CHINA BEARING (SINGAPORE) LTD.
(Company Registration Number 200512048E)
(Incorporated in Singapore)

UNAUDITED SECOND QUARTER RESULTS FOR THE PERIOD ENDED 30 JUNE 2015

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF – YEAR AND FULL YEAR RESULTS

1(a) A statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

For presentation on discontinuing operations as required by FRS 105:

	Group		
	6-month period ended 30 June		Increase/ (Decrease)
	2015 RMB'000	**2014 RMB'000**	**%**
Continuing operations			
Revenue	-	-	n.m.
Cost of sales	-	-	n.m.
Gross profit	-	-	n.m.
Other operating income	-	-	n.m.
Distribution costs	-	-	n.m.
Administrative expenses	(972)	(1,874)	-48.1
Loss before taxation	(972)	(1,874)	-48.1
Taxation	-	-	n.m.
Loss after taxation	(972)	(1,874)	-48.1
Discontinued operation			
(Loss)/Profit from discontinued operation, net of tax	(6,138)	2,577	n.m.
(Loss)/Profit, net of tax	(7,110)	703	n.m.
Other comprehensive income, net of tax	-	-	n.m.
Total comprehensive (loss)/income	(7,110)	703	n.m.

For the purpose of making comparative reporting on item to item basis, full results of the Group are presented as follows:

	Group					
	3-month period ended 30 June			6-month period ended 30 June		
	2015	**2014**	Increase/ (Decrease)	**2015**	**2014**	Increase/ (Decrease)
	RMB'000	**RMB'000**	**%**	**RMB'000**	**RMB'000**	**%**
Revenue	21,218	36,515	-41.9	47,790	73,977	-35.4
Cost of sales	(24,910)	(28,916)	-13.9	(46,549)	(64,054)	-27.3
Gross (Loss)/Profit	(3,692)	7,599	n.m.	1,241	9,923	-87.5
Other operating (expenses)/income	(833)	738	n.m.	(499)	1,212	n.m.
Distribution costs	(667)	(935)	-28.7	(1,303)	(1,896)	-31.3
Administrative expenses	(3,209)	(3,412)	-5.9	(6,755)	(7,980)	-15.4
(Loss)/Profit before taxation	(8,401)	3,990	n.m.	(7,316)	1,259	n.m.
Taxation	607	(556)	n.m.	206	(556)	n.m.
(Loss)/Profit after taxation	(7,794)	3,434	n.m.	(7,110)	703	n.m.
Other comprehensive income, net of tax	-	-		-	-	
Total comprehensive (loss)/income	(7,794)	3,434	n.m.	(7,110)	703	n.m.
(Loss)/Earnings per share (RMB cent)						
- Basic	(2.82)	1.24		(2.58)	0.25	
- Diluted	(2.82)	1.24		(2.58)	0.25	

The (loss)/profit before taxation of the group is arrived at after (charging)/crediting the following:

	Group			
	3-month period ended 30 June		6-month period ended 30 June	
	2015 RMB'000	**2014 RMB'000**	**2015 RMB'000**	**2014 RMB'000**
Interest income	66	70	135	135
Depreciation	(938)	(886)	(1,741)	(1,816)
(Loss)/Gain on disposal of property, plant and equipment	(687)	311	(687)	311
(Allowance)/Reversal of inventories written down	(327)	2,043	(327)	2,043

1(b)(i) A statements of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

For presentation on discontinuing operations as required by FRS 105, the disposal group classified as held for sale is as follows:

	Company		Group	
	30 June 15 RMB'000	**31 Dec 14 RMB'000**	**30 June 15 RMB'000**	**31 Dec 14 RMB'000**
Non-Current Assets				
Property, plant and equipment	-	1	-	34,028
Investment in subsidiary	115,485	115,485	-	-
Deferred tax assets	-	-	-	1,117
	115,485	115,486	-	35,145
Current Assets				
Inventories	-	-	-	42,373
Trade receivables	-	-	-	24,963
Other receivables and prepayment	66	-	66	2,044
Tax recoverable	-	-	-	-
Cash and cash equivalents	207	1,734	207	80,605
	273	1,734	273	149,985
Assets of disposal group classified as held for sale	**-**	**-**	154,082	**-**
	273	1,734	154,355	149,985
Total Assets	**115,758**	**117,220**	**154,355**	**185,130**
Capital and Reserves				
Share capital	125,769	125,769	125,769	125,769
Accumulated losses	(17,865)	(16,894)	(42,715)	(35,605)
Statutory common reserve	-	-	28,284	28,284
	107,904	108,875	111,338	118,448
Current Liabilities				
Trade payables	-	-		35,282
Other payables and accruals	1,025	1,270	1,025	18,803
Amount owing to subsidiary	6,054	6,300	-	-
Loans from related parties	-	-	-	10,184
Advances from directors	775	775	775	775
Current tax payable	-	-	-	1,638
	7,854	8,345	1,800	66,682
Liabilities directly associated with disposal group classified as held for sale	**-**	**-**	41,217	**-**
	7,854	8,345	43,017	66,682
Total equity and liabilities	**115,758**	**117,220**	**154,355**	**185,130**

For the purpose of making comparative reporting on item to item basis, assets and liabilities of the Company and the Group are presented as follows:

	Company		Group	
	30 June 15 RMB'000	31 Dec 14 RMB'000	30 June 15 RMB'000	31 Dec 14 RMB'000
Non-Current Assets				
Property, plant and equipment	-	1	31,715	34,028
Investment in subsidiary	115,485	115,485	-	-
Deferred tax assets	-	-	1,117	1,117
	115,485	115,486	32,832	35,145
Current Assets				
Inventories	-	-	34,667	42,373
Trade receivables	-	-	19,837	24,963
Other receivables and prepayment	66	-	19,436	2,044
Tax recoverable	-	-	401	-
Cash and cash equivalents	207	1,734	47,182	80,605
	273	1,734	121,523	149,985
Total Assets	**115,758**	**117,220**	**154,355**	**185,130**
Capital and Reserves				
Share capital	125,769	125,769	125,769	125,769
Accumulated losses	(17,865)	(16,894)	(42,715)	(35,605)
Statutory common reserve	-	-	28,284	28,284
	107,904	108,875	111,338	118,448
Current Liabilities				
Trade payables	-	-	24,022	35,282
Other payables and accruals	1,025	1,270	18,220	18,803
Amount owing to subsidiary	6,054	6,300	-	-
Loans from related parties	-	-	-	10,184
Advances from directors	775	775	775	775
Current tax payable	-	-	-	1,638
	7,854	8,345	43,017	66,682
Total equity and liabilities	**115,758**	**117,220**	**154,355**	**185,130**

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 June 2015		As at 31 Dec 2014	
Secured (RMB'000)	Unsecured (RMB'000)	Secured (RMB'000)	Unsecured (RMB'000)
NA	775	NA	10,959

Amount repayable after one year

As at 30 June 2015		As at 31 Dec 2014	
Secured (RMB'000)	Unsecured (RMB'000)	Secured (RMB'000)	Unsecured (RMB'000)
NA	NA	NA	NA

Details of any collateral

Not Applicable.

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

For presentation on discontinuing operations on the cash flows as required by FRS 105:

	Group	
	6-month period from Jan to June	
	2015 RMB'000	**2014 RMB'000**
Operating cash (outflows) / inflows	(21,771)	428
Investing cash outflows	(185)	(213)
Financing cash outflows	(10,184)	-
Total cash (outflows) / inflows	(32,140)	215

For the purpose of making comparative reporting on item to item basis, cashflows of the Group are presented as follows:

	Group			
	3-month period from Apr to June		6-month period from Jan to June	
	2015 RMB'000	**2014 RMB'000**	**2015 RMB'000**	**2014 RMB'000**
Cash flows from operating activities:				
(Loss) / Profit before taxation	(8,401)	3,990	(7,316)	1,259
Adjustments for:				
Depreciation	938	886	1,741	1,816
Loss / (Gain) on disposal of property, plant and equipment	687	(311)	687	(311)
Interest income	(66)	(70)	(135)	(135)
Allowance / (Reversal) of inventories written down	327	(2,043)	327	(2,043)
Operating cash flow before working capital changes	(6,515)	2,452	(4,696)	586
Decrease / (Increase) in inventories	5,168	(2,678)	7,379	1,215
(Increase) / Decrease in receivables	(16,828)	(2,868)	(12,266)	(9,203)
(Decrease) / Increase in payables	(5,352)	(2,289)	(11,638)	5,301
Cash used in operations	(23,527)	(5,383)	(21,221)	(2,101)
Income tax paid	(1,833)	-	(1,833)	-
Net cash used in operating activities	(25,360)	(5,383)	(23,054)	(2,101)
Cash flows from investing activities:				
Payment for acquisition of property, plant and equipment	-	(678)	(500)	(740)
Proceeds from disposal of property, plant and equipment	180	392	180	392
Interest received	66	70	135	135
Net cash generated from / (used in) investing activities	246	(216)	(185)	(213)
Cash flows from financing activity:				
Repayment to related parties	(10,184)	-	(10,184)	-
Net cash generated used in financing activity	(10,184)	-	(10,184)	-
Net decrease in cash and cash equivalents	(35,298)	(5,599)	(33,423)	(2,314)
Cash and cash equivalents at beginning of the period	82,480	86,259	80,605	82,974
Cash and cash equivalents at end of the period	47,182	80,660	47,182	80,660

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	Share Capital	Statutory Common Reserve	Accumulated Losses	Total
(RMB'000)				
2015				
Balance at 1 Jan 2015	125,769	28,284	(35,605)	118,448
Loss for the period	-	-	(7,110)	(7,110)
Total comprehensive loss for the period	-	-	(7,110)	(7,110)
Balance as at 30 June 2015	125,769	28,284	(42,715)	111,338
2014				
Balance at 1 Jan 2014	125,769	28,284	(38,860)	115,193
Profit for the period	-	-	703	703
Total comprehensive income for the period	-	-	703	703
Balance as at 30 June 2014	125,769	28,284	(38,157)	115,896

	Company		
	Share Capital	Accumulated Losses	Total
(RMB'000)			
2015			
Balance as at 1 Jan 2015	125,769	(16,894)	108,875
Loss for the period	-	(971)	(971)
Total comprehensive loss for the period	-	(971)	(971)
Balance as at 30 June 2015	125,769	(17,865)	107,904
2014			
Balance as at 1 Jan 2014	125,769	(13,715)	112,054
Loss for the period	-	(1,874)	(1,874)
Total comprehensive loss for the period	-	(1,874)	(1,874)
Balance as at 30 June 2014	125,769	(15,589)	110,180

1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share option or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There are no changes to the share capital of the Company since 31 December 2014.

The Company has no outstanding convertibles or treasury shares as at 30 June 2015 and 30 June 2014.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Group		Company	
	30 June 15	31 Dec 14	30 June 15	31 Dec 14
Total number of issued shares	276,000,000	276,000,000	276,000,000	276,000,000
Less: Treasury shares	-	-	-	-
Total number of issued shares excluding treasury shares	276,000,000	276,000,000	276,000,000	276,000,000

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company has no treasury shares as at 30 June 2015.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

The figures have not been audited nor reviewed by our auditors.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the financial year ("FY") ended 31 December 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reason for, and the effect of, the change.

The Group has adopted all new and revised Financial Reporting Standard ("**FRS**") and Interpretations of FRS ("**INT FRS**") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2015, where applicable.

The directors do not anticipate that the adoption of the new and revised FRS will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

6. Earnings per ordinary share of the group for the current financial period reported on and the immediately preceding financial period, after deducting any provision for preference dividends.

	Group			
	3-month period ended 30 June		6-month period ended 30 June	
	2015	**2014**	**2015**	**2014**
Net (loss)/profit for the period (RMB'000)	(7,794)	3,434	(7,110)	703
Basic (loss)/earnings per share (RMB cent)	(2.82)	1.24	(2.58)	0.25
Diluted (loss)/earnings per share (RMB cent)	(2.82)	1.24	(2.58)	0.25

Explanatory notes:

(Loss)/Earnings per share is calculated based on the Group's (loss)/profit after taxation divided by the issued share capital of the Company of 276,000,000 (2014: 276,000,000) shares for the period under review.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:

(a) current financial year reported on; and

(b) immediately preceding financial year.

	Company		Group	
	30 June 15	**31 Dec 14**	**30 June 15**	**31 Dec 14**
Net Asset Value per share (RMB cents)	39.1	39.4	40.3	42.9

The net asset value per ordinary share of the Group and the Company as at 30 June 2015 and 31 December 2014 were calculated based on the issued share capital of the Company of 276,000,000 shares as at 30 June 2015 and 31 December 2014.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Performance

Q2FY2015 vs Q2FY2014

Revenue decreased by RMB 15.3 million from RMB 36.5 million in second quarter ended 30 June 2014 ("Q2FY2014") to RMB 21.2 million in second quarter ended 30 June 2015 ("Q2FY2015"). The decrease was mainly due to decrease in sales of heavy bearing products (RMB 13.6 million), bearing accessories and partial-complete bearing products (RMB 2.7 million), agency fees (RMB 0.4 million) and partially offset by increase in sales of micro-size bearing products (RMB 1.0 million), light bearing products (RMB 0.2 million), car bearing products (RMB 0.2 million). The decrease in sales revenue of heavy bearing products of RMB 13.6 million in Q2FY2015 was the result of decrease in the sales volume and average selling price.

Cost of sales decreased by RMB 4.0 million to RMB 24.9 million in Q2FY2015 as compared to RMB 28.9 million in Q2FY2014 in tandem with the decrease in revenue.

As a result of lower margin, the Group incurred gross loss of RMB 3.7 million in Q2FY2015 as compared to gross profit of RMB 7.6 million in Q2FY2014. Gross profit margin decreased from 20.8% in Q2FY2014 to gross loss in Q2FY2015 due to discount/rebate amounting to RMB 2.3 million given to the customers, penalty imposed by customers on defect products, allowance for inventories impairment and decrease in the selling price of heavy bearing products and light bearing products.

Distribution costs recorded a marginal decrease of RMB 0.2 million or 28.7% from RMB 0.9 million in Q2FY2014 to RMB 0.7 million in Q2FY2015. This was mainly due to decrease in transportation charges as a result of decrease in sales volume.

Administrative expenses decreased by RMB 0.2 million from RMB 3.4 million in Q2FY2014 to RMB 3.2 million in Q2FY2015, which was due mainly to decrease in salary and related costs.

The Group recorded other operating expenses of RMB 0.8 million in Q2FY2015 as compared to other operating income of RMB 0.7 million in Q2FY2014 due mainly to loss on disposal of property, plant and equipment.

As a result of lower revenue and gross loss, the Group recorded a loss before tax of RMB 8.4 million for Q2FY2015, as compared to profit before tax of RMB 4.0 million for Q2FY2014.

1HFY2015 vs 1HFY2014

Revenue decreased by RMB 26.2 million from RMB 74.0 million for the 6 months ended 30 June 2014 ("1HFY2014") to RMB 47.8 million for the 6 months ended 30 June 2015 ("1HFY2015"). The decrease was mainly due to decrease in sales of heavy bearing products (RMB 18.5 million), light

bearing products (RMB 1.4 million), agency fees (RMB 0.5 million) and bearing accessories and partial-complete bearing products (RMB 6.5 million) and partially offset by increase in sales of micro-size bearing products (RMB 0.7 million). Decrease in sales of heavy bearing products in 1HFY2015 was the result of decrease in the sales volume and average selling price. On the other hand, decrease in sales of light bearing products was due to decrease in average selling price. In addition, the decrease in revenue in 1HFY2015 partially due to termination of the agency services agreement and sales of bearing accessories and partial-complete bearing products during FY2015.

Cost of sales decreased by RMB 17.5 million to RMB 46.5 million in 1HFY2015 as compared to RMB 64.1 million in 1HFY2014 in tandem with the decrease in revenue.

For 1HFY2015, gross profit decreased by RMB 8.7 million to RMB 1.2 million in line with the decrease in revenue. Gross profit margin also decreased from 13.4% in 1HFY2014 to 2.6% in 1HFY2015, due to decrease in the selling price of all range of bearing products, discount/rebate amounting to RMB 2.3 million given to the customers, penalty imposed by customers on defect products as well as allowance for inventories impairment.

Distribution costs decreased by RMB 0.6 million or 31.3% from RMB 1.9 million in 1HFY2014 to RMB 1.3 million in 1HFY2015. This was mainly due to decrease in commission of the sales personnel and transportation charges as a result of decrease in sales volume.

Administrative expenses decreased by RMB 1.2 million from RMB 8.0 million in 1HFY2014 to RMB 6.8 million in 1HFY2015, due mainly to lower legal and professional fee.

The Group recorded other operating expenses of RMB 0.5 million in 1HFY2015 as compared to other operating income of RMB 1.2 million in 1HFY2014 due mainly to loss on disposal of property, plant and equipment.

As a result of lower gross profit coupled with higher expenses, the Group recorded a loss before tax of RMB 7.3 million for 1HFY2015, as compared to profit before tax of RMB 1.3 million for 1HFY2014.

Review of Balance Sheet

Property, plant and equipment decreased by RMB 2.3 million, from RMB 34.0 million as at 31 December 2014 to RMB 31.7 million as at 30 June 2015 due mainly to depreciation expense of RMB 1.7 million and disposal of machinery of RMB 0.9 million which was partially offset by acquisitions amounted to RMB 0.3 million during the period.

Inventories decreased from RMB 42.4 million as at 31 December 2014 to RMB 34.7 million as at 30 June 2015. This was due to the decrease in finished goods of RMB 9.4 million which was offset by the increase in work in progress of RMB 1.7 million.

Trade receivables decreased by RMB 5.2 million from RMB 25.0 million as at 31 December 2014 to RMB 19.8 million as at 30 June 2015 which was in line with the decrease in revenue during the period.

Other receivables and prepayments increased by RMB 17.4 million from RMB 2.0 million as at 31 December 2014 to RMB 19.4 million as at 30 June 2015 as a result of increase in prepayment to suppliers for the construction of waste water treatment amounting to RMB 7.2 million, prepayment to suppliers for the purchases of raw materials and deposits for the renewal of lands use right.

Trade payables decreased by RMB 11.3 million from RMB 35.3 million as at 31 December 2014 to RMB 24.0 million as at 30 June 2015 due mainly to lower amount of raw material purchased.

Other payables and accruals decreased by RMB 0.6 million from RMB 18.8 million as at 31 December 2014 to RMB 18.2 million as at 30 June 2015. This was due to decrease in accrued operating expenses.

Review of Cash Flow Statement

Q2FY2015 vs Q2FY2014

For Q2FY2015, the Group recorded net cash outflow of RMB 25.4 million from operating activities compared to RMB 5.4 million in Q2FY2014. This was due mainly to loss generated in Q2FY2015.

For Q2FY2015, net cash generated from investing activities of RMB 0.2 million was due mainly to proceeds from disposal of machinery.

There was a net cash outflow of RMB 10.2 million from financing activity in Q2FY2015 arising from repayment to related parties.

Cash and cash equivalents decreased from RMB 80.7 million as at Q2FY2014 to RMB 47.2 million as at Q2FY2015.

1HFY2015 vs 1HFY2014

For 1HFY2015, the Group recorded net cash outflow of RMB 23.1 million from operating activities compared to RMB 2.1 million in 1HFY2014. This was mainly attributable to loss generated during the period.

Net cash used in investing activities was RMB 0.2 million in 1HFY2015 and 1HFY2014 which was mainly due to capital expenditure on acquisition of machinery. This was partially offset by proceeds from disposal of machinery and interest received.

There was a net cash outflow of RMB 10.2 million from financing activity in 1HFY2015 arising from repayment to related parties.

As a result of the above, cash and cash equivalents decreased from RMB 80.7 million as at 1HFY2014 to RMB 47.2 million as at 1HFY2015.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement previously disclosed.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

On 21 April 2015, the subsidiary of the Company, Linyi Kaiyuan Bearing Co., Ltd. ("LYKY") was notified of the imposition of new stricter environmental control requirements via a Notice of Pollution Control for Enterprise at Yinan Economy Development Zone in Year 2015 ("Notice of Pollution Control")（《沂南经济开发区2015年工业企业污染治理实施方案》的通知）issued by Management Committee of Yinan Economy Development Zone ("MCYEDZ")（沂南经济开发区管理委员会）. Following the issue of the Notice of Pollution Control, an inspection was carried out at LYKY's production site by the Yinan County Bureau of Environmental Protection ("YCBEP")（沂南县环境保护局. On 4 May 2015, YCBEP issued a Notice of Pollution Treatment to LYKY ("Notice") （关于临沂开元轴承有限公司污染治理限产整改的通知）requiring LYKY to upgrade the treatment of its waste water and solid waste from its production so as to satisfy the new requirements by the end of July 2015.

At the request of LYKY, MCYEDZ and YCBEP verbally agreed that LYKY is allowed to carry on its production without temporarily shutting down its operations. However, LYKY must fulfill the Notice by the end of July 2015, failing which it will be ordered to shut down the operation immediately. Hence, LYKY has appointed Shandong Guangcheng Construction and Installation Co., Ltd.（山东广城建筑安装工程有限公司） to construct and upgrade the existing waste water treatment system of the factory plant located at Yinan Economy Development Zone ("Proposed Project"). The cost incurred for the Proposed Project is RMB13.2 million.

The Proposed Project was completed on 30 July 2015 and is pending inspection by MCYEDZ and YCBEP.

On 30 July 2015, the Company announced that it has entered into a sale and purchase agreement ("**SPA**") with Spring Century Investment Limited ("**Purchaser**") pursuant to which the Company shall dispose the entire issued and paid-up share capital of Linyi Kaiyuan Bearing Co., Ltd. ("**LYKY**")("**Proposed Disposal**") for an aggregate consideration of 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 the date of the SPA), subject to adjustment. In the event the aggregate consideration 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). The Proposed Disposal is subject to, *inter alia*, the Company obtaining the approval of the shareholders of the Company. Upon completion of the Proposed Disposal, the Company's assets will consist substantially of cash and the Company will not have any business activities. Accordingly, the Company will become a cash company under Rule 1018 of the Listing Manual upon completion of the Proposed Disposal. The Company will make the necessary announcements when there are further developments on the Proposed Disposal. Please refer to the Company's announcement dated 30 July 2015 for full information.

11. If a decision regarding dividend has been made

(a) Whether an interim (final) ordinary dividend has been declared (recommended).

None.

(b) (i) Amount per share

Not Applicable.

(ii) Previous corresponding period

Not Applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not Applicable.

(d) The date the dividend is payable

Not Applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 p.m.) will be registered before entitlements to the dividend are determined.

Not Applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

The Board of Directors of the Company does not recommend that a dividend be paid for the period ended 30 June 2015.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Pursuant to Rule 920(1)(a)(ii) of the Listing Manual, the details of the aggregate value of interest person transactions conducted for the financial year from 1 January 2015 to 30 June 2015:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than RMB491,000 (S$100,000) and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than RMB491,000 (S$100,000)
	RMB'000	RMB'000
Shandong Yimeng Bearing Joint Stock Co., Ltd.	472	-

The Company does not have a general mandate from shareholders for interested person transactions.

14. Use of proceeds arising from share placement

The Company completed the share placement on 10 May 2013 and raised RMB6,630,715.

As at 30 June 2015, the uilisation of the cash proceeds of approximately RMB6,423,656 were as follows:

Utilisation of Share Placement Proceeds	RMB
General working capital	
- Payment for various professional services	2,996,669
- Payment for administration expenses	3,083,390
Payment for expenses incurred in connection with the Share Placement	343,597
Share Placement proceeds utilised	6,423,656
Unutilised balance of the Share Placement proceeds	207,059
Total cash proceeds received from Share Placement	6,630,715

The Company will make an announcement as to the use of the proceeds from the share placement as and when such proceeds are materially disbursed.

15. Negative Confirmation Pursuant to Rule 705(5) of the SGX-ST Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results of China Bearing (Singapore) Ltd for the financial period ended 30 June 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Zhang Anxi
Managing Director and CEO

Zhang Anling
Executive Director

PART II ADDITIONAL INFORMATION FOR DISCLOSURE

INTERESTED PARTY TRANSACTIONS

Aggregate value of interested person transactions conducted for the financial year from 1 January 2015 to 30 June 2015.

1. Lease of property from Shandong Yimeng Bearing Joint Stock Co., Ltd

We currently lease the land and buildings at No. 2 Yiqing Road, Yinan County, Shandong Province, the PRC from Shandong Yimeng Bearing Joint Stock Co., Ltd ("Yimeng Bearing") for office, plant and factory uses. The present lease for the land and buildings is for a term of 10 years, which commenced on 1 April 2006 and will expire on 31 March 2016. The annual rental is RMB944,106. For financial period ended 30 June 2015, total lease rental paid to Yimeng Bearing was RMB472,052. For more details please refer to paragraph 4 of page 110 of the Company's Prospectus dated 12 October 2006 (the "Ongoing and Continuing Interested Person Transactions").

2. Loan from Yimeng Bearing

Pursuant to the Asset Purchase Agreement entered with Yimeng Bearing for the purpose of Restructuring and subsequent agreement made with Yimeng Bearing and shareholders of Yimeng Bearing, our subsidiary, Linyi Kaiyuan Bearing Co., Ltd has obtained loans from the shareholders of Yimeng Bearing for an amount of approximately RMB 25.1 million. The loans shall be on an unsecured and interest-free basis, and repayable only after 3 years from the date of admission of our Company to the Official List of SGX-ST. In addition, the repayment of this loan is subject to the approval of Audit Committee, taking into account, *inter alia*, our Group's working capital and gearing positions. Loan repayment of RMB 4.7 million and RMB10.2 million were made in third quarter of FY2011 and fourth quarter of FY2014 respectively. During second quarter of FY2015, remaining balance of the loan amounting to RMB 10.2 million has been fully paid. As such, there was no outstanding balance as at 30 June 2015.

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BY ORDER OF THE BOARD

Zhang Anxi
Managing Director and CEO
14 August 2015

Zhang Anling
Executive Director