



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

UNAUDITED FIRST QUARTER RESULTS FOR THE PERIOD ENDED 31 MARCH 2018

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.**

	Company		
	3-month period ended 31 March (Unaudited)		Increase/ (Decrease) %
	2018	2017	
	S\$'000	S\$'000	
Revenue	-	-	n.m.
Cost of sales	-	-	n.m.
Gross profit	-	-	n.m.
Other income	6	5	20.0
Administrative expenses	(565)	(135)	318.5
Finance costs	(7)	-	n.m.
Loss before taxation	(566)	(130)	335.4
Taxation	-	-	n.m.
Loss after taxation	(566)	(130)	335.4
Other comprehensive income, net of tax	-	-	n.m.
Total comprehensive loss	(566)	(130)	335.4
Loss per share (S\$ cent)			
- Basic and diluted	(0.21)	(0.05)	

- 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**

	Company	
	31 Mar 18 (Unaudited) S\$'000	31 Dec 17 (Audited) S\$'000
Non-Current Assets		
Property, plant and equipment	-	-
	-	-
Current Assets		
Prepayments	28	-
Cash and bank balances	12,976	12,224
	13,004	12,224
Total Assets	13,004	12,224
Equity		
Share capital	24,714	24,714
Accumulated losses	(13,601)	(13,035)
Total equity	11,113	11,679
Current Liabilities		
Accrued operating expenses	613	469
Short-term borrowings	1,278	76
Total liabilities	1,891	545
Total Equity and Liabilities	13,004	12,224

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

Amount repayable in one year or less, or on demand

As at 31 Mar 2018 (Unaudited)		As at 31 Dec 2017 (Audited)	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
NA	1,278	NA	76

Amount repayable after one year

As at 31 Mar 2018 (Unaudited)		As at 31 Dec 2017 (Audited)	
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

	Company 3-month period ended 31 March (Unaudited)	
	2018 S\$'000	2017 S\$'000
Cash flows from operating activities:		
Loss before taxation	(566)	(130)
Adjustments for:		
Interest expense	7	-
Interest income	(6)	(5)
Operating cash flow before working capital changes	(565)	(135)
Working capital changes:		
Receivables	(28)	(29)
Payables	144	10
Cash used in operations	(449)	(154)
Income tax paid	-	-
Net cash used in operating activities	(449)	(154)
Cash flows from investing activity:		
Interest received	6	5
Net cash from investing activity	6	5
Cash flows from financing activity:		
Proceeds from short-term borrowings	1,195	-
Net cash from financing activity	1,195	-
Net increase/(decrease) in cash and cash equivalents	752	(149)
Cash and cash equivalents at beginning of financial period	61	372
Cash and cash equivalents at end of financial period	813	223

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

	As at 31 March 2018 (Unaudited) S\$'000	As at 31 March 2017 (Unaudited) S\$'000
Bank balances	813	223
Restricted deposit	12,163	12,163
Cash and bank balances	12,976	12,386

- 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.**

(S\$'000)	Company		
	Share Capital	Accumulated Losses	Total
2018			
Balance as at 1 Jan 2018	24,714	(13,035)	11,679
Loss for the period	-	(566)	(566)
Total comprehensive loss for the period	-	(566)	(566)
Balance as at 31 Mar 2018	24,714	(13,601)	11,113
2017			
Balance as at 1 Jan 2017	24,714	(12,413)	12,301
Loss for the period	-	(130)	(130)
Total comprehensive loss for the period	-	(130)	(130)
Balance as at 31 Mar 2017	24,714	(12,543)	12,171

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 2017.

In the event the Proposed Acquisition (as defined in section 10 below) is terminated for any reason whatsoever, the outstanding sum of a loan with Axis Megalink Sdn. Bhd. of S\$1,007,000 may be converted into 41,958,333 shares, based on the volume weighted average price of S\$0.024 of the Company's shares transacted on 17 December 2015 (being the full market day immediately preceding the date on which the shares were traded prior to the trading suspension on 22 December 2015). As at 31 March 2018, the Company has not received any Conversion Notice.

Save for the above, the Company did not have any outstanding convertibles as at 31 March 2018 (31 December 2017: 3,166,167).

The Company has no outstanding treasury shares and subsidiary holdings as at 31 March 2018 and 31 December 2017.

- 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	
	31 Mar 18 (Unaudited)	31 Dec 17 (Audited)
Total number of issued shares	276,000,000	276,000,000
Less: Treasury shares	-	-
Total number of issued shares excluding treasury shares	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 31 March 2018.

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

The Company did not have any subsidiary holdings as at the end of the current financial period reported on.

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 Company adopted the same accounting policies and methods of computation in the presentation of the unaudited financial statements for the financial period ended 31 March 2018 as compared with the audited financial statements for the financial year ended 31 December 2017.

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 Company has adopted all applicable Financial Reporting Standard in Singapore ("FRS") that are relevant to its operations and become effective for the financial period ended 31 March 2018.

The directors do not anticipate that the adoption of the amended FRS will have a material impact on the financial statements of 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.

	Company	
	3-month period ended 31 March (Unaudited)	
	2018	2017
Net loss for the period (\$'000)	(566)	(130)
Basic and diluted loss per share (\$ cent)	(0.21)	(0.05)

Explanatory notes:

Loss per share is calculated based on the Company's loss after taxation divided by the issued share capital of the Company of 276,000,000 (2017: 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	
	31 Mar 18 (Unaudited)	31 Dec 17 (Audited)
Net Asset Value per share (S\$ cents)	4.03	4.23

The net asset value per ordinary share of the Company as at 31 March 2018 and 31 December 2017 were calculated based on the issued share capital of the Company of 276,000,000 shares as at 31 March 2018 and 31 December 2017.

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 and ceased to have any operating subsidiaries or businesses.

Q1FY2018 vs Q1FY2017

Other income comprises interest income from restricted deposit placed in an escrow account. Other income recorded a marginal increase for the first quarter ended 31 March 2018 ("Q1FY2018"), as compared to first quarter ended 31 March 2017 ("Q1FY2017").

Administrative expenses increased by S\$ 0.5 million from S\$ 0.1 million in Q1FY2017 to S\$ 0.6 million in Q1FY2018. This was mainly due to higher legal and professional fee for the Proposed Acquisition.

Finance costs for Q1FY2018 was the interest expense on the short-term borrowings to be used as general working capital in the ordinary course of business and to fund the fees and expenses incurred in connection with the Proposed Acquisition.

As a result of higher administrative expenses, the Company recorded a loss after tax of S\$ 0.6 million for Q1FY2018, as compared to S\$ 0.1 million for Q1FY2017.

Review of Financial Position

The asset of the Company comprises mainly of cash and bank balances of approximately S\$ 13.0 million of which S\$ 12.2 million represents restricted deposit placed in an escrow account.

Accrued operating expenses comprise mainly accruals of salary, directors' fee and professional expenses for the Proposed Acquisition. Short-term borrowings were loans extended by a lender to be used as general working capital in the ordinary course of business and to fund the fees and expenses incurred in connection with the Proposed Acquisition.

Review of Cash Flow Statement

Q1FY2018 vs Q1FY2017

For Q1FY2018, the Company recorded net cash outflow of S\$ 0.4 million from operating activities compared to net cash outflow of S\$ 0.2 million in Q1FY2017. This was due to higher losses incurred in Q1FY2018.

Net cash from investing activity was attributable to interest income from restricted deposit placed in an escrow account.

Net cash from financing activity was S\$ 1.2 million in Q1FY2018 due to drawdown of short-term borrowings to be used as general working capital in the ordinary course of business and to fund the fees and expenses incurred in connection with the Proposed Acquisition.

As of Q1FY2018, the Company recorded cash and cash equivalents of S\$ 0.8 million, excluding restricted deposit of S\$ 12.2 million which was placed in an escrow account with a bank in Singapore.

- 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.**

Subsequent to the announcements made by the Company on 24 August 2016, 1 November 2016, 2 December 2016, 11 January 2017, 4 April 2017, 20 June 2017, 7 July 2017, 17 November 2017, 21 November 2017, 20 December 2017, 28 December 2017, 29 December 2017 and 8 January 2018 in relation to the proposed acquisition of the entire issued and paid-up share capital of FE Resources Pte. Ltd. ("Proposed Acquisition"), the Company has on 12 March 2018 announced that the Company has entered into a second loan agreement with Axis Megalink Sdn. Bhd. to extend to the Company a loan of S\$270,000 to be used as general working capital in the ordinary course of the business, subject to the terms and conditions of the Second Loan Agreement. Please refer to the Company's announcement dated 12 March 2018 for full information.

Announcements on material developments will be made as and when appropriate.

- 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 31 March 2018.

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 2018 to 31 March 2018:

	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 were interested person transactions during Q1FY2018, but aggregate value of all interested person transactions 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 financial results of China Bearing (Singapore) Ltd. for the financial period ended 31 March 2018 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
4 May 2018

Tan Kah Ghee
Director