



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

UNAUDITED THIRD QUARTER RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2016

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

CHANGE IN FUNCTIONAL CURRENCY

Effective 1 January 2016, the Company has changed its functional currency to Singapore Dollar. The corresponding prior year numbers have been restated to SGD for comparative purposes based on the prevailing exchange rates then.

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.

Note	Group					
	3-month period ended 30 Sept			9-month period ended 30 Sept		
	2016	2015	Increase/ (Decrease)	2016	2015	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Continuing operation						
Revenue	-	-	n.m.	-	-	n.m.
Cost of sales	-	-	n.m.	-	-	n.m.
Gross profit	-	-	n.m.	-	-	n.m.
Other operating income	-	-	n.m.	-	-	n.m.
Distribution costs	-	-	n.m.	-	-	n.m.
Administrative expenses	(117)	(226)	(48.2)	(316)	(448)	(29.5)
Loss before taxation	(117)	(226)	(48.2)	(316)	(448)	(29.5)
Taxation	-	-	n.m.	-	-	n.m.
Loss before taxation	(117)	(226)	(48.2)	(316)	(448)	(29.5)
Discontinued operation						
Loss from discontinued operation, net of tax	(a) -	(4,240)	n.m.	-	(5,534)	n.m.
Loss, net of tax	(117)	(4,466)	(97.4)	(316)	(5,982)	(94.7)
Other comprehensive income, net of tax						
Currency translation differences relating to financial statements of foreign subsidiaries, net of tax	-	638	n.m.	-	1,089	n.m.
Total comprehensive loss	(117)	(3,828)	(96.9)	(316)	(4,893)	(93.5)
Loss per share (S\$ cent)						
<u>From continuing operation</u>						
- Basic	(0.04)	(0.08)		(0.11)	(0.16)	
- Diluted	(0.04)	(0.08)		(0.11)	(0.16)	
<u>From discontinued operation</u>						
- Basic	-	(1.54)		-	(2.01)	
- Diluted	-	(1.54)		-	(2.01)	

Note (a)

	Group					
	3-month period ended 30 Sept			9-month period ended 30 Sept		
	2016	2015	Increase/ (Decrease)	2016	2015	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	-	2,181	n.m.	-	12,590	n.m.
Cost of sales	-	(3,093)	n.m.	-	(13,221)	n.m.
Gross loss	-	(912)	n.m.	-	(631)	n.m.
Other operating expenses	-	(236)	n.m.	-	(343)	n.m.
Distribution costs	-	(58)	n.m.	-	(342)	n.m.
Administrative expenses	-	(3,034)	n.m.	-	(4,263)	n.m.
Loss before taxation	-	(4,240)	n.m.	-	(5,579)	n.m.
Taxation	-	-	n.m.	-	45	n.m.
Loss after taxation	-	(4,240)	n.m.	-	(5,534)	n.m.
Other comprehensive income, net of tax	-	-		-	-	
Total comprehensive loss	-	(4,240)	n.m.	-	(5,534)	n.m.

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

	Group			
	3-month period ended 30 Sept		9-month period ended 30 Sept	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
<u>From discontinued operation</u>				
Interest income	-	6	-	35
Depreciation of property, plant and equipment	-	(206)	-	(571)
Amortisation of land use right	-	(9)	-	(22)
Loss on disposal of property, plant and equipment	-	(127)	-	(276)
Allowance of inventories written down	-	(916)	-	(978)

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

	Group/Company	
	30 Sept 16	31 Dec 15
	S\$'000	S\$'000
Non-Current Assets		
Property, plant and equipment	-	-
	-	-
Current Assets		
Prepayments	16	-
Cash and bank balances	12,936	13,500
	12,952	13,500
Total Assets	12,952	13,500
Capital and Reserves		
Share capital	24,714	24,714
Accumulated losses	(11,897)	(11,581)
Total equity	12,817	13,133
Current Liabilities		
Other payables and accruals	135	367
Total liabilities	135	367
Total Equity and Liabilities	12,952	13,500

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 Sept 2016		As at 31 Dec 2015	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
NA	NA	NA	NA

Amount repayable after one year

As at 30 Sept 2016		As at 31 Dec 2015	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'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

	Group			
	3-month period from Jul to Sept		9-month period from Jan to Sept	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Cash flows from operating activities:				
Loss before taxation				
From continuing operation	(117)	(226)	(316)	(448)
From discontinued operation	-	(4,240)	-	(5,579)
	(117)	(4,466)	(316)	(6,027)
Adjustments for:				
Depreciation of property, plant and equipment	-	206	-	571
Amortisation of land use rights	-	9	-	22
Loss on disposal of property, plant and equipment	-	127	-	276
Interest income	-	(6)	-	(35)
Allowance of inventories written down	-	916	-	978
Operating cash flow before working capital changes	(117)	(3,214)	(316)	(4,215)
(Increase) / Decrease in inventories	-	(586)	-	1,066
(Increase) / Decrease in receivables	(3)	894	(16)	(1,470)
Increase / (Decrease) in payables	34	(1,802)	(232)	(4,408)
Cash used in operations	(86)	(4,708)	(564)	(9,027)
Income tax paid	-	-	-	(410)
Net cash used in operating activities	(86)	(4,708)	(564)	(9,437)
Cash flows from investing activities:				
Payment for acquisition of property, plant and equipment	-	(3,177)	-	(3,289)
Proceeds from disposal of property, plant and equipment	-	-	-	40
Interest received	-	6	-	35
Net cash generated from / (used in) investing activities	-	(3,171)	-	(3,214)
Cash flows from financing activity:				
Repayment to directors	-	(174)	-	(174)
Repayment to related parties	-	-	-	(2,280)
Net cash generated used in financing activity	-	(174)	-	(2,454)
Net decrease in cash and cash equivalents	(86)	(8,053)	(564)	(15,105)
Cash and cash equivalents at beginning of the period	859	10,238	1,337	16,839
Exchange differences on translation	-	638	-	1,089
Cash and cash equivalents at end of the period	773	2,823	773	2,823

For the purpose of presentation in the consolidated statement of cash flows, the cash and cash equivalents comprise the following:

	2016 S\$'000	2015 S\$'000
Cash on hand	-	2
Bank balances	773	2,821
Restricted deposit	12,163	-
Cash and bank balances	<u>12,936</u>	<u>2,823</u>

- 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	Foreign Currency Translation Reserve	Statutory Common Reserve	Accumulated Losses	Total
(S\$'000)					
<u>2016</u>					
Balance at 1 Jan 2016	24,714	-	-	(11,581)	13,133
Loss for the period	-	-	-	(316)	(316)
Total comprehensive loss for the period	-	-	-	(316)	(316)
Balance as at 30 Sept 2016	<u>24,714</u>	<u>-</u>	<u>-</u>	<u>(11,897)</u>	<u>12,817</u>
<u>2015</u>					
Balance at 1 Jan 2015	24,714	2,080	5,649	(7,138)	25,305
Loss for the period	-	1,089	-	(5,982)	(4,893)
Total comprehensive loss for the period	-	1,089	-	(5,982)	(4,893)
Balance as at 30 Sept 2015	<u>24,714</u>	<u>3,169</u>	<u>5,649</u>	<u>(13,120)</u>	<u>20,412</u>

Company			
	Share Capital	Accumulated Losses	Total
(S\$'000)			
<u>2016</u>			
Balance as at 1 Jan 2016	24,714	(11,581)	13,133
Loss for the period	-	(316)	(316)
Total comprehensive loss for the period	-	(316)	(316)
Balance as at 30 Sept 2016	<u>24,714</u>	<u>(11,897)</u>	<u>12,817</u>
<u>2015</u>			
Balance as at 1 Jan 2015	24,714	(3,287)	21,427
Loss for the period	-	(448)	(448)
Total comprehensive loss for the period	-	(448)	(448)
Balance as at 30 Sept 2015	<u>24,714</u>	<u>(3,735)</u>	<u>20,979</u>

- 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 2015.

The Company has no outstanding convertibles or treasury shares as at 30 September 2016 and 30 September 2015.

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 Sept 16	31 Dec 15	30 Sept 16	31 Dec 15
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 September 2016.

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 2015.

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 the amended Financial Reporting Standard ("**FRS**") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2016, where applicable.

The directors do not anticipate that the adoption of the amended 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 Sept		9-month period ended 30 Sept	
	2016	2015	2016	2015
Net loss for the period (S\$'000)				
- Continuing operation	(117)	(226)	(316)	(448)
- Discontinued operation	-	(4,240)	-	(5,534)
<u>Continuing operation</u>				
Basic loss per share (S\$ cent)	(0.04)	(0.08)	(0.11)	(0.16)
Diluted loss per share (S\$ cent)	(0.04)	(0.08)	(0.11)	(0.16)
<u>Discontinued operation</u>				
Basic loss per share (S\$ cent)	-	(1.54)	-	(2.01)
Diluted loss per share (S\$ cent)	-	(1.54)	-	(2.01)

Explanatory notes:

Loss per share is calculated based on the Group's loss after taxation divided by the issued share capital of the Company of 276,000,000 (2015: 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.

	<u>Group/Company</u>	
	<u>30 Sept 16</u>	<u>31 Dec 15</u>
Net Asset Value per share (S\$ cents)	4.6	4.8

The net asset value per ordinary share of the Group and the Company as at 30 September 2016 and 31 December 2015 were calculated based on the issued share capital of the Company of 276,000,000 shares as at 30 September 2016 and 31 December 2015.

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

The Company had in December 2015 completed the disposal of its principal and wholly-owned subsidiary (the "Disposal"). Following the Disposal, the Company became a cash company under Rule 1018 of the SGX-ST Listing Manual.

Q3FY2016 vs Q3FY2015

Administrative expenses recorded a decrease of S\$ 0.1 million or 48.2% from S\$ 0.2 million in third quarter ended 30 September 2015 ("Q3FY2015") to S\$ 0.1 million in third quarter ended 30 September 2016 ("Q3FY2016"). This was due mainly to lower legal and professional fee.

As a result of lower administrative expenses, the Group recorded a loss before tax of S\$ 0.1 million for Q3FY2016.

9MFY2016 vs 9MFY2015

Administrative expenses decreased by S\$ 0.1 million from S\$ 0.4 million for the 9 months ended 30 September 2015 ("9MFY2015") to S\$ 0.3 million for the 9 months ended 30 September 2016 ("9MFY2016"), which was due mainly to lower legal and professional fee.

As a result of the Disposal, the Company does not have any operations in 9MFY2016. Hence, comparison of the results from discontinued operation in 9MFY2015 is not meaningful.

The Company recorded a loss after tax of S\$ 0.3 million for 9MFY2016.

Review of Balance Sheet

The asset of the Company comprises mainly cash and cash equivalent of approximately S\$ 12.9 million of which S\$ 12.2 million represents restricted deposit placed in an escrow account.

Other payable and accruals comprise mainly accruals of directors' fee and statutory expenses.

Review of Cash Flow Statement

Q3FY2016 vs Q3FY2015

For Q3FY2016, the Company recorded net cash outflow of S\$ 0.1 million from operating activities compared to net cash outflow of S\$ 4.7 million in Q3FY2015. This was due to lower loss incurred in Q3FY2016 after the Disposal.

The Company recorded cash and cash equivalent of S\$ 0.7 million, excluding restricted deposit of S\$ 12.2 million which was placed in an escrow account for Q3FY2016.

9MFY2016 vs 9MFY2015

For 9MFY2016, the Company recorded net cash outflow of S\$ 0.6 million from operating activities compared to net cash outflow of S\$ 9.4 million in 9MFY2015. This was due to lower loss incurred in 9MFY2016 after the Disposal.

The Company recorded cash and cash equivalent of S\$ 0.7 million, excluding restricted deposit of S\$ 12.2 million which was placed in an escrow account for 9MFY2016.

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 24 August 2016, the Company announced that it has entered into a term sheet (the "Term Sheet") with Far East Mining Pte. Ltd. (the "Vendor"), pursuant to which the Company shall acquire the entire issued and paid-up share capital of PT Anugrah Tambang Sejahtera ("Target Company") from the Vendor (the "Proposed Acquisition"). The Proposed Acquisition is subject to, *inter alia*, the execution of definitive sale and purchase agreement and/or such other terms and conditions stated in the Company's announcement dated 24 August 2016 (Please refer to the Company's announcement dated 24 August 2016 for full information).

Subsequent to the announcement on 24 August 2016, the Company announced that the Company and the Vendor had entered into a sales and purchase agreement (the "SPA") on 27 October 2016. Please refer to the Company's announcement dated 1 November 2016 for full information. Announcements on material developments will be made as and when appropriate.

The Financial Advisor, ZICO Capital Pte. Ltd. has on behalf of the Company, written to the SGX-ST on 11 November 2016 to seek approval for a 12-month extension of time under Rule 1018(2) of the Listing Manual for the Company to complete the Proposed Acquisition by 20 December 2017. Shareholders should note that the aforementioned application is subject to approval by the SGX-ST and there is no certainty of such approval being granted.

Shareholders should however note there is no certainty that the Company will not be delisted after a period of 12 months in accordance with Rule 1018(2) of the Listing Manual.

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 September 2016.

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 2016 to 30 September 2016:

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than 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 S\$ 100,000)
Name of interested person	S\$'000	S\$'000
Total	Nil	Nil

Note: There was interested person transaction occurring during the period but the individual transaction was less than S\$100,000.

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

14. 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 September 2016 to be false or misleading in any material aspect.

15. Undertaking Confirmation Statement from all its directors and executive officers under Rule 720(1)

The Company has procured undertakings from all its directors and executive officer (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

On behalf of the Board of Directors

Lim Kean Tin
Director
14 November 2016

Tan Kah Ghee
Director