

(Formerly known as China Bearing (Singapore) Ltd.)  
 (Company Registration Number 200512048E)  
 (Incorporated in the Republic of Singapore)

## UNAUDITED SECOND QUARTER RESULTS FOR THE PERIOD ENDED 30 JUNE 2018

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.*

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

This results announcement is in respect of only the Company, as the Company is a "cash company" under Rule 1018 of the SGX-ST Listing Manual and does not have any subsidiaries or businesses as at 30 June 2018 and 2017.

### 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 30 June			6-month period ended 30 June		
	2018 (Unaudited)	2017 (Unaudited)	Increase/ (Decrease)	2018 (Unaudited)	2017 (Unaudited)	Increase/ (Decrease)
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Revenue	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-
Other income	6	6	-	12	11	9.1
Administrative expenses	(760)	(135)	463.0	(1,324)	(270)	390.4
Finance expenses	(32)	-	n.m.	(39)	-	n.m.
Loss before taxation	(786)	(129)	509.3	(1,351)	(259)	421.6
Taxation	-	-	-	-	-	-
Loss after taxation	(786)	(129)	509.3	(1,351)	(259)	421.6
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive loss	(786)	(129)	509.3	(1,351)	(259)	421.6
Loss per share (S\$ cent)						
- Basic and diluted	(0.28)	(0.05)		(0.49)	(0.09)	

*n.m.: Not meaningful*

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	
	30 June 18 (Unaudited) S\$'000	31 Dec 17 (Audited) S\$'000
<b>Current Assets</b>		
Prepayments	13	-
Cash and bank balances	12,299	12,224
	<u>12,312</u>	<u>12,224</u>
<b>Total Assets</b>	<b>12,312</b>	<b>12,224</b>
<b>Capital and Reserves</b>		
Share capital	24,714	24,714
Accumulated losses	(14,386)	(13,035)
<b>Total equity</b>	<u>10,328</u>	<u>11,679</u>
<b>Current Liabilities</b>		
Accrued operating expenses	674	469
Short-term borrowings	1,310	76
<b>Total liabilities</b>	<u>1,984</u>	<u>545</u>
<b>Total Equity and Liabilities</b>	<b>12,312</b>	<b>12,224</b>

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 2018		As at 31 Dec 2017	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'00)	Unsecured (S\$'000)
NA	1,310	NA	76

Amount repayable after one year

As at 30 June 2018		As at 31 Dec 2017	
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 from Apr to June		6-month period from Jan to June	
	2018 (Unaudited) S\$'000	2017 (Unaudited) S\$'000	2018 (Unaudited) S\$'000	2017 (Unaudited) S\$'000
<b>Cash flows from operating activities</b>				
Loss before taxation	(786)	(129)	(1,351)	(259)
Adjustments for:				
Interest expense	32		39	
Interest income	(6)	(6)	(12)	(11)
Operating cash flow before working capital changes	(760)	(135)	(1,324)	(270)
Working Capital Changes:				
Receivables	16	16	(13)	(13)
Payables	61	46	205	56
<b>Net cash used in operating activities</b>	<b>(683)</b>	<b>(73)</b>	<b>(1,132)</b>	<b>(227)</b>
<b>Cash flows from investing activity</b>				
Interest received	6	6	12	11
<b>Net cash from investing activity</b>	<b>6</b>	<b>6</b>	<b>12</b>	<b>11</b>
<b>Cash flows from financing activity</b>				
Proceeds from short-term borrowings	-	-	1,195	-
<b>Net cash generated from financing activity</b>	<b>-</b>	<b>-</b>	<b>1,195</b>	<b>-</b>
Net (decrease) / increase in cash and cash equivalents	(677)	(67)	75	(216)
Cash and cash equivalents at beginning of the period	813	223	61	372
<b>Cash and cash equivalents at end of the period</b>	<b>136</b>	<b>156</b>	<b>136</b>	<b>156</b>

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

	30 June 2018 (Unaudited) S\$'000	30 June 2017 (Unaudited) S\$'000
Bank balances	136	156
Restricted deposit	12,163	12,163
Cash and bank balances	<b>12,299</b>	<b>12,319</b>

- 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
<b>2018 (Unaudited)</b>			
Balance as at 1 Jan 2018	24,714	(13,035)	11,679
Loss for the period	-	(1,351)	(1,351)
Total comprehensive loss for the period	-	(1,351)	(1,351)
Balance as at 30 June 2018	24,714	(14,386)	10,328
<b>2017 (Unaudited)</b>			
Balance as at 1 Jan 2017	24,714	(12,413)	12,301
Loss for the period	-	(259)	(259)
Total comprehensive loss for the period	-	(259)	(259)
Balance as at 30 June 2017	24,714	(12,672)	12,042

- 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 March 2018.

In the event the Proposed Acquisition (as defined in section 8 below) is terminated for any reason whatsoever, the outstanding sum of a loan with Axis Megalink Sdn. Bhd. of S\$1,310,000 may be converted into 54,583,333 new fully paid-up ordinary shares in the capital of the Company, 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 30 June 2018, the Company did not receive any conversion notice in respect of the aforesaid loan, and the Proposed Acquisition was completed on 5 July 2018. The aforementioned loan has not been repaid as at the date of this announcement.

Save for the above, the Company did not have any outstanding convertibles as at 30 June 2018 (30 June 2017: Nil).

The Company has no outstanding treasury shares and subsidiary holdings as at 30 June 2018 and 30 June 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.

	Company	
	30 June 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.**

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

**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.**

Not applicable. The Company did not have any subsidiary holdings during and 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 Company's auditors.

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

Not applicable. The figures have not been audited nor reviewed by the Company's 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.**

Save as disclosed in section 5 below, the Company has adopted the same accounting policies and methods of computation in the presentation of the unaudited financial statements for the financial period ended 30 June 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 Group has adopted all applicable Singapore Financial Reporting Standards (International) ("SFRS (I)") that are relevant to its operations and become effective for the financial period ended 30 June 2018.

The Company does not anticipate that the adoption of the new standards, and amendments to standards and interpretations 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 30 June		6-month period ended 30 June	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss after taxation for the period (S\$'000)	(786)	(129)	(1,351)	(259)
Weighted average number of ordinary shares outstanding	276,000,000	276,000,000	276,000,000	276,000,000
Basic and diluted loss per share (S\$ cent)	(0.28)	(0.05)	(0.49)	(0.09)

**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. (continued)**

Basic loss per share are calculated based on the Company's loss after taxation for the respective financial periods divided by the weighted average number of ordinary shares outstanding during the respective financial periods.

Diluted loss per share are calculated based on the Company's loss after taxation for the respective financial periods divided by the weighted average number of ordinary shares outstanding during the respective financial periods plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

As there are no dilutive potential ordinary shares that were outstanding during the respective financial periods, the diluted loss per share is the same as the basic loss per share.

**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.**

	<b>Company</b>	
	<b>30 June 18 (Unaudited)</b>	<b>31 Dec 17 (Audited)</b>
Net Asset Value per share (S\$ cents)	3.74	4.23

The net asset value per ordinary share of the Company as at 30 June 2018 and 31 December 2017 were calculated based on the issued share capital of the Company of 276,000,000 shares as at 30 June 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 Financial Performance***

In December 2015, the Company completed the disposal of its principal and wholly-owned subsidiary (the "**Disposal**"). Following the completion of 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 up to 30 June 2018. Subsequently, on 5 July 2018, the Company completed the acquisition of the entire issued and paid-up capital of FE Resources Pte Ltd ("**Proposed Acquisition**").

**Q2FY2018 vs Q2FY2017**

Other income comprises interest income from restricted deposit placed in an escrow account with a bank in Singapore ("**Escrow Account**"). For the 3-month financial period ended 30 June 2018 ("**Q2FY2018**") and the 3-month financial period ended 30 June 2017 ("**Q2FY2017**"), other income remained stable at approximately S\$6,000.

Administrative expenses increased by S\$0.7 million, from S\$0.1 million in Q2FY2017 to S\$0.8 million in Q2FY2018. This was mainly due to higher legal and professional fees incurred for the Proposed Acquisition.

Finance expenses increased from nil in Q2FY2017 to approximately S\$32,000 in Q2FY2018. Finance expenses for Q2FY2018 related to the interest expenses incurred on the short-term

borrowings, which were used as general working capital of the Company and to fund the professional fees and expenses incurred in connection with the Proposed Acquisition.

As a result of the above, the Company recorded a loss after tax of S\$0.8 million for Q2FY2018, as compared to S\$0.1 million for Q2FY2017.

### **1HFY2018 vs 1HFY2017**

Other income comprises interest income from restricted deposit placed in the Escrow Account. For the 6-month financial period ended 30 June 2018 (“**1HFY2018**”) and the 6-month financial period ended 30 June 2017 (“**1HFY2017**”), other income remained relatively stable at approximately S\$12,000 and approximately S\$11,000, respectively.

Administrative expenses increased by S\$1.0 million, from S\$0.3 million in 1HFY2017 to S\$1.3 million in 1HFY2018. This was mainly due to increases in (i) legal and professional fees incurred for the Proposed Acquisition of S\$1.0 million; (ii) expenses incurred for the extraordinary general meeting of the Company of approximately S\$56,000; and (iii) SGX-related expenses of approximately S\$39,000.

Finance expenses increased from nil in 1HFY2017 to approximately S\$39,000 in 1HFY2018. Finance expenses for 1HFY2018 related to the interest expenses incurred on the short-term borrowings, which were used as general working capital of the Company and to fund the professional fees and expenses incurred in connection with the Proposed Acquisition.

As a result of the above, the Company recorded a loss after tax of S\$1.4 million for 1HFY2018, as compared to S\$0.3 million for 1HFY2017.

### ***Review of Financial Position***

The Company did not have any non-current assets or non-current liabilities as at 30 June 2018 and 31 December 2017.

The Company’s current assets as at 30 June 2018 and 31 December 2017 remained relatively stable at S\$12.3 million and S\$12.2 million, respectively. The Company’s current assets as at 30 June 2018 comprised mainly cash and bank balances of S\$12.3 million, of which S\$12.2 million related to restricted deposit placed in the Escrow Account.

The Company’s current liabilities increased by S\$1.5 million from S\$0.5 million as at 31 December 2017 to S\$2.0 million as at 30 June 2018 due to increases in (i) accrued operating expenses of S\$0.2 million; and (ii) short-term borrowings of S\$1.2 million. Accrued operating expenses comprised mainly accruals of salary, directors’ fees and professional expenses for the Proposed Acquisition. Short-term borrowings related to loans extended by a lender, which were used as general working capital of the Company and to fund the professional fees and expenses incurred in connection with the Proposed Acquisition.

The Company reported a positive working capital position of S\$10.3 million as at 30 June 2018, as compared to S\$11.7 million as at 31 December 2017.

The Company’s total equity decreased from S\$11.7 million as at 31 December 2017 to S\$10.3 million as at 30 June 2018 due to the loss incurred for 1HFY2018.

### ***Review of Cash Flow Statement***

#### **Q2FY2018**

Net cash used in operating activities of S\$0.7 million was attributable to operating cash outflows before changes in working capital of S\$0.7 million due mainly to the loss incurred for Q2FY2018 and cash generated from working capital of approximately of S\$77,000.

Net cash from investing activity of approximately S\$6,000 was attributable to interest income from restricted deposit placed in the Escrow Account.

There was no cash flow movement for financing activities in Q2FY2018.

As a result of the above, the Company's cash and cash equivalents decreased by S\$0.7 million, from S\$0.8 million as at 31 March 2018 to S\$0.1 million as at 30 June 2018, excluding restricted deposit of S\$12.2 million which was placed in the Escrow Account.

### **1HFY2018**

Net cash used in operating activities of S\$1.1 million was attributable to operating cash outflows before changes in working capital of S\$1.3 million due mainly to the loss incurred for 1HFY2018 and cash generated from working capital of S\$0.2 million as a result of an increase in payables in 1HFY2018.

Net cash from investing activity of approximately S\$12,000 was attributable to interest income from restricted deposit placed in the Escrow Account.

Net cash from financing activity of S\$1.2 million was attributable to proceeds from short-term borrowings extended by a lender, which were used as general working capital of the Company and to fund the professional fees and expenses incurred in connection with the Proposed Acquisition.

As a result of the above, the Company's cash and cash equivalents increased by approximately S\$75,000, from approximately S\$61,000 as at 31 December 2017 to approximately S\$136,000, excluding restricted deposit of S\$12.2 million which was placed in the Escrow Account.

**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 was previously disclosed to shareholders.

**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.**

As announced by the Company, the Proposed Acquisition was completed on 5 July 2018, and the Company changed its name from "China Bearing (Singapore) Ltd." to "Silkroad Nickel Ltd." with effect from 5 July 2018. With the completion of the vendor placement of 6,897,000 vendor shares on 27 July 2018, the suspension of the trading of the Company's shares was lifted and trading of the Company's shares resumed on 30 July 2018 at 9.00 a.m..

The Company is now principally engaged in the exploration, mining, production and sale of nickel ore. Please refer to Sections B.9 and B.10.1 entitled "Industry Overview and Prospects" and "Trend Information, Strategies and Future Plans - Trend Information" respectively of the Company's circular to shareholders dated 31 May 2018, for information on (i) the significant trends affecting the Group's sales and results of operations for the financial year ending 31 December 2018; and (ii) prospects of the industry which the Group is currently operating in.

Further to the above, the Group has entered into two offtake agreements with the Tsingshan Group for the supply of nickel ore. Please refer to the separate media release announced by the Company today, for more 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.**

No dividend has been declared / recommended for the current financial period reported on.

- 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.**

The Company does not have a general mandate from shareholders for interested person transactions. Save for an interested person transaction amounting to less than S\$100,000, no interested person transaction was entered into between the Company and any other interested person in 1HFY2018.

- 14. Negative Confirmation Pursuant to Rule 705(5)**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results of the Company for the financial period ended 30 June 2018 to be false or misleading in any material aspect.

- 15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

The Company confirms that it has procured the required undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

On behalf of the Board of Directors

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Syed Abdel Nasser Bin Syed Hassan  
Aljunied  
Director  
13 August 2018

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Hong Kah Ing  
Director