX-ST is open for trading in securities
<i>“NTA”</i>	: Net tangible assets
<i>“Net Proceeds”</i>	: Has the meaning ascribed to it in section 5 of this Circular
<i>“PRC”</i>	: People’s Republic of China
<i>“Proposed Disposal”</i>	: Has the meaning ascribed to it in section 1.1 of this Circular
<i>“Purchaser”</i>	: Has the meaning ascribed to it in section 1.1 of this Circular
<i>“Register of Members”</i>	: Register of members of the Company
<i>“RM” or “RM sen”</i>	: Malaysian Ringgit and sen, respectively
<i>“RMB” or “RMB cents”</i>	: Chinese Renminbi and cents, respectively
<i>“Sale Shares”</i>	: Has the meaning ascribed to it in section 2.3 of this Circular
<i>“Securities Account”</i>	: The securities accounts maintained by Depositors with CDP but does not include a securities sub-account maintained with a Depository Agent
<i>“Service Contracts”</i>	: Has the meaning ascribed to it in section 2.5 of this Circular
<i>“SGX-ST”</i>	: Singapore Exchange Securities Trading Limited
<i>“Shareholders”</i>	: Registered holders of the Shares in the Register of Members of the Company, except that where CDP is the registered holder, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean Depositors who have Shares entered against their names in the Depository Register. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
<i>“Shares”</i>	: Ordinary shares in the capital of the Company
<i>“Stakeholder’s Account”</i>	: Has the meaning ascribed to it in section 2.3 of this Circular
<i>“SPA”</i>	: Has the meaning ascribed to it in section 1.1 of this Circular
<i>“Undertakings”</i>	: Has the meaning ascribed to it in section 6 of this Circular
<i>“Valuation”</i>	: Has the meaning ascribed to it in section 2.3 of this Circular
<i>“Valuation Report”</i>	: Has the meaning ascribed to it in section 2.4 of this Circular
<i>“Valuation Summary Letter”</i>	: Has the meaning ascribed to it in section 2.4 of this Circular
<i>“Valuer”</i>	: Has the meaning ascribed to it in section 2.4 of this Circular

DEFINITIONS

“S\$” or “cents” : Singapore dollars and cents, respectively

“%” or “per cent.” : Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

The terms “**associated company**” and “**subsidiary**” shall have the same meanings ascribed to them respectively in the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the Listing Manual or any statutory modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act, the Listing Manual or any statutory modification thereof, unless otherwise provided.

Any reference to time of a day in this Circular is made by reference to Singapore time unless otherwise stated.

Unless otherwise indicated, the exchange rate between RMB and S\$ is RMB 4.5387 to S\$ 1.00. This exchange rate should not be construed as a representation that the RMB amount could have been, or could be, converted into Singapore dollars at the rate stated, or at all; and *vice versa*.

Unless otherwise indicated, the exchange rate between RM and S\$ is RM 2.7970 to S\$ 1.00. This exchange rate should not be construed as a representation that the RM amount could have been, or could be, converted into Singapore dollars at the rate stated, or at all; and *vice versa*.

LETTER TO SHAREHOLDERS

CHINA BEARING (SINGAPORE) LTD.

(Company Registration No. 200512048E)

(Incorporated in Singapore)

Directors:

Mr Zhang Anxi (Managing Director and Chief Executive Officer)
Mr Xu Yihe (Executive Director)
Ms Zhang Anling (Executive Director)
Mr Tan Kah Ghee (Lead Independent Director)
Mr Luo Jiwei (Independent Director)
Mr Wong Chee Meng Lawrence (Independent Director)

Registered Office:

161A, Thomson Road
Goldhill Centre
Singapore 307614

2 December 2015

To: The Shareholders of China Bearing (Singapore) Ltd.

Dear Sir/Madam

1. INTRODUCTION

1.1 Announcement

On 30 July 2015, the Company announced that it had on 29 July 2015, entered into a sale and purchase agreement (“SPA”) with Spring Century Investment Limited (“Purchaser”), pursuant to which the Company has agreed to sell to the Purchaser the entire issued and paid-up share capital of Linyi Kaiyuan Bearing Co., Ltd (“LYKY”), a wholly-owned subsidiary of the Company, on the terms and subject to the conditions of the SPA (“Proposed Disposal”).

The Proposed Disposal constitutes a “Major Transaction” under Chapter 10 of the Listing Manual of the SGX-ST. Accordingly, the Proposed Disposal is conditional upon the receipt of approval from the Shareholders and the SGX-ST.

Upon completion of the Proposed Disposal (“Completion”), the Company’s assets will consist substantially of cash and the Company will not have any business activities. The Company will become a cash company under Rule 1018 of the Listing Manual upon Completion.

1.2 Purpose of the Circular

The purpose of this Circular is to provide Shareholders with the relevant information pertaining to the Proposed Disposal (including the rationale for the Proposed Disposal and the financial effects thereof on the Group), and to seek Shareholders’ approval for the Proposed Disposal at the EGM, notice of which is set out on pages N-1 and N-2 of this Circular.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.

2. THE PROPOSED DISPOSAL

2.1 Information on LYKY

LYKY is a limited liability company incorporated in the PRC on 26 December 2005 with a registered capital of RMB 113,860,779 (or S\$ 25,086,650 based on an exchange rate of RMB 4.5387 : S\$ 1). LYKY is a wholly-owned subsidiary of the Company and its principal activities are the manufacturing and sale of bearings under the “Yimeng” brand for use in automobiles, equipment and machinery.

LETTER TO SHAREHOLDERS

2.2 Information on the Purchaser

The Purchaser is a company is incorporated in Hong Kong and is a special purpose vehicle incorporated for the purpose of undertaking the Proposed Disposal.

The Purchaser is primarily involved in the investment holding and asset management business. As at the Latest Practicable Date, the sole shareholder and sole director of the Purchaser is Sun Jinpeng (**"Mr. Sun"**). Mr. Sun worked at Beijing Fanxiang Haorui Investment Co., Ltd. (北京梵想豪瑞投资有限公司) which is involved in asset management, corporate restructuring and investment.

The Purchaser was introduced by Madam Lu Lu, the Secretary General of Shandong Bearing Association, to the management of LYKY. As the Purchaser is currently interested to acquire and manage companies in the agriculture vehicle industry, Madam Lu Lu approached the Company for the Proposed Disposal.

2.3 Consideration

The aggregate consideration for all the issued and paid-up ordinary shares in the share capital of the LYKY (**"Sale Shares"**) shall be an amount equivalent to S\$ 15 million (or its foreign currency based on the relevant closing exchange rate as published by a major bank as at the business day immediately prior to 29 July 2015, being the date of the SPA) (**"Consideration"**) to be payable in cash, subject to the Consideration Adjustment.

The Consideration was agreed after arm's length negotiations between the Company and the Purchaser and was based on a willing-buyer willing-seller basis, after taking into account the business prospects and net tangible assets of LYKY and subject to the Valuation (as defined below).

Pursuant to the terms of the SPA:

- (a) the Purchaser and the Company shall jointly appoint an independent third party valuer to conduct and complete a valuation of Sale Shares (**"Valuation"**) no later than 11 September 2015. In the event the Valuation is higher than the Consideration but less than S\$ 17 million, the total price for the Sale Shares shall be revised to an amount equivalent to the Valuation (**"Consideration Adjustment"**). In the event the Valuation is equal to or more than S\$ 17 million, any party to the SPA may forthwith terminate the SPA and neither party shall have any claim thereunder against the other party (save in respect of claims arising out of any antecedent breach of the SPA). Any Valuation rendered by the independent third party valuer shall be conclusive and binding on the parties to the SPA; and
- (b) the Purchaser shall deposit the Consideration of S\$ 15 million (or its foreign currency based on the relevant closing exchange rate as published by any major bank on the business day immediately prior to date of the SPA) into the bank account of the Company's solicitors (**"Stakeholder's Account"**) for the Company's solicitors to hold the same as stakeholder, no later than 31 July 2015 or the third (3rd) business day after which the details of the Stakeholder's Account are furnished to the Purchaser, whichever is later (**"Deposit Date"**).

As announced by the Company on 22 October 2015, in view of the Valuation Report, the Purchaser and the Company had, by way of a supplemental agreement dated 22 October 2015, agreed that the Consideration shall be S\$ 15 million (or its foreign currency based on the relevant closing exchange rate as published by any major bank on the business day immediately prior to the date of the SPA) and no further adjustment to the Consideration shall be required.

As at the Latest Practicable Date, the Company has received the Consideration in accordance with terms of the SPA as set out in paragraph (b) above. The Consideration was deposited with the Company's Malaysian solicitor in RM to the amount of RM 41,955,000.

LETTER TO SHAREHOLDERS

2.4 Valuation

Pursuant to the terms of the SPA, the Purchaser and the Company have jointly commissioned Baker Tilly Consultancy (Singapore) Pte. Ltd. ("**Valuer**") as the independent third party valuer to conduct the Valuation.

Based on the valuation report dated 11 September 2015 ("**Valuation Report**") prepared by the Valuer, the market value of the Sale Shares is estimated to be in the range of S\$ 14,644,000 to S\$ 15,621,000. The Valuation was carried out by the Valuer by adopting market value as the standard of value. The Valuer has assessed the market value of LYKY on an "assembled group of assets" basis as at 31 July 2015. It has adopted the "Adjusted Net Assets" method to perform the valuation, and the "Guideline Public Companies" method as a cross-check.

According to the Valuation Report, the Valuer considered the following in adopting the "Adjusted Net Assets" method:

- (a) LYKY's primary business is in wheel bearing manufacturing and accordingly the value of the business is likely to be derived from ongoing operations rather than underlying assets;
- (b) LYKY is a price-taker in a commoditized market that is experiencing sustained downward pricing pressure and had registered cumulative losses after taxation of RMB 65,099,000 from financial year ending 31 December 2012 to financial period ending 31 July 2015;
- (c) LYKY's factories are located in Linyi province and accordingly have to comply with China's Ministry of Environmental Protection regulations, announced in February 2015, to build water treatment facilities within their factories. These regulations only affect Linyi in Shandong and Chengde in Hebei;
- (d) We note from LYKY's audited financial statements from FY2012 to FY2014 that its additions to property, plant and equipment have not kept up with its depreciation expense; and
- (e) The Company's management has also informed that it does not intend to diversify its business into different market or geographies to respond to declining commercial vehicle sales and is of the view that its business prospects are unlikely to improve in the foreseeable future.

Please refer to **Appendix A** of this Circular for the valuation summary letter in respect of the Valuation Report ("**Valuation Summary Letter**").

2.5 Conditions Precedent

The Proposed Disposal is conditional upon, *inter alia*, the following conditions precedent ("**Conditions**"):

- (a) the Consideration being deposited with the Company's solicitors in accordance with the terms of the SPA no later than the Deposit Date;
- (b) each of Zhang Anxi, Xu Yihe and Zhang Anling having executed a service contract with LYKY in such form acceptable to the Purchaser and for a term of not less than one (1) year commencing from the date upon which Completion is required to take place (collectively the "**Service Contracts**"); and
- (c) the Company obtaining all relevant corporate and governmental and regulatory approvals for the sale of the Sale Shares in accordance with the terms of the SPA and the transactions contemplated thereunder, including without limitation, the approval of the Shareholders.

As at the Latest Practicable Date, Condition (a) above has been fulfilled.

LETTER TO SHAREHOLDERS

2.6 Completion

Completion is conditional on the fulfilment of the Conditions on or before 31 December 2015 or such other date as the parties to the SPA may agree in writing ("**Long Stop Date**"). In the event that any of the Conditions has not been fulfilled (or waived) prior to the Long Stop Date, the SPA (other than the surviving provisions) shall automatically terminate and neither party to the SPA shall have any claim thereunder against the other party (save in respect of claims arising out of any antecedent breach of the SPA).

2.7 Discharge and waiver of outstanding debts

Pursuant to the terms of the SPA, upon Completion:

- (i) LYKY shall unconditionally and irrevocably discharge and waive all debts outstanding and owing by the Company to LYKY as at the date of Completion ("**Company Outstanding Debts**"), and each party to the SPA shall use their best endeavours to procure LYKY to execute such deed, agreement or other instrument in favour of the Company to give effect to such discharge and waiver; and
- (ii) the Company shall unconditionally and irrevocably discharge and waive all debts outstanding and owing by LYKY to the Company as at the date of Completion ("**LYKY Outstanding Debts**"), and the Company shall execute such deed, agreement or other instrument in favour of LYKY to give effect to such discharge and waiver.

As at the Latest Practicable Date:

- (a) the Company Outstanding Debts amounts to RMB 7,384,529 (equivalent to approximately S\$ 1,627,014) comprising directors' fees and other professional and administrative fees incurred by the Company and paid for by LYKY; and
- (b) no LYKY Outstanding Debts is outstanding.

2.8 Rationale for the Proposed Disposal

The Proposed Disposal would allow the Group to dispose of the loss-making or non-performing assets and business. Whilst it will result in the Company ceasing to have any operating business and becoming a cash company, the Board is of the view that being a cash company may facilitate the Company's attempts to acquire potential target business and assets to comply with the listing requirements of the SGX-ST for a cash company. The Group intends to undertake the Proposed Disposal for the following reasons:

- (i) Challenging business environment

The Group's bearing business has faced intense competition and challenging market conditions in recent years leading to poor financial performance. For the financial years ended 31 December 2012 and 31 December 2013, the Group had recorded losses of RMB 3.6 million and RMB 55.2 million respectively, while for the financial year ended 31 December 2014, the Group recorded marginal profit of RMB 3.3 million. Based on the unaudited second quarter results of the Group for the six-month period ended 30 June 2015, the Group had recorded losses of approximately RMB 7,110,000. According to information obtained from www.chinatruck.org, demand for trucks in the PRC has slowed down in 2015, and accordingly, sales volume of heavy trucks and light trucks in the PRC has decreased approximately 31.1% and 28.3% respectively from January to June 2015. In view of the foregoing, the Company expects challenging business environment and market conditions to continue in foreseeable future.

LETTER TO SHAREHOLDERS

The industry in which the Group operates requires huge amounts of capital investment to upgrade equipment and machinery. Even then, profitability may only be achieved through high volume and scalability of operations. In the absence of clear indications that the industry is poised for an upturn in the short term, the Board does not consider it feasible to invest further in the business as the returns on investment are likely to be reaped only in the long term.

(ii) Specific challenges faced by LYKY

LYKY serves large vehicle manufacturing customers, and is relatively small compared to these customers. LYKY also has to compete with numerous other suppliers to serve these customers. In view of the foregoing, LYKY has very low bargaining power when it negotiates a supply contract with its customers. While LYKY's products have been awarded international accreditation, it does not enjoy any competitive edge in terms of product differentiation nor cost advantage. As a result, LYKY is a price-taker and its products compete in a commoditised and non-differentiated market.

In view of the above, the Board is of the view that the Proposed Disposal is in the interest of the Company and the Shareholders as it presents the Company an opportunity to exit an increasingly challenging business environment and immediately realise its investment in the said business.

2.9 Resignation by Executive Directors

Upon completion of the Proposed Disposal, there would be no operating business. Further pursuant to the terms and conditions of the SPA, each of Zhang Anxi, Xu Yihe and Zhang Anling would execute a Service Contract with LYKY and would not be able to fully commit their time to the Company. As such, the Nominating Committee has considered and is of the opinion that there are no compelling reasons for them to continue their executive appointments in the Company. Accordingly, each of Xu Yihe and Zhang Anling has agreed to resign as a Director of the Company upon Completion. As Zhang Anxi remains as a Controlling Shareholder of the Company, he will continue to stay on the Board as Chairman, but in a non-executive capacity.

Upon Completion, the Board will comprise Zhang Anxi as non-executive Chairman and each of Tan Kah Ghee, Luo Jiwei and Wong Chee Meng Lawrence as independent directors. The sole key executive remaining would be Leyng Thai Weng, the financial controller of the Group ("**Financial Controller**").

2.10 Service Contracts

Pursuant to the terms of the Service Contracts, each of Zhang Anxi, Zhang Anling and Xu Yihe shall be appointed by LYKY as an advisor to assist the new directors and management to familiarize with the business operations of LYKY for a transitional period of one (1) year following the Completion. The terms of the Service Contracts also stipulate that they shall be required to devote no more than twenty (20) hours per week to their advisory work in LYKY.

LETTER TO SHAREHOLDERS

3. THE PROPOSED DISPOSAL AS A MAJOR TRANSACTION

3.1 Rule 1006 of the Listing Manual

Based on the unaudited financial statements of the Company for the six (6) month financial period ended 30 June 2015 (“1HFY2015”), the relative figures of the Proposed Disposal computed on the bases set out in Rule 1006(a) to (e) of the Listing Manual are as follows:

1.	Rule 1006(a)	
	Net asset value of LYKY	RMB 118,920,000 ⁽¹⁾
	Net asset value of the Group	RMB 111,339,000 ⁽¹⁾
	Relative figure	106.8%
2.	Rule 1006(b)	
	Net loss attributable to the Sale Shares for 1HFY2015	(RMB 6,138,000)
	Net loss of the Group for 1HFY2015	(RMB 7,110,000)
	Relative figure	86.3%
3.	Rule 1006(c)	
	Aggregate value of consideration	S\$ 16,627,014 ⁽²⁾
	Market capitalisation of the Company as at 28 July 2015, being the Market Day preceding the date of the SPA	S\$ 14,490,000 ⁽³⁾
	Relative figure	114.7%
4.	Rule 1006(d)	
	Number of shares to be issued by the Company as consideration for an acquisition	Not applicable to the Proposed Disposal
	Number of shares in issue of the Company	
	Relative figure	
5.	Rule 1006(e)	
	Aggregate volume or amount of proved and probable reserves to be disposed of	Not applicable to the Proposed Disposal
	Aggregate of the group's proved and probable reserves	
	Relative figure	

Notes:

- (1) As the Company is an investment holding company and has no source of operating income, the net asset value and net profits of LYKY are higher than that of the Company. As at 30 June 2015, the Company had incurred accumulated losses amounting to RMB 17.9 million. The Company's net assets were reduced every year as there was no dividend income declared from LYKY or any other income generated by the Company.
- (2) Pursuant to paragraph 7 of Practice Note 10.1 of the Listing Manual, for the purposes of determining the relative figure of Rule 1006(c), the aggregate value of consideration received or given shall include, *inter alia*, further amounts related to the transaction. Accordingly, for the purposes of the computation of the bases under Rule 1006(c), the aggregate value of consideration received shall comprise the aggregate of the Consideration of S\$ 15 million and the Company Outstanding Debts as at the Latest Practicable Date of S\$ 1,627,014.
- (3) The market capitalization of the Company of S\$ 14,490,000 is determined by multiplying the number of issued shares of the Company (“Shares”) (i.e. 276,000,000 Shares) by the weighted average price of S\$ 0.0525 of such Shares transacted on 28 July 2015, being the Market Day preceding the date of the SPA.

As the applicable relative figures computed on the bases of Rule 1006(a), (b) and (c) are more than 20%, the Proposed Disposal will be classified as a “Major Transaction” under Chapter 10 of the Listing Manual. In accordance with Rule 1014 of the Listing Manual, a Major Transaction must be made conditional upon approval by shareholders in a general meeting.

LETTER TO SHAREHOLDERS

3.2 Book Value

There is no open market value for the Sale Shares as they are not publicly traded. The unaudited pro forma net asset value of LYKY as at 30 June 2015 was approximately RMB 118,920,000. The Consideration represents a deficit of 43% to the said unaudited pro forma net asset value of LYKY which will be recognised as a loss on disposal.

4. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal on the Group are prepared based on the Group's audited consolidated financial statements for FY2014.

The financial effects set out below are theoretical in nature and are for illustrative purposes only. They do not reflect the future financial results or the position of the Group after the completion of the Proposed Disposal. They are not indicative of the financial results or position that could have been attained had the Proposed Disposal taken place in accordance with the assumptions stated below.

The assumptions are as follows:-

- (a) in the calculation of the NTA per Share of the Group after the Proposed Disposal, it is assumed that the Proposed Disposal was completed on 31 December 2014; and
- (b) in the calculation of EPS of the Group after the Proposed Disposal, it is assumed that the Proposed Disposal was completed on 1 January 2014.

4.1 Effect on share capital

As at the Latest Practicable Date, the issued and paid-up capital of the Company is RMB 125,769,000 comprising 276,000,000 Shares. The Proposed Disposal will have no impact on the issued and paid-up share capital of the Company.

4.2 Effect on NTA per share

The effect of the Proposed Disposal on the consolidated NTA per Share of the Group for FY2014 is as follows:-

	Before the Proposed Disposal	After the Proposed Disposal
NTA (RMB '000)	118,448	68,593
Number of shares ('000)	276,000	276,000
NTA per share (RMB cents)	42.9	24.9

4.3 Effect on EPS

The effect of the Proposed Disposal on the consolidated EPS of the Group for FY2014 is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Net profit / (Net loss) (RMB '000)	3,254	(43,461)
Weighted average number of shares ('000)	276,000	276,000
EPS / (Loss per Share) (RMB cents)	1.18	(15.7)

LETTER TO SHAREHOLDERS

4.4 **Effect on Gearing**

The effect of the Proposed Disposal on the gearing of the Group for FY2014 is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Total debt (RMB'000)	10,959	775
Total equity (RMB'000)	119,132	68,593
Gearing	0.09	0.01

5. **PROCEEDS FROM THE DISPOSAL**

The estimated net proceeds from the Proposed Disposal ("**Net Proceeds**"), based on the Consideration and after deducting estimated costs and expenses to be incurred in connection with the Proposed Disposal, is approximately S\$ 14.8 million.

Subject to Shareholders' approval for the Proposed Disposal, the Company will cease to have any operating business upon Completion and will be deemed a cash company under Rule 1018 of the Listing Manual. While the Board is still considering and finalizing the specific uses for the Net Proceeds, the Company may assess its options available and seek opportunities to acquire new assets and businesses to satisfy the SGX-ST listing requirements (subject to the requirements under Rule 1018 of the Listing Manual) and use the said proceeds for general working capital requirements of the Company.

The Board will announce the specific uses for the Net Proceeds as and when appropriate.

6. **CASH COMPANY UNDER RULE 1018 OF THE LISTING MANUAL**

Under Rule 1018(1) of the Listing Manual, if the assets of an issuer consist wholly or substantially of cash or short-dated securities, the issuer's securities will normally be suspended. The suspension will remain in force until the issuer has a business which is able to satisfy the SGX-ST's requirements for a new listing, and all relevant information has been announced.

On completion of the Proposed Disposal, the Company will cease to have any operating business and becoming a cash company. Accordingly, upon Completion, the Company shall, in accordance with Rule 1018(1) of the Listing Manual:-

- (a) place 90% of its cash and short-dated securities (including existing cash balance and the consideration arising from the Proposed Disposal) in an account opened with and operated by an escrow agent which is part of any financial institution licensed and approved by the Monetary Authority of Singapore. The amount that is placed in the escrow account cannot be drawn down until the completion of the acquisition of a business which is able to satisfy the SGX-ST's requirements for a new listing, except for payment of expenses incurred in a reverse takeover approved by Shareholders and pro-rata distributions to Shareholders; and
- (b) provide monthly valuation of its assets and utilisation of cash, and quarterly updates of milestones in obtaining a new business to the market via SGXNET.

As at the Latest Practicable Date, the Company has appointed United Overseas Bank Ltd. ("**Escrow Agent**") to act as the escrow agent to hold the Consideration upon completion of the Proposed Disposal. Upon completion of Proposed Disposal, the Company will procure that the Consideration held with its Malaysian solicitor be remitted to the Escrow Agent in Singapore dollars for the same to be held in accordance with Rule 1018. To ensure that the cash of the Company will be utilised in accordance with the requirements under Rule 1018, the Board will procure that on or before completion of the Proposed Disposal, signatories of all accounts of the Group (including the escrow account to be opened with the Escrow Agent) will be revised to either (i) both the independent directors Tan Kah Ghee and Wong Chee Meng Lawrence; or (ii) either of them and Leyng Thai Weng, the Financial Controller.

LETTER TO SHAREHOLDERS

Taking the above compliance into account, the SGX-ST may allow continued trading in a cash company's securities on a case-by-case basis, subject to:-

- (a) contractual undertakings from the issuer's directors, controlling shareholders, chief executive officer and their associates, to observe a moratorium on the transfer or disposal of all their interests, direct and indirect, in the securities of the issuer ("**Undertakings**"); and
- (b) the period of the moratorium must commence from the date shareholders approve the disposal of business, up to and including the completion date of the acquisition of a business which is able to satisfy the SGX-ST's requirements for a new listing.

In the event the Company is unable to secure the Undertakings on or before the EGM, the Company will make an application to the SGX-ST for the suspension of the trading of Shares in accordance with Rule 1303, such suspension to take effect upon completion of the Proposed Disposal.

Following Completion, the Company will actively seek new business to acquire and will provide regular updates to Shareholders on a quarterly basis. In view of the current size of the Board, the Board is of the opinion that it would not be necessary to constitute any special committee specifically for the purposes of meeting the new listing requirements. The Board will collectively work together with the Financial Controller to seek and evaluate potential business acquisitions which would be able to satisfy the SGX-ST's requirements for a new listing within the prescribed time period. In considering potential acquisitions, the Board will consider, amongst others, businesses which demonstrate strong growth potential and a profitable track record, and have prospects of generating future income or dividend yields for Shareholders. While the Company will keep its options open, Shareholders should take note that there is no absolute assurance that the Company will be successful in seeking out new businesses which will meet the listing criteria of the SGX-ST. If the Company is unable to meet the requirement of Rule 1018 within the prescribed timeline, the Company will explore the option to distribute the cash to Shareholders before or upon delisting of the Company by SGX-ST.

Shareholders should note that pursuant to Rule 1018(2) of the Listing Manual, the SGX-ST will proceed to remove the Company 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 Company may apply to the SGX-ST for a maximum 6-month extension to the 12-month period if it has already signed a definitive agreement for the acquisition of a new business, of which the acquisition must be completed in the 6-month extension period. The extension is subject to the Company providing information to investors on its progress in meeting key milestones in the transaction. In the event the Company is unable to meet its milestones or complete the relevant acquisition despite the time extension granted, no further extension will be granted and the Company will be required to delist and a cash exit offer in accordance with Rule 1309 be made to the Shareholders within six (6) months.

LETTER TO SHAREHOLDERS

7. INTERESTS OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND CONTROLLING SHAREHOLDERS

As at the Latest Practicable Date, the interests of Directors and Substantial Shareholders of the Company in the Shares, based on the Company's Register of Interests of Directors and Register of Substantial Shareholders respectively, are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors						
Zhang Anxi ⁽¹⁾	–	–	126,412,000	45.8	126,412,000	45.8
Substantial Shareholders (other than Directors)						
China Bearing (Bermuda) Co. Ltd.	126,412,000	45.8	–	–	126,412,000	45.8

Notes:

- (1) Zhang Anxi is deemed to be interested in the Shares held by China Bearing (Bermuda) Co. Ltd. by virtue of Section 7 of the Companies Act.

Save for the proposed Service Contracts and their shareholding interest in the Company, none of the Directors, Substantial Shareholders or Controlling Shareholders has any interest, direct or indirect, in the Proposed Disposal.

8. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

9. DIRECTORS' RECOMMENDATION

Having considered the terms, rationale and benefits of the Proposed Disposal, the Directors are of the view that the Proposed Disposal is in the interests of the Company and accordingly recommend that Shareholders vote in favour of the resolution relating to this matter to be proposed at the EGM.

Shareholders are advised to read this Circular in its entirety and for any Shareholder who may require advice in the context of his specific investment, to consult his professional adviser.

10. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 and N-2 of this Circular, will be held at Hotel Royal, Level 3, Room 1, 36 Newton Road, Singapore 307964 on 17 December 2015 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the ordinary resolution set out in the Notice of EGM.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Share Registrar either by hand at 80 Robinson Road #11-02 Singapore 068898 or by post at 80 Robinson Road #02-00 Singapore 068898 not less than 48 hours before the time appointed for the holding of the EGM. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM if he so wishes.

LETTER TO SHAREHOLDERS

A Depositor shall not be regarded as a Shareholder entitled to attend and vote at the EGM unless he is shown to have Shares entered against his name in the Depository Register as at 48 hours before the time fixed for holding the EGM, as certified by CDP to the Company.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

13. CONSENT

The Valuer, Baker Tilly Consultancy (Singapore) Pte. Ltd., has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of the Valuation Summary Letter set out in Appendix A of this Circular, their name and all references thereto, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

14. INSPECTION OF DOCUMENTS

Copies of the following documents are available for inspection at the registered office of the Company at 161A, Thomson Road Goldhill Centre, Singapore 307614 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the SPA dated 29 July 2015;
- (b) the Valuation Report dated 11 September 2015;
- (c) the Valuation Summary Letter dated 11 September 2015;
- (d) the letter of consent referred to in section 13 of this Circular;
- (e) the annual report of the Company for FY2014; and
- (f) the Memorandum and Articles of Association of the Company.

Yours faithfully

For and on behalf of the Board of Directors of
CHINA BEARING (SINGAPORE) LTD.

ZHANG ANXI
Managing Director and Chief Executive Officer

APPENDIX A

VALUATION SUMMARY LETTER

Important Note:

This Valuation Summary Letter is a digest of the Valuation Report. In order to understand the details of the valuation and reasonably comprehend the valuation conclusion, please read carefully the Valuation Report in full.

APPENDIX A

VALUATION SUMMARY LETTER



**BAKER TILLY
TFW**

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www.bakertillytfw.com

BT/SGS/MSY

11 September 2015

The Board of Directors
China Bearing Singapore Ltd
161A Thomson Road
Goldhill Centre
Singapore 307614

Dear Sirs,

Valuation Summary Letter:

Proposed divestment of the entire issued and paid-up capital of Linyi Kaiyuan Bearing Co., Ltd

1. Introduction

Baker Tilly Consultancy (Singapore) Pte Ltd ("**BTC**" or "**we**") has been appointed by the Board of Directors ("**Board**") of China Bearing (Singapore) Ltd. ("**CBSL**" or "**Company**") to undertake an independent valuation of the 100% equity stake in Linyi Kaiyuan Bearing Co., Ltd ("**LKBCL**" or "**Subsidiary**") in connection with the proposed divestment by the Company of the entire issued and paid-up share capital of LKBCL ("**Proposed Divestment**").

This letter was prepared pursuant to Rule 1015 of the Singapore Exchange Securities Trading Limited Listing Manual and for the purpose of disclosure as an appendix to the Company's circular issued in relation the Proposed Divestment.

This letter is a summary of BTC's Valuation Report dated 11 September 2015 ("**Valuation Report**") and should be read in conjunction with the full text of the Valuation Report.

2. Terms of Reference

The objective of this letter is to provide an independent view of the fair market value of 100% equity interest in the issued and paid-up share capital of LKBCL ("**Valuation**") as at 31 July 2015 ("**Valuation Date**").

We are not expressing an opinion of the commercial merits and proposed structure of the Proposed Divestment, and accordingly this letter and the Valuation Report do not purport to contain all the information that may be necessary or desirable to fully evaluate the commercial or investment merits of the Proposed Divestment by the shareholders of CBSL. Additionally, our work should not be construed as investment advice to the current and prospective shareholders of CBSL.

We have not conducted a comprehensive review of the business, operational or financial condition of LKBCL, and accordingly, this letter and the Valuation Report do not make any representation or warranty, expressed or implied, in this regard.

APPENDIX A

VALUATION SUMMARY LETTER



The scope of our engagement does not require us to express, and we do not express, a view on the future prospects of CBSL and LKBCL. We are therefore not expressing any views on the future trading price of the shares or the financial condition of CBSL upon completion of, *inter alia*, the Proposed Divestment.

Our terms of reference do not require us to provide advice on legal, regulatory, accounting, property or taxation matters and, where specialist advice has been obtained by CBSL and/or LKBCL and made available to us, we have considered and, where appropriate, relied upon such advice.

Our work is not the same nature as an audit, and does not constitute an audit. We are not therefore issuing an audit opinion. Our work includes a review of the information provided to us, and discussions with members of CBSL's management ("CBSL Management").

Use of our letter and the Valuation Report

This letter and the Valuation Report are addressed to, and for the use and benefit of the Board and the Company for the purpose as set out above, and accordingly neither the Report nor this letter may be used or relied upon by, nor confer any benefit to, any other person (including without limitation, the shareholders of CBSL and the prospective investors of CBSL). Any recommendations made by the Board to the shareholders of CBSL shall remain the responsibility of the Board.

Reliance on information and representation

In the course of our work, we have held discussions with CBSL Management. We have also examined and relied on information provided by them and reviewed other relevant publicly available information. We have not independently verified the information provided or such representation or assurance made by them, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy and completeness of such information, representation or assurance. However, we have made reasonable enquiries and exercised our judgement on such information and we have performed our valuation on such basis.

In no circumstances shall we be liable, other than in the event of our bad faith or wilful default, for any loss or damage, of whatsoever nature arising from material to our work being withheld or concealed from us or misrepresented to us by LKBCL Management and the Board, employees or agents of CBSL or any person whom we may have made enquiries of during the course of our work.

3. Valuation Methodology

We have adopted Market Value as the standard of value. Market Value ("MV") is defined by the International Valuation Standards Council as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

We have assessed the MV of LKBCL on an 'assembled group of assets' basis as at the Valuation Date. We have adopted the Adjusted Net Assets ("ANA") method to perform the Valuation. We have adopted the Guideline Public Companies ("GPC") method as a cross-check.

In applying the ANA method, we analysed LKBCL's Balance Sheet and available financial information. We adjusted each line item from book value to market value.

APPENDIX A

VALUATION SUMMARY LETTER



Our key assumptions, amongst other assumptions stated in the Valuation Report, are as follows:

- a) There will be no significant change in the business strategy and operations of the LKBCL subsequent to the Valuation Date;
- b) The management accounts of LKBCL as at the Valuation Date fairly reflects its financial position as at the Valuation Date;
- c) The financial integrity of the fixed asset valuation report dated 31 August 2015 is sound;
- d) LKBCL will be unable to utilize deferred tax assets before the tax credits expire;
- e) LKBCL will not be able to sell inventory older than one year for prices higher than scrap value; and
- f) There are no changes to market information, economic environment as well as changes in regulatory, fiscal and other government policies in the geography in which LKBCL's operations are located.

We have set out in the Valuation Report the key assumptions used in the Valuation as well as the risk factors that, in our opinion, may have a material impact on the Valuation. We'd like to highlight that it is not an exhaustive list of risk factors relevant to LKBCL.

4. Conclusion

We have estimated the MV of 100% equity interest in LKBCL Group to be in the range of SGD14,644,000 to SGD15,621,000.

Our indicative valuation conclusion is based on prevailing market, economic, regulatory and other conditions and the information made available to us. Such conditions may change over a relatively short period of time and we assume no responsibility and are not required to update, revise or reaffirm our conclusion set out in the Valuation Report to reflect events or developments subsequent to the Valuation Date.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Mur Siang Yoong".

Mur Siang Yoong
Director

Baker Tilly Consultancy (Singapore) Pte Ltd

NOTICE OF EXTRAORDINARY GENERAL MEETING

CHINA BEARING (SINGAPORE) LTD.

(Company Registration No. 200512048E)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of China Bearing (Singapore) Ltd. (the “**Company**”) will be held at Hotel Royal, Level 3, Room 1, 36 Newton Road, Singapore 307964 on 17 December 2015 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the following resolution, which will be proposed as an Ordinary Resolution:

ORDINARY RESOLUTION:

APPROVAL FOR THE PROPOSED DISPOSAL

IT IS RESOLVED That:

- (a) approval be and is hereby given, for the purpose of Chapter 10 of the Listing Manual of the SGX-ST, for the disposal of the entire issued and paid-up capital of Linyi Kaiyuan Bearing Co., Ltd, a wholly-owned subsidiary of the Company, by the Company, for an aggregate consideration of S\$ 15 million, in accordance with the terms and conditions of the SPA.
- (b) the Directors of the Company and each of them be and are hereby authorised to take such steps, approve all matters, implement, execute, perfect or give effect to complete and do all such acts and things (including executing all such documents as may be required) for the purposes of giving effect to or facilitating the Proposed Disposal with full power to assent to any condition, amendment, alteration, modification or variation (including to the SPA) as may be required or as they or he may in their/his absolute discretion consider necessary, desirable or expedient in the interests of the Company to complete the transactions contemplated in the Proposed Disposal and to give effect to this Resolution.

By Order of the Board

Zhang Anxi
Managing Director and Chief Executive Officer
2 December 2015

IMPORTANT : Please read notes below.

NOTES:

- (a) Terms and expressions not defined herein have the same meanings ascribed to them in the Circular to Shareholders dated 2 December 2015 (“**Circular**”).
- (b) A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
- (c) The instrument appointing a proxy must be signed by the appointer or his/her attorney duly authorised in writing or, if the appointer is a body corporate, signed by an attorney duly authorised, or by an officer on behalf of the corporation, or the common seal must be affixed thereto.
- (d) The instrument appointing a proxy or proxies together with the letter or power of attorney, if any, under which it is signed or a duly certified copy thereof must be deposited at the office of the Company's Share Registrar either by hand at 80 Robinson Road #11-02 Singapore 068898 or by post at 80 Robinson Road #02-00 Singapore 068898, not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting.

NOTICE OF EXTRAORDINARY GENERAL MEETING

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

CHINA BEARING (SINGAPORE) LTD.

(Company Registration No. 200512048E)
(Incorporated in the Republic of Singapore)

IMPORTANT:

1. For investors who have used their CPF monies to buy China Bearing (Singapore) Ltd. shares, this Circular to Shareholders is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instruction to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM EXTRAORDINARY GENERAL MEETING

I/We* _____ NRIC/Passport/Co. Registration No. _____

of _____ (address)

being a member/members* of China Bearing (Singapore) Ltd.(the “**Company**”) hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)*

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Extraordinary General Meeting (the “**Meeting**”) of the Company to be held at Hotel Royal, Level 3, Room 1, 36 Newton Road, Singapore 307964 on 17 December 2015 at 10.00 a.m.. *I/We direct *my/our *proxy/proxies to vote for or against the Resolution to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote “For” or “Against” with a tick [√] within the box provided.)

Ordinary Resolution	Number of votes for*	Number of votes against*
To approve the Proposed Disposal		

* If you wish to exercise all your votes “For” or “Against”. Please indicate with an “X” within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2015

Total Number of Shares in:	No of Shares
(i) CDP Register	
(ii) Register of Members	

Signature(s) of Shareholder(s) or,
Common Seal of Corporate Shareholder

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES TO PROXY FORM



PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as percentage of the whole) to be represented by each proxy.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Meeting.
5. The instrument appointing a proxy or proxies, together with the power of attorney or other authority, if any, under which it is signed, or a duly certified copy thereof, must be deposited at the office of the Company's Share Registrar either by hand at 80 Robinson Road #11-02 Singapore 068898 or by post at 80 Robinson Road #02-00 Singapore 068898, not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorized. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter of power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.