



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

UNAUDITED THIRD QUARTER RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 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		Increase/ (Decrease) %
	9-month period ended 30 September 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	(1,866)	(2,528)	-26.2
Loss before taxation	(1,866)	(2,528)	-26.2
Taxation	-	-	n.m.
Loss after taxation	(1,866)	(2,528)	-26.2
Discontinued operation			
(Loss)/Profit from discontinued operation, net of tax	(25,349)	6,372	n.m.
(Loss)/Profit, net of tax	(27,215)	3,844	n.m.
Other comprehensive income, net of tax	-	-	n.m.
Total comprehensive (loss)/income	(27,215)	3,844	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 Sept			9-month period ended 30 Sept		
	2015	2014	Increase/ (Decrease) %	2015	2014	Increase/ (Decrease) %
	RMB'000	RMB'000		RMB'000	RMB'000	
Revenue	9,884	37,054	-73.3	57,674	111,031	-48.1
Cost of sales	(14,016)	(29,385)	-52.3	(60,565)	(93,439)	-35.2
Gross (Loss)/Profit	(4,132)	7,669	n.m.	(2,891)	17,592	n.m.
Other operating (expenses)/income	(1,070)	448	n.m.	(1,569)	1,660	n.m.
Distribution costs	(265)	(873)	-69.6	(1,568)	(2,769)	-43.4
Administrative expenses	(14,638)	(2,945)	397.0	(21,393)	(10,925)	95.8
(Loss)/Profit before taxation	(20,105)	4,299	n.m.	(27,421)	5,558	n.m.
Taxation	-	(1,158)	n.m.	206	(1,714)	n.m.
(Loss)/Profit after taxation	(20,105)	3,141	n.m.	(27,215)	3,844	n.m.
Other comprehensive income, net of tax	-	-		-	-	
Total comprehensive (loss)/income	(20,105)	3,141	n.m.	(27,215)	3,844	n.m.

(Loss)/Earnings per share
(RMB cent)

- Basic	(7.28)	1.14	(9.86)	1.39
- Diluted	(7.28)	1.14	(9.86)	1.39

The (loss)/profit 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	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Interest income	26	77	161	212
Depreciation	(975)	(945)	(2,716)	(2,761)
(Loss)/Gain on disposal of property, plant and equipment	(576)	-	(1,263)	311
(Allowance)/Reversal of inventories written down	(4,152)	-	(4,479)	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 Sept 15 RMB'000	31 Dec 14 RMB'000	30 Sept 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
	<u>115,485</u>	<u>115,486</u>	<u>-</u>	<u>35,145</u>
Current Assets				
Inventories	-	-	-	42,373
Trade receivables	-	-	-	24,963
Other receivables and prepayment	86	-	86	2,044
Cash and cash equivalents	<u>153</u>	<u>1,734</u>	<u>153</u>	<u>80,605</u>
	239	1,734	239	149,985
Assets of disposal group classified as held for sale	<u>-</u>	<u>-</u>	<u>124,900</u>	<u>-</u>
	239	1,734	125,139	149,985
Total Assets	115,724	117,220	125,139	185,130
Capital and Reserves				
Share capital	125,769	125,769	125,769	125,769
Accumulated losses	(18,760)	(16,894)	(62,820)	(35,605)
Statutory common reserve	-	-	28,284	28,284
	<u>107,009</u>	<u>108,875</u>	<u>91,233</u>	<u>118,448</u>
Current Liabilities				
Trade payables	-	-	-	35,282
Other payables and accruals	1,330	1,270	1,330	18,803
Amount owing to subsidiary	7,385	6,300	-	-
Loans from related parties	-	-	-	10,184
Advances from directors	-	775	-	775
Current tax payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,638</u>
	8,715	8,345	1,330	66,682
Liabilities directly associated with disposal group classified as held for sale	<u>-</u>	<u>-</u>	<u>32,576</u>	<u>-</u>
	8,715	8,345	33,906	66,682
Total equity and liabilities	115,724	117,220	125,139	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 Sept 15 RMB'000	31 Dec 14 RMB'000	30 Sept 15 RMB'000	31 Dec 14 RMB'000
Non-Current Assets				
Property, plant and equipment	-	1	44,065	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>45,182</u>	<u>35,145</u>
Current Assets				
Inventories	-	-	33,133	42,373
Trade receivables	-	-	5,720	24,963
Other receivables and prepayment	86	-	28,010	2,044
Tax recoverable	-	-	401	-
Cash and cash equivalents	153	1,734	12,693	80,605
	<u>239</u>	<u>1,734</u>	<u>79,957</u>	<u>149,985</u>
Total Assets	115,724	117,220	125,139	185,130
Capital and Reserves				
Share capital	125,769	125,769	125,769	125,769
Accumulated losses	(18,760)	(16,894)	(62,820)	(35,605)
Statutory common reserve	-	-	28,284	28,284
	<u>107,009</u>	<u>108,875</u>	<u>91,233</u>	<u>118,448</u>
Current Liabilities				
Trade payables	-	-	15,489	35,282
Other payables and accruals	1,330	1,270	18,417	18,803
Amount owing to subsidiary	7,385	6,300	-	-
Loans from related parties	-	-	-	10,184
Advances from directors	-	775	-	775
Current tax payable	-	-	-	1,638
	<u>8,715</u>	<u>8,345</u>	<u>33,906</u>	<u>66,682</u>
Total equity and liabilities	115,724	117,220	125,139	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 Sept 2015		As at 31 Dec 2014	
Secured (RMB'000)	Unsecured (RMB'000)	Secured (RMB'000)	Unsecured (RMB'000)
NA	NA	NA	10,959

Amount repayable after one year

As at 30 Sept 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	
	9-month period from Jan to Sept	
	2015	2014
	RMB'000	RMB'000
Operating cash (outflows) / inflows	(40,716)	10,223
Investing cash outflows	(14,347)	(1,777)
Financing cash outflows	(10,184)	-
Total cash (outflows) / inflows	(65,247)	8,446

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 Jul to Sept		9-month period from Jan to Sept	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Cash flows from operating activities:				
(Loss) / Profit before taxation	(20,105)	4,299	(27,421)	5,558
Adjustments for:				
Depreciation	975	945	2,716	2,761
Loss / (Gain) on disposal of property, plant and equipment	576	-	1,263	(311)
Interest income	(26)	(77)	(161)	(212)
Allowance / (Reversal) of inventories written down	4,152	-	4,479	(2,043)
Operating cash flow before working capital changes	(14,428)	5,167	(19,124)	5,753
(Increase) / Decrease in inventories	(2,618)	(7,517)	4,761	(6,302)
Decrease / (Increase) in receivables	5,542	8,751	(6,724)	(452)
(Decrease) / Increase in payables	(8,048)	3,048	(19,686)	8,349
Cash (used in) / generated from operations	(19,552)	9,449	(40,773)	7,348
Income tax paid	-	-	(1,833)	-
Net cash (used in) / generated from operating activities	(19,552)	9,449	(42,606)	7,348
Cash flows from investing activities:				
Payment for acquisition of property, plant and equipment	(14,188)	(1,641)	(14,688)	(2,381)
Proceeds from disposal of property, plant and equipment	-	-	180	392
Interest received	26	77	161	212
Net cash used in investing activities	(14,162)	(1,564)	(14,347)	(1,777)
Cash flows from financing activities:				
Repayment to directors	(775)	-	(775)	-
Repayment to related parties	-	-	(10,184)	-
Net cash generated used in financing activities	(775)	-	(10,959)	-
Net (decrease) / increase in cash and cash equivalents	(34,489)	7,885	(67,912)	5,571
Cash and cash equivalents at beginning of the period	47,182	80,660	80,605	82,974
Cash and cash equivalents at end of the period	12,693	88,545	12,693	88,545

- 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	-	-	(27,215)	(27,215)
Total comprehensive loss for the period	-	-	(27,215)	(27,215)
Balance as at 30 Sept 2015	125,769	28,284	(62,820)	91,233
2014				
Balance at 1 Jan 2014	125,769	28,284	(38,860)	115,193
Profit for the period	-	-	3,844	3,844
Total comprehensive income for the period	-	-	3,844	3,844
Balance as at 30 Sept 2014	125,769	28,284	(35,016)	119,037

	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	-	(1,866)	(1,866)
Total comprehensive loss for the period	-	(1,866)	(1,866)
Balance as at 30 Sept 2015	125,769	(18,760)	107,009
2014			
Balance as at 1 Jan 2014	125,769	(13,715)	112,054
Loss for the period	-	(2,528)	(2,528)
Total comprehensive loss for the period	-	(2,528)	(2,528)
Balance as at 30 Sept 2014	125,769	(16,243)	109,526

- 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 September 2015 and 30 September 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 Sept 15	31 Dec 14	30 Sept 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 September 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 Sept		9-month period ended 30 Sept	
	2015	2014	2015	2014
Net (loss)/profit for the period (RMB'000)	(20,105)	3,141	(27,215)	3,844
Basic (loss)/earnings per share (RMB cent)	(7.28)	1.14	(9.86)	1.39
Diluted (loss)/earnings per share (RMB cent)	(7.28)	1.14	(9.86)	1.39

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 Sept 15	31 Dec 14	30 Sept 15	31 Dec 14
Net Asset Value per share (RMB cents)	38.8	39.4	33.1	42.9

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

Q3FY2015 vs Q3FY2014

Revenue decreased by RMB 27.2 million from RMB 37.1 million in third quarter ended 30 September 2014 ("Q3FY2014") to RMB 9.9 million in third quarter ended 30 September 2015 ("Q3FY2015"). The decrease was mainly due to decrease in sales of heavy bearing products (RMB 23.5 million), light bearing products (RMB 1.1 million), bearing accessories and partial-complete bearing products (RMB 2.8 million) and agency fees (RMB 0.3 million) and partially offset by increase in sales of micro-size bearing products (RMB 0.5 million). The decrease in sales revenue of heavy bearing products of RMB 23.5 million in Q3FY2015 was the result of decrease in the sales volume and lower average selling price.

Cost of sales decreased by RMB 15.4 million to RMB 14.0 million in Q3FY2015 as compared to RMB 29.4 million in Q3FY2014 in tandem with the decrease in revenue.

As a result of lower margin, the Group incurred gross loss of RMB 4.1 million in Q3FY2015 as compared to gross profit of RMB 7.7 million in Q3FY2014. Gross profit margin decreased from 20.7% in Q3FY2014 to gross loss in Q3FY2015 due to discount/rebate amounting to RMB 2.3 million given to the customers, allowance for inventories impairment of RMB 4.2 million and decrease in the selling price of heavy bearing products and light bearing products.

Distribution costs recorded a decrease of RMB 0.6 million or 69.6% from RMB 0.9 million in Q3FY2014 to RMB 0.3 million in Q3FY2015. 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 increased by RMB 11.7 million from RMB 2.9 million in Q3FY2014 to RMB 14.6 million in Q3FY2015, which was due mainly to penalty amounting to RMB 6.4 million imposed by customers on defective products, cost incurred for the improvement on buildings and legal and professional fee incurred for the Proposed Disposal (as defined below).

The Group recorded other operating expenses of RMB 1.1 million in Q3FY2015 as compared to other operating income of RMB 0.4 million in Q3FY2014 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 20.1 million for Q3FY2015, as compared to profit before tax of RMB 3.1 million for Q3FY2014.

9MFY2015 vs 9MFY2014

Revenue decreased by RMB 53.3 million from RMB 111.0 million for the 9 months ended 30 September 2014 ("9MFY2014") to RMB 57.7 million for the 9 months ended 30 September 2015 ("9MFY2015"). The decrease was mainly due to decrease in sales of heavy bearing products (RMB 43.3 million), light bearing products (RMB 2.6 million), agency fees (RMB 0.8 million) and bearing accessories and partial-complete bearing products (RMB 9.3 million) and partially offset by increase in sales of micro-size bearing products (RMB 1.4 million). Decrease in sales of heavy bearing products in 9MFY2015 was the result of decrease in the sales volume and lower average selling price. On the other hand, decrease in sales of light bearing products was partially due to decrease in average selling price. In addition, the decrease in revenue in 9MFY2015 partially due to termination of the agency service agreement and sales of bearing accessories and partial-complete bearing products during FY2015.

Cost of sales decreased by RMB 32.8 million to RMB 60.6 million in 9MFY2015 as compared to RMB 93.4 million in 9MFY2014 in tandem with the decrease in revenue.

For 9MFY2015, the Group incurred gross loss of RMB 2.9 million as compared to gross profit of RMB 17.6 million. Gross profit margin decreased from 15.8% in 9MFY2014 to gross loss in 9MFY2015, 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, and allowance for inventories impairment of RMB 4.5 million.

Distribution costs decreased by RMB 1.2 million or 43.4% from RMB 2.8 million in 9MFY2014 to RMB 1.6 million in 9MFY2015. 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 increased by RMB 10.5 million from RMB 10.9 million in 9MFY2014 to RMB 21.4 million in 9MFY2015, due mainly to penalty amounting to RMB 7.0 million imposed by customers on defective products, cost incurred for the improvement on buildings and legal and professional fee incurred for the Proposed Disposal (as defined below).

The Group recorded other operating expenses of RMB 1.6 million in 9MFY2015 as compared to other operating income of RMB 1.7 million in 9MFY2014 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 27.2 million for 9MFY2015, as compared to profit before tax of RMB 3.8 million for 9MFY2014.

Review of Balance Sheet

Property, plant and equipment increased by RMB 10.1 million, from RMB 34.0 million as at 31 December 2014 to RMB 44.1 million as at 30 September 2015 due mainly to addition of waste water treatment plant amounting to RMB 13.2 million which was partially offset by depreciation expense of RMB 2.7 million during the period.

Inventories decreased from RMB 42.4 million as at 31 December 2014 to RMB 33.1 million as at 30 September 2015. This was due to the decrease in finished goods of RMB 8.1 million and raw materials of RMB 1.7 million which was offset by the increase in work in progress of RMB 0.5 million.

Trade receivables decreased by RMB 19.3 million from RMB 25.0 million as at 31 December 2014 to RMB 5.7 million as at 30 September 2015 which was in line with the decrease in revenue during the period.

Other receivables and prepayments increased by RMB 26.0 million from RMB 2.0 million as at 31 December 2014 to RMB 28.0 million as at 30 September 2015 as a result of increase in deposits for the renewal of lands use right and prepayment to suppliers for the purchases of raw materials.

Trade payables decreased by RMB 19.8 million from RMB 35.3 million as at 31 December 2014 to RMB 15.5 million as at 30 September 2015 due mainly to lower amount of raw material purchased.

Other payables and accruals decreased by RMB 0.4 million from RMB 18.8 million as at 31 December 2014 to RMB 18.4 million as at 30 September 2015. This was due to decrease in accrued operating expenses.

Review of Cash Flow Statement

Q3FY2015 vs Q3FY2014

For Q3FY2015, the Group recorded net cash outflow of RMB 19.6 million from operating activities as compared to net cash inflow of RMB 9.4 million in Q3FY2014. This was due mainly to loss incurred in Q3FY2015.

For Q3FY2015, net cash used in investing activities of RMB 14.2 million was due mainly to capital expenditure on construction of waste water treatment plant.

There was a net cash outflow of RMB 0.8 million from financing activity in Q3FY2015 arising from repayment to directors.

Cash and cash equivalents decreased from RMB 80.7 million as at Q3FY2014 to RMB 12.7 million as at Q3FY2015.

9MFY2015 vs 9MFY2014

For 9MFY2015, the Group recorded net cash outflow of RMB 42.6 million from operating activities as compared to net cash inflow of RMB 7.3 million in 9MFY2014. This was mainly attributable to loss incurred during the period and net cash outflow.

Net cash used in investing activities was RMB 14.3 million in 9MFY2015 was mainly due to capital expenditure on construction of waste water treatment plant. This was partially offset by proceeds from disposal of machinery and interest received.

There was a net cash outflow of RMB 11.0 million from financing activities in 9MFY2015 arising from repayment to related parties and directors.

As a result of the above, cash and cash equivalents decreased from RMB 88.5 million as at 9MFY2014 to RMB 12.7 million as at 9MFY2015.

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.

The Group's bearing business has faced intense competition and challenging market conditions in recent years leading to poor financial performance. 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 29.8% and 25.0% respectively from January to September 2015. In view of the foregoing, the Company expects challenging business environment and market conditions to continue in foreseeable future.

The construction and upgrade of the existing waste water treatment system of the factory plant located at Yinan Economy Development Zone ("Proposed Project") was completed on 30 July 2015 (Please refer to paragraph 10 of Unaudited Second Quarter Results for the Period Ended 30 June 2015 for full information). On 6 September 2015, the Proposed Project has been inspected by Yinan County Bureau of Environmental Protection ("YCBEP") (沂南县环境保护局). Following the inspection, an inspection report has been issued to Linyi Kaiyuan Bearing Co., Ltd. ("LYKY") to certify the compliance of new environmental control requirements by LYKY.

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.

Subsequent to the announcement on 30 July 2015, the Company announced that the Company and the Purchaser had 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 was estimated to be in the range of S\$14,644,000 to S\$15,621,000. The Company and the Purchaser has on 22 October 2015 entered into a supplemental agreement (“Supplemental Agreement”) to vary the terms of the SPA, pursuant to which the Company and the Purchaser agreed that notwithstanding paragraph 2.3(a) of the announcement on 30 July 2015, the Consideration shall be S\$15 million (or its foreign currency based on the relevant closing exchange rate as published by any major bank as at the business day immediately prior to the SPA) and no further adjustment to the Consideration shall be required. Please refer to the Company’s announcement dated 22 October 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 September 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 September 2015:

	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)
Name of interested person	RMB'000	RMB'000
Shandong Yimeng Bearing Joint Stock Co., Ltd.	708	-

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 September 2015, the utilisation of the cash proceeds of approximately RMB6,630,715 were as follows:

Utilisation of Share Placement Proceeds	RMB
General working capital	
- Payment for various professional services	3,028,906
- Payment for administration expenses	3,258,212
Payment for expenses incurred in connection with the Share Placement	343,597
Share Placement proceeds utilised	6,630,715
Unutilised balance of the Share Placement proceeds	-
Total cash proceeds received from Share Placement	6,630,715

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 September 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 September 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 RMB 944,106. For financial period ended 30 September 2015, total lease rental paid to Yimeng Bearing was RMB 708,078. 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 RMB 10.2 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 September 2015.

BY ORDER OF THE BOARD

Zhang Anxi
Managing Director and CEO
13 November 2015

Zhang Anling
Executive Director