



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

UNAUDITED FIRST QUARTER RESULTS FOR THE PERIOD ENDED 31 MARCH 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.**

	Group		Increase/ (Decrease) %
	3-month period ended 31 March 2015 RMB'000	2014 RMB'000	
Revenue	26,572	37,462	-29.1
Cost of sales	(21,639)	(35,138)	-38.4
Gross profit	4,933	2,324	n.m.
Other operating income	334	474	-29.5
Distribution costs	(636)	(961)	-33.8
Administrative expenses	(3,546)	(4,568)	-22.4
Profit/(Loss) before taxation	1,085	(2,731)	n.m.
Taxation	(401)	-	n.m.
Profit/(Loss) after taxation	684	(2,731)	n.m.
Other comprehensive income, net of tax	-	-	-
Total comprehensive income/(loss)	684	(2,731)	n.m.
Earnings/(Loss) per share (RMB cent)			
- Basic	0.25	(0.99)	
- Diluted	0.25	(0.99)	

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

	Group	
	3-month period ended 31 March 2015 RMB'000	2014 RMB'000
Interest income	69	65
Depreciation	(803)	(930)

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		Group	
	31 Mar 15 RMB'000	31 Dec 14 RMB'000	31 Mar 15 RMB'000	31 Dec 14 RMB'000
Non-Current Assets				
Property, plant and equipment	-	1	33,520	34,028
Investment in subsidiary	115,485	115,485	-	-
Deferred tax assets	-	-	1,117	1,117
	<u>115,485</u>	<u>115,486</u>	<u>34,637</u>	<u>35,145</u>
Current Assets				
Inventories	-	-	40,162	42,373
Trade receivables	-	-	20,204	24,963
Other receivables and prepayment	74	-	2,241	2,044
Cash and cash equivalents	<u>1,508</u>	<u>1,734</u>	<u>82,480</u>	<u>80,605</u>
	<u>1,582</u>	<u>1,734</u>	<u>145,087</u>	<u>149,985</u>
Total Assets	117,067	117,220	179,724	185,130
Capital and Reserves				
Share capital	125,769	125,769	125,769	125,769
(Accumulated losses)/ Retained earnings	(17,414)	(16,894)	(34,921)	(35,605)
Statutory common reserve	-	-	28,284	28,284
	<u>108,355</u>	<u>108,875</u>	<u>119,132</u>	<u>118,448</u>
Current Liabilities				
Trade payables	-	-	27,577	35,282
Other payables and accruals	1,637	1,270	20,017	18,803
Amount owing to subsidiary	6,300	6,300	-	-
Loans from related parties	-	-	10,184	10,184
Advances from directors	775	775	775	775
Current tax payable	-	-	2,039	1,638
	<u>8,712</u>	<u>8,345</u>	<u>60,592</u>	<u>66,682</u>
Total equity and liabilities	117,067	117,220	179,724	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 31 Mar 2015		As at 31 Dec 2014	
Secured (RMB'000)	Unsecured (RMB'000)	Secured (RMB'000)	Unsecured (RMB'000)
NA	10,959	NA	10,959

Amount repayable after one year

As at 31 Mar 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

	Group	
	3-month period ended 31 March	
	2015	2014
	RMB'000	RMB'000
Cash flows from operating activities:		
Profit/(Loss) before taxation	1,085	(2,731)
Adjustments for:		
Depreciation	803	930
Interest income	(69)	(65)
Operating cash flow before working capital changes	1,819	(1,866)
Decrease in inventories	2,211	3,893
Decrease/(Increase) in receivables	4,562	(6,335)
(Decrease)/Increase in payables	(6,286)	7,590
Cash generated from operations	2,306	3,282
Income tax paid	-	-
Net cash generated from operating activities	2,306	3,282
Cash flows from investing activities:		
Payment for acquisition of property, plant and equipment	(500)	(62)
Interest received	69	65
Net cash (used in)/generated from investing activities	(431)	3
Net increase in cash and cash equivalents	1,875	3,285
Cash and cash equivalents at beginning of the period	80,605	82,974
Cash and cash equivalents at end of the period	82,480	86,259

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	Retained Earnings	Total
(RMB'000)				
<u>2015</u>				
Balance at 1 Jan 2015	125,769	28,284	(35,605)	118,448
Profit for the period	-	-	684	684
Total comprehensive income for the period	-	-	684	684
Balance as at 31 Mar 2015	125,769	28,284	(34,921)	119,132
<u>2014</u>				
Balance at 1 Jan 2014	125,769	28,284	(38,860)	115,193
Loss for the period	-	-	(2,731)	(2,731)
Total comprehensive loss for the period	-	-	(2,731)	(2,731)
Balance as at 31 Mar 2014	125,769	28,284	(41,591)	112,462

(RMB'000)	Company		
	Share Capital	Retained Earnings	Total
2015			
Balance as at 1 Jan 2015	125,769	(16,894)	108,875
Loss for the period	-	(520)	(520)
Total comprehensive loss for the period	-	(520)	(520)
Balance as at 31 Mar 2015	125,769	(17,414)	108,355
2014			
Balance as at 1 Jan 2014	125,769	(13,715)	112,054
Loss for the period	-	(1,305)	(1,305)
Total comprehensive loss for the period	-	(1,305)	(1,305)
Balance as at 31 Mar 2014	125,769	(15,020)	110,749

- 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 31 March 2015 and 31 March 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	
	31 Mar 15	31 Dec 14	31 Mar 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 31 March 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 31 March	
	2015	2014
Net profit/(loss) for the period (RMB'000)	684	(2,731)
Basic earnings per share (RMB cent)	0.25	(0.99)
Diluted earnings per share (RMB cent)	0.25	(0.99)

Explanatory notes:

Earnings per share is calculated based on the Group's profit/(loss) 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	
	31 Mar 15	31 Dec 14	31 Mar 15	31 Dec 14
Net Asset Value per share (RMB cents)	39.3	39.4	43.2	42.9

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

Q1FY2015 vs Q1FY2014

Revenue decreased by RMB 10.9 million from RMB 37.5 million in first quarter ended 31 March 2014 ("Q1FY2014") to RMB 26.6 million in first quarter ended 31 March 2015 ("Q1FY2015"). The decrease was mainly due to decrease in sales of heavy bearing products (RMB 4.9 million), light bearing products (RMB 1.7 million), micro-size bearing products (RMB 0.3 million), car bearing products (RMB 0.2 million), agency fees (RMB 0.1 million) and bearing accessories and partial-complete bearing products (RMB 3.7 million). Decrease in sales of heavy bearing products, micro-size bearing products and car bearing products in Q1FY2015 was the result of decrease in the sales volume. On the other hand, decrease in sales of light bearing products was due to decrease in average selling price. In addition, the Group terminated agency services agreement and sales of bearing accessories and partial-complete bearing products during Q1FY2015.

Cost of sales decreased by RMB 13.5 million to RMB 21.6 million in Q1FY2015 as compared to RMB 35.1 million in Q1FY2014 in tandem with the decrease in revenue.

Despite decrease in revenue, gross profit increased by RMB 2.6 million in Q1FY2015 to RMB 4.9 million as compared to RMB 2.3 million in Q1FY2014. Gross profit margin increased from 6.2% in Q1FY2014 to 18.6% in Q1FY2015 due mainly to increase in average selling price of heavy bearing products, micro-size bearing products and car bearing products.

Distribution costs decreased by RMB 0.4 million or 33.8% from RMB 1.0 million in Q1FY2014 to RMB 0.6 million in Q1FY2015. 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 1.1 million from RMB 4.6 million in Q1FY2014 to RMB 3.5 million in Q1FY2015, which was due mainly to lower legal and professional fee as a result of lower legal and professional fee.

Other operating income recorded a marginal decrease of RMB 0.2 million from RMB 0.5 million in Q1FY2014 to RMB 0.3 million in Q1FY2015 was due mainly to decrease in sales of waste materials.

As a result of higher gross profit coupled with lower expenses, the Group recorded a profit before tax of RMB 1.1 million for Q1FY2015, as compared to loss before tax of RMB 2.7 million for Q1FY2014. Accordingly, the Group recorded a provision for income tax amounting to RMB 0.4 million for Q1FY2015.

Review of Balance Sheet

Property, plant and equipment decreased by RMB 0.5 million, from RMB 34.0 million as at 31 December 2014 to RMB 33.5 million as at 31 March 2015 due mainly to depreciation expense of RMB 0.8 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 40.2 million as at 31 March 2015. This was due to the decrease in finished goods of RMB 2.7 million and raw material of RMB 0.3 million which was offset by the increase in work in progress of RMB 0.8 million.

Trade receivables decreased by RMB 4.8 million from RMB 25.0 million as at 31 December 2014 to RMB 20.2 million as at 31 March 2015 in line with the decrease in revenue during the period.

Other receivables and prepayments increased by RMB 0.2 million from RMB 2.0 million as at 31 December 2014 to RMB 2.2 million as at 31 March 2015 as a result of increase in prepayment to suppliers for the purchases of raw materials.

Trade payables decreased by RMB 7.7 million from RMB 35.3 million as at 31 December 2014 to RMB 27.6 million as at 31 March 2015 due mainly to lower amount of raw material purchased.

Other payables and accruals increased by RMB 1.2 million from RMB 18.8 million as at 31 December 2014 to RMB 20.0 million as at 31 March 2015. This was due to increased in accrued operating expenses of RMB 0.3 million, accrued salary and related costs of RMB 0.3 million and VAT of RMB 0.6 million.

Review of Cash Flow Statement

Q1FY2015 vs Q1FY2014

For Q1FY2015, the Group recorded cash flow generated from operations of RMB 2.3 million compared to RMB 3.3 million in Q1FY2014. This was mainly attributable to higher repayment to payables during the period.

Net cash used in investing activities was RMB 0.4 million in Q1FY2015 compared to net cash generated from investing activities of RMB 0.003 million in Q1FY2014. The decrease was due mainly to higher capital expenditure on acquisition of plant and machinery in Q1FY2015.

There was no net cash generated from financing activity in Q1FY2015 and Q1FY2014.

As a result of the above, cash and cash equivalents decreased from RMB 86.3 million in Q1FY2014 to RMB 82.5 million in Q1FY2015.

- 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.**

Although the Group managed to achieve higher profit margin in Q1FY2015, China's bearing industry is likely to remain competitive in the near future.

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. Management is currently assessing the impact of the Notice on the Group's financial performance. The Company will make the necessary announcements when there are further developments.

- 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 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 31 March 2015:

	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than RMB491,000 (\$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 (\$100,000)
Name of interested person	RMB'000	RMB'000
Shandong Yimeng Bearing Joint Stock Co., Ltd.	236	-

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 31 March 2015, the utilisation of the cash proceeds of approximately RMB5,123,221 were as follows:

Utilisation of Share Placement Proceeds	RMB
General working capital	
- Payment for various professional services	2,276,873
- Payment for administration expenses	2,502,751
Payment for expenses incurred in connection with the Share Placement	343,597
Share Placement proceeds utilised	5,123,221
Unutilised balance of the Share Placement proceeds	1,507,494
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 31 March 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 31 March 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 31 March 2015, total lease rental paid to Yimeng Bearing was RMB236,026. 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. The balance loan of RMB 10.2 million remained outstanding as at 31 March 2015. For more details please refer to paragraph 2 of page 110 of the Company's Prospectus dated 12 October 2006 (the "Ongoing and Continuing Interested Person Transactions").

BY ORDER OF THE BOARD

Zhang Anxi
Managing Director and CEO
11 May 2015

Zhang Anling
Executive Director