



Incorporated in the Cayman Islands on 14 July 2005  
2005 年 7 月 14 日注册于开曼群岛

**Quarterly Financial Statement for the Period Ended  
30 September 2019 ("3Q FY2019")  
2019 年 3 季度财务报表公告**

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

第一部 - 公告季度 (1, 2 和 3)、半年和全年所需信息

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.  
(集团)的利润表连同上一财年 3 季度的对比报表

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019  
2019 年 3 季度未审计年度合并利润表**

	Group 集团					
	3 months ended 截止3个月		+ / (-)	9 months ended 截止9个月		+ / (-)
	30 Sep 2019 RMB'000	30 Sep 2018 RMB'000		1 Jan-30 Sep 2019 RMB'000	1 Jan-30 Sep 2018 RMB'000	
Revenue 销售	2,306	10,941	-79%	8,350	24,969	-67%
Cost of sales 销售成本	(3,585)	(17,522)	-80%	(15,242)	(36,030)	-58%
Gross loss 毛亏	(1,279)	(6,581)	-81%	(6,892)	(11,061)	-38%
Other operating income 其他运营收入	114	251	-55%	781	465	68%
Selling and distribution expenses 营销费用	(1,621)	(866)	87%	(2,897)	(4,249)	-32%
Administrative expenses 行政费用	(8,531)	(8,961)	-5%	(30,368)	(21,789)	39%
Finance cost 财务费用	(460)	(312)	47%	(1,076)	(877)	23%
Impairment loss on financial assets write back / (made), net 资产减值回冲/(亏损)	-	12,038	NM	-	32,341	NM
Profit/(loss) before income tax 税前利润/(亏损)	(11,777)	(4,431)	166%	(40,452)	(5,170)	682%
Income tax 所得税	(169)	(11)	NM	(169)	(675)	-75%
Net profit/(loss) after tax 税后利润/(亏损)	(11,946)	(4,442)	169%	(40,621)	(5,845)	595%

NM - Not meaningful 没有意义



Note: Profit before income tax is determined after charging/ (crediting) the following:

备注：税前利润是扣除/(增加)以下项目后所得：

	Group 集团					
	3 months ended 截止3个		+ / (-)	9 months ended 截止9个		+ / (-)
	30 Sep 2019	30 Sep 2018		1 Jan-30 Sep 2019	1 Jan-30 Sep 2018	
Depreciation expense 折旧费用	2,215	2,075	7%	12,473	11,267	11%
Amortisation of land use right 土地使用权摊销	63	63	NM	188	188	NM
Amortisation of intangible assets 待摊费用无形资产	157	-	NM	471	-	NM
Interest Income 利息收入	(5)	-	NM	(28)	(43)	-35%
Interest Expense 利息费用	299	312	-4%	906	637	42%
Impairment (write-back) / loss on trade receivables 应收账款(回冲)/减值亏损	-	(11,924)	NM	-	(22,875)	NM
Net impairment (writeback)/loss for inventory 存货(回冲)/减值亏损	-	65	NM	-	(9,287)	NM
Foreign exchange loss/(gain) 汇兑损失/(收益)	(16)	440	NM	10	717	-99%
(Profit) / Loss on disposal of property, plant and equipment 产业厂房机器设备处置(利益)/损益	-	(150)	NM	(5)	(146)	NM

NM - Not meaningful 没有意义



**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial period.**

(本公司及集团)的资产负债表连同上一财年3季度的对比表报

	Group 集团		Company 公司	
	30 Sep 2019 RMB'000	31 Dec 2018 RMB'000	30 Sep 2019 RMB'000	31 Dec 2018 RMB'000
<b>EQUITY 股权</b>				
<b>Capital and reserves attributable to Equity holders of the Company 资本及储备归属于公司股权持有人</b>				
Share capital 股本	55,409	55,409	55,409	55,409
Share premium 股票溢价	78,470	78,470	78,470	78,470
	133,879	133,879	133,879	133,879
<b>Other Reserves 其他储备</b>				
Statutory reserve 法定储备	30,526	30,526	-	-
Foreign exchange reserve 外汇储备	67	(3,372)	-	-
	30,593	27,154	-	-
Retained earnings/(deficit) 留存收益/(亏损)	(54,276)	(11,606)	(5,660)	(3,180)
<b>TOTAL EQUITY 总股本</b>	<b>110,196</b>	<b>149,427</b>	<b>128,219</b>	<b>130,699</b>
<b>ASSETS 资产</b>				
<b>Non-current assets 非流动资产</b>				
Property, plant and equipment 产业, 厂房和机器设备	77,877	87,628	-	-
Subsidiaries 子公司	-	-	156,236	156,236
Land use right 土地使用权	9,267	9,658	-	-
	87,144	97,286	156,236	156,236
<b>Current assets 流动资产</b>				
Inventories 存货	9,950	1,983	-	-
Trade receivables 应收账款	39,010	81,435	-	-
Other receivables, deposits and prepayments	2,897	2,377	83	-
Land use right 土地使用权	251	889	-	-
Cash and cash equivalents 现金	4,946	14,285	1,543	1,149
	57,054	100,969	1,626	1,149
<b>TOTAL ASSETS 总资产</b>	<b>144,198</b>	<b>198,255</b>	<b>157,862</b>	<b>157,385</b>
<b>LIABILITIES 负债</b>				
<b>Current liabilities 流动负债</b>				
Trade payables 应付账款	6,668	17,660	-	-
Other payables and accruals 其他应付款和计提	5,180	9,014	770	1,902
Provision	4,373	4,373	-	-
Bank loan 银行贷款	16,000	16,000	-	-
Due to subsidiaries (non-trade) 应付子公司 (非贸易)	-	-	24,784	24,784
Income tax payable 应付所得税	-	-	-	-
	32,221	47,047	25,554	26,686
<b>Non-current liabilities 长期负债</b>				
Deferred tax liability 递延税款	-	-	-	-
Deferred capital grants 递延资本补助金	1,781	1,781	-	-
	1,781	1,781	-	-
<b>TOTAL LIABILITIES 总负债</b>	<b>34,002</b>	<b>48,828</b>	<b>25,554</b>	<b>26,686</b>
<b>NET ASSETS 净资产</b>	<b>110,196</b>	<b>149,427</b>	<b>132,308</b>	<b>130,699</b>



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

**集团贷款及抵押债务总额**

**Amount repayable in 1 year or less, or on demand**

**一年内需还的金额**

Group 集团		Group 集团	
As At 30 Sep 2019		As At 31 December 2018	
Secured RMB'000 担保	Unsecured RMB'000 未担保	Secured RMB'000 担保	Unsecured RMB'000 未担保
16,000	NIL	16,000	NIL

**Amount repayable after 1 year**

**一年外需还的金额**

Group 集团		Group 集团	
As At 30 Sep 2019		As At 31 December 2018	
Secured RMB'000 担保	Unsecured RMB'000 未担保	Secured RMB'000 担保	Unsecured RMB'000 未担保
NIL	NIL	NIL	NIL

Note:

In 2Q FY2018, the Group had obtained 2 trade facilities totaling RMB16 million from Jiangnan Rural Commercial Bank. The 1<sup>st</sup> trade facility arrangement of RMB6 million was made on 21 June 2018 and the 2<sup>nd</sup> trade facility arrangement of RMB10 million was made on 5 July 2018. The facilities were collateralized by assets (machineries) of the Group. The short term loans of RMB6 million was pledged with machineries and was paid off on 21 Jun 2019 while the other one of RMB10 million was paid off on 4 July 2019.

The Group has subsequently obtained a loan facility of RMB10 million by pledging its land use right with Jiangnan Rural Commercial Bank on 4 July 2019. A 2<sup>nd</sup> loan of RMB6 million was secured from the same bank on 10 July 2019.



1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.  
(集团)的现金流量表连同上一财年同期的对比表报

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019  
2019年9月30日3季度未审计的合并现金流量报表

	Group 集团			Group 集团		
	3 months ended 截至3个月		+/(-)	9 months ended 截至9个月		+/(-)
	30 Sep 2019 RMB'000	30 Sep 2018 RMB'000	%	1 Jan - 30 Sep 2019 RMB'000	1 Jan - 30 Sep 2018 RMB'000	%
<b>OPERATING ACTIVITIES 营运活动</b>						
Profit / (Loss) before income tax 税前利润/(亏损)	(11,777)	(4,431)	166%	(40,452)	(5,170)	682%
Adjustments for: 调整				-	-	
Impairment (write-back) / loss on trade receivables / 应收账款(回冲)/减值亏损	-	(11,924)	NM	-	(22,875)	NM
Net impairment (writeback)/loss for inventory 存货(回冲)/减值亏损	-	65	NM	-	(9,287)	NM
Depreciation expense 折旧	5,320	3,380	57%	12,473	11,267	11%
Amortisation of intangible assets 待摊费用无形资产	157	-	NM	471	-	NM
Amortisation of land use right 待摊费用土地使用权	63	63	NM	188	188	NM
Interest Income 利息收入	(5)	-	NM	(28)	(43)	-35%
Interest Expense 利息支出	299	312	-4%	906	637	42%
Gain / (loss) on disposal of property, plant & equipment 盈利/(亏损) 处置产业厂房, 机器设备	-	(150)	NM	(5)	(146)	-97%
Exchange losses 汇兑亏损	(16)	440	NM	10	717	-99%
Operating losses before working capital changes 计算流动资金变更前的运营亏损	(5,959)	(12,245)	-51%	(26,437)	(24,712)	7%
Inventories 存货	18,034	(1,312)	NM	12,606	(11,640)	NM
Trade & other Receivables 应收	(16,999)	21,484	NM	15,150	22,017	-31%
Trade & other Payables 应付	(11,007)	(18,747)	-41%	(8,078)	(10,599)	-24%
<b>Cash generated from/(used in) operations 营运所得/(所使用)净现金</b>	<b>(15,931)</b>	<b>(10,820)</b>	<b>47%</b>	<b>(6,759)</b>	<b>(24,934)</b>	<b>-73%</b>
Interest received 利息收入	5	-	NM	28	43	-35%
Income tax 所得税	(169)	1,032	NM	(169)	-	NM
<b>Net Cash generated from/(used in) operating activities 营运所得/(所使用)净现金</b>	<b>(16,095)</b>	<b>(9,788)</b>	<b>64%</b>	<b>(6,900)</b>	<b>(24,891)</b>	<b>72%</b>
<b>INVESTING ACTIVITIES 投资活动</b>						
Purchase of property, plant and equipment 购买产业厂房, 机器设备	-	(142)	NM	(743)	(832)	-11%
Proceeds from disposal of property, plant and equipment 产业厂房, 机器设备的处置收益	-	360.00	NM	63	302	-79%
<b>Net cash generated from/(used in) investing activities 投资活动所得/(所使用)净现金</b>	<b>-</b>	<b>218.00</b>	<b>NM</b>	<b>(680)</b>	<b>(530)</b>	<b>28%</b>
<b>FINANCING ACTIVITIES 融资活动</b>						
Net (Placement)/Withdrawal of Pledged deposits 净(安置)/撤回抵押存款	-	(1,686)	NM	-	380.00	NM
Loan from/(repayment to) banks 银行贷款/(还款)	6,000	-	NM	-	16,000	NM
Interest Expense 利息支出	(299)	(312)	-4%	(906)	(637)	42%
<b>Net cash generated from/(used in) financing activities 融资活动所得/(所使用)的现金净额</b>	<b>5,701</b>	<b>(1,998)</b>	<b>-385%</b>	<b>(906)</b>	<b>15,743</b>	<b>-106%</b>
<b>Net increase/(decrease) in cash and cash equivalents 现金及现金等价物净增加/(减少)</b>	<b>(10,394)</b>	<b>(11,568)</b>	<b>-10%</b>	<b>(8,486)</b>	<b>(9,678)</b>	<b>-12%</b>
<b>Cash and cash equivalents at beginning of the year 期初的现金及现金等价物</b>	<b>11,552</b>	<b>12,233</b>	<b>-6%</b>	<b>11,552</b>	<b>24,563</b>	<b>-53%</b>
<b>Effects of exchange rate changes in cash and cash equivalents 汇率变动对现金及现金等价物的影响</b>	<b>-</b>	<b>(1,745)</b>	<b>NM</b>	<b>60</b>	<b>(1,598)</b>	<b>NM</b>
<b>Cash and cash equivalents at end of the year 期末的现金及现金等价物</b>	<b>1,158</b>	<b>(1,080)</b>	<b>NM</b>	<b>3,126</b>	<b>13,287</b>	<b>-76%</b>
Effects of exchange rate changes in cash and cash equivalent 汇率变动对现金及现金等价物的影响						
NM - Not meaningful 没有意义						



Cash and bank balances comprise the following: 现金和银行余额包括以下:

	Group 集团			Group 集团		
	3 months ended 截至3个月		+ / (-)	9 months ended 截至9个月		+ / (-)
	30 Sep 2019 RMB'000	30 Sep 2018 RMB'000	%	1 Jan - 30 Sep 2019 RMB'000	1 Jan - 30 Sep 2018 RMB'000	%
Cash and cash equivalent 现金及现金等价物	1,158	(1,080)	NM	3,126	13,287	-76%
Pledged cash placed with bank 银行保证金	(1,303)	1,686	NM	1,820	3,669	-50%
	(145)	606	NM	4,946	16,956	-71%

NM - Not meaningful 没有意义



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.

显示(公司及集团)(i)股东权益的所有变动的报表或(ii)资本化发行及分配产生的股东权益变更除外的股东权益变更的报表, 连同上一财年3季度同期的对比报表

Group 集团						
Group 集团	Share Capital 股本 RMB'000	Share Premium 股票溢价 RMB'000	Statutory Reserve 法定储备 RMB'000	Translation Reserve 外汇储备 RMB'000	Retained Earnings 留存收益 RMB'000	Total 合计 RMB'000
Balance as at 1 Jan 2018 2018年年初	55,409	78,470	30,526	(3,414)	1,380	162,371
Total comprehensive expenses for the period 总综合费用本期	-	-	-	398	(5,845)	(5,447)
Statutory reserves 法定储备 Dividend 股息	-	-	-	-	-	-
Balance as at 30 Sep 2018 2018年9月末	55,409	78,470	30,526	(3,016)	(4,465)	156,924
Group 集团						
Group 集团	Share Capital 股本 RMB'000	Share Premium 股票溢价 RMB'000	Statutory Reserve 法定储备 RMB'000	Translation Reserve 外汇储备 RMB'000	Retained Earnings 留存收益 RMB'000	Total 合计 RMB'000
Balance as at 1 Jan 2019 2019年年初	55,409	78,470	30,526	(3,372)	(11,606)	149,427
Total comprehensive income/ (expenses) for the period 总综合收入/(费用)本期	-	-	-	3,439	(42,670)	(39,231)
Statutory reserves 法定储备 Dividend 股息	-	-	-	-	-	-
Balance as at 30 Sep 2019 2019年9月末	55,409	78,470	30,526	67	(54,276)	110,196
Company 公司						
Company 公司	Share Capital 股本 RMB'000	Share Premium 股票溢价 RMB'000	Statutory Reserve 法定储备 RMB'000	Translation Reserve 外汇储备 RMB'000	Retained Earnings 留存收益 RMB'000	Total 合计 RMB'000
Balance as at 1 Jan 2018 2018年年初	55,409	78,470	-	-	(453)	133,426
Total comprehensive expenses for the period 总综合费用本期	-	-	-	-	(1,118)	(1,118)
Statutory reserves 法定储备 Dividend 股息	-	-	-	-	-	-
Balance as at 30 Sep 2018 2018年9月末	55,409	78,470	-	-	(1,571)	132,308
Company 公司						
Company 公司	Share Capital 股本 RMB'000	Share Premium 股票溢价 RMB'000	Statutory Reserve 法定储备 RMB'000	Translation Reserve 外汇储备 RMB'000	Retained Earnings 留存收益 RMB'000	Total 合计 RMB'000
Balance as at 1 Jan 2019 2019年年初	55,409	78,470	-	-	(3,180)	130,699
Total comprehensive expenses for the period 总综合费用本期	-	-	-	-	(2,480)	(2,480)
Statutory reserves 法定储备 Dividend 股息	-	-	-	-	-	-
Balance as at 30 Sep 2019 2019年9月末	55,409	78,470	-	-	(5,660)	128,219



**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options 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.**

自上一财政期，本公司因附加股,红股，股份购回，行使认股选择权或认股权,其他权益发行兑换，发行股票以取得现金或收购对价或为任何其他目的而发行股票而发生的任何变更的详情。注明截止至本财年期末及截止上一财年同期可能因所有有效可换股证券行使时会发行的股票数目，及库存股票股数（如有）占上市公司已发行股票的总数（扣除库存股票）。注明截止至本财年期末及截止上一财年同期可能因所有有效可换股证券行使时会发行的股票数目，及库存股票股数（如有）占上市公司已发行股票的总数（扣除库存股票）。注明截止至本财年期末及截止上一财年同期持有的库存股票和子公司持股数量（如有），以及持有的库存股份和子公司持有量占上市类别总数的百分比。

	Number of shares 股份	Issued share capital USD 发行股本(美元)	Issued share capital RMB 发行股本(人民币)
Issued and paid Share Capital as at 30 Sep 2019 and 30 Sep 2018	27,468,473	6,867,119	55,409,257
发布和支付股本于2019年9月30日及2018年9月30日			

**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.**

显示上一财年和本财年的已发股份，不含库存股票

	Number of shares 股份	
	30 Sep 2019	30 Sep 2018
Issued and paid Share Capital 发布和支付股本	27,468,473	27,468,473

**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.**

显示上一财年 3 季度和本财年 3 季度的股票出售、转让、处置、作废或使用库存股票的报告申明

Not applicable 不适用

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**显示上一财年 3 季度和本财年 3 季度

的股票出售、转让、作废或使用子公司持股的报告申明

Not applicable 不适用



**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

有关数据是否已根据审计准则或惯例被审计或审阅

The figures have not been audited or reviewed by the auditors.

数据未被审计师审计或复查

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

如数据已被审计或审阅，需附上审计报告（包括对任何特殊事项的澄清或强调）

Not applicable. 不适用

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

公司是否应用上一期经审计的财务报表里相同的会计政策和计算方法

There are certain new International Financial Reporting Standards ("IFRSs") that are published and mandatory for accounting periods beginning on or after 1 January 2019. Where applicable, the adoption of these IFRSs does not have any material impact on the financial statements for the 12 months ending 31 December 2019. Apart from this, the same accounting policies and methods of computation have been consistently applied.

有一些新的国际财务报告准则（“国际财务报告准则”），将强制性的从2019年1月1日起使用。这些准则的采用不会对截至2019年12月31日的财务报表造成任何重大影响。除了这一点，同样的会计政策和计算方法一直被应用。

**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 reasons for, and the effect of, the change.**

如会计政策和计算方法有任何改变，包括会计准则所规定的任何变更，需列出有关的变更，变更原因和便更的影响

Not applicable. 不适用

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

扣除优先股股息准备后，集团在本财年 3 季度期间及上一财年 3 季度期间每股普通股的盈利

Earnings per ordinary share for the period based on total comprehensive income/(losses) attributable to shareholders 股东每普通股的净利润	Group 集团	
	9 months ended 截至9个月	
	30 Sep 2019	30 Sep 2018
Basic profit / (losses) per share (RMB) 基每股盈利/(亏损) (RMB)	(1.37)	(0.21)
On a fully diluted basis (RMB) 在完全稀释的基础上 (RMB)	(1.37)	(0.21)
Weighted average number of ordinary shares in issue for basic earnings per share 股票的加权平均数	27,468,473	27,468,473



Earnings per share is derived using Net profit after tax divided by weighted average number of ordinary shares in issue at end of the year.

股东每普通股的净利润是用年末的税后利润除以股票的加权平均数。

There were no potentially dilutive ordinary shares in existence during the current period reported on and the corresponding period of the immediately preceding financial year. Accordingly, there is no difference in basic and diluted earnings per share.

没有潜在摊薄普通股在本财年 3 季度期间或上一财年 3 季度期间。因此，基本和基于摊薄基准后的每股收益没有差异。

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

基于期末已发行股本(扣除库存股票)计算的公司每股普通股资产净值:-

**(a) current financial period reported on; and**

于本财年 3 季度期末

**(b) immediately preceding financial year.**

上一财年 3 季度期末

	Group 集团		Company 公司	
	30 Sep 2019	30 Sep 2018	30 Sep 2019	30 Sep 2018
Net asset value per ordinary share based on the issued capital at the end of the financial year (RMB) 财年末的每普通股净资产价值 (人民币)	4.07	5.71	4.82	4.82
Number of shares in calculating net asset value 计算净资产价值的股份数	27,468,473	27,468,473	27,468,473	27,468,473

**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:-**

回顾集团表现能对集团业务得到合理了解。此必须包括以下分析:-

**(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;**

任何在本财年影响集团的营业额、成本和盈利的重要因素，包括（如适用）季节性或周期性因素；

**(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 the Group's Performance**

影响本集团在本财年报告期间的现金流量、营运资金、资产或负债的任何重大因素。



**Statement of Comprehensive Income for the period ended 30 September 2019**

**截止 2019 年 9 月 30 日的利润表**

Overview 总体

The Group's revenue is derived from bidding for projects in open tender exercises conducted by the customers and as such, quarterly results would not accurately reflect the full-year performance. Full-year to full-year comparisons are more appropriate for analytical purposes.

**Revenue 销售**

3Q FY2019 vs 3Q FY2018

Revenue decreased by 79% from RMB10.94 million in 3Q FY2018 to RMB2.31 million in 3Q FY2019. This is due in part to the low order backlog as well as the inability of the Group's subsidiary in China (the Subsidiary) to secure sufficient tender awards during 3Q FY2019 as compared to 3Q FY2018 as the industry in which the Subsidiary operates in is undergoing consolidation and fierce price competition persists. The other reason is the relatively new management of the Subsidiary is still grappling with the prevailing weak market.

YTD 3Q FY2019 vs YTD 3Q FY2018

Revenue decreased by 67% from RMB24.97 million in YTD 3Q FY2018 to RMB8.35 million in YTD 3Q FY2019 is mainly due to the Subsidiary's inability to tender for project awards of a major customer who has only restored the Subsidiary's qualification on 30 January 2019 and the problems encountered in 2Q FY2019 arising from the management transition in China during the 2Q FY2019. In addition, the Subsidiary did not secure any tenders from 3 major ex-key customers in 3Q FY2019 as compared to 3Q FY2018

**Cost of Sales 销售成本**

3Q FY2019 vs 3Q FY2018

Cost of sales decreased by 80% from RMB17.52 million in 3Q FY2018 to RMB3.59 million in 3Q FY2019, disproportionate to the higher percentage reduction in sales versus 3Q FY2018. Cost of sales exceeded revenue due to higher percentage production costs relative to Sales arising from the lower volume of production and combination of the Subsidiary's deliberate strategy of securing more contracts to keep existing manpower fully engaged even if the Subsidiary has to bid at low pricing. In addition, the Subsidiary has outsourced certain cutting jobs to certain sub-contractors due to its lack of high technological machineries as well as skilled labour required to fulfill the jobs secured for 3Q FY2019. The Subsidiary is targeting and achieving the reduction of outsourced task expenses in 3Q FY2019.

YTD 3Q FY2019 vs YTD 3Q FY2018

Cost of sales decreased by 58% from RMB36.03 million in YTD 3Q FY2018 to RMB15.24 million in YTD 3Q FY2019, disproportionate to the higher percentage reduction in sales versus YTD 3Q FY2018. Cost of sales exceeded revenue due to the reasons explained for 3Q FY2019.



**Gross loss 毛利**

**3Q FY2019 vs 3Q FY2018**

The Group's gross loss diminished by 81% amounting to RMB1.28 million in 3Q FY2019 as compared to a loss of RMB6.58 million in 3Q FY2018. The gross loss is due to a combination of factors; extreme price competition resulting from open bidding system adopted by major customers and hence, lower contract prices of projects secured, reliance on key customers which exploited the industry's consolidation to depress our prices and higher cost of sales mentioned earlier.

**YTD 3Q FY2019 vs YTD 3Q FY2018**

The Group's gross loss diminished by 38% amounting to RMB6.89 million in YTD 3Q FY2019 as compared to a loss of RMB11.06 million in YTD 3Q FY2018. The explanations for 3Q FY2019 is applicable to YTD 3Q FY2019.

**Other operating income 其他运营收入**

**3Q FY2019 vs 3Q FY2018**

Other operating income decreased by 55% from RMB0.25 million in 3Q FY2018 to RMB0.11 million in 3Q FY2019. The other operating income consists mainly of the sales of the scrap and wastage iron in production. The decrease is a result of lower volume of production.

**YTD 3Q FY2019 vs YTD 3Q FY2018**

Other operating income increased by 68% from RMB0.47 million in YTD 3Q FY2018 to RMB0.78 million in YTD 3Q FY2019. The sales of scrap and wastage iron have increased from RMB0.47 million during YTD Q3 2018 to RMB0.78 million during YTD Q3 2019. During 2Q FY2019, the Subsidiary has introduced open bidding to secure the best prices for such sales of scrap and wastage iron which contributed to higher overall operating income.

**Selling and distribution expenses 营销费用**

**3Q FY2019 vs 3Q FY2018**

Selling and distribution expenses increased by 87% from RMB0.87 million in 3Q FY2018 to RMB1.62 million in 3Q FY2019 is due mainly to increase in entertainment expenses amounting to RMB0.98 million from RMB0.45 million in 3Q FY2018 to RMB1.43 million in 3Q FY2019.

**YTD 3Q FY2019 vs YTD 3Q FY2018**

Selling and distribution expenses decreased by 32% from RMB4.25 million in YTD 3Q FY2018 to RMB2.90 million in YTD 3Q FY2019 due to decrease in salaries of the Sales Department amounting to RMB0.14 million; decrease in commission of RMB0.32 million; decrease of RMB0.56 million in transportation cost during YTD Q3 FY2019 and decrease of entertainment expenses of RMB0.3 million as compared to YTD Q3 FY2018. In 2019, the Subsidiary has re-classified the transportation cost from selling and distribution to cost of sale and there were no commission paid for the period.



## **Administrative expenses** 行政费用

### 3Q FY2019 vs 3Q FY2018

Administrative expenses decreased by 5% from RMB8.96 million in 3Q FY2018 to total incurred by the Group of RMB8.53 million in 3Q FY2019. The decrease was mainly due to the reduction in professional fee of RMB1.67 million in 3Q FY2018 to RMB0.17 million in 3Q FY2019. Additionally, the Subsidiary has spent RMB1.03 million on employment cost (3Q FY2018 : RMB1.61 million) and RMB1.14 million on legal expenses (3Q FY2018 : RMB0.14 million).

### YTD 3Q FY2019 vs YTD 3Q FY2018

Administrative expenses increased by 39% from RMB21.88 million in YTD 3Q FY2018 to total incurred by the Subsidiary of RMB30.37 million in YTD 3Q FY2019. The increase was mainly due to the cost incurred by the Subsidiary in engaging a professional firm at RMB3.25 million to perform debt collection from a debtor whose debt was outstanding for more than 2 years. In addition, the increase was also due to the re-classification of unabsorbed depreciation from the production cost amounting to RMB8.16 million. The Subsidiary has spent RMB3.98 million on employment cost (YTD 3Q FY2018: RMB3.69 million), RMB2.25 million on legal expenses (YTD 3Q FY2018 : RMB1.10 million) and audit fee RMB0.84 million (YTD 3Q FY2018 : RMB0.20 million).

## **Impairment loss on financial assets write back / (made), net** 资产减值回冲/(亏损)

### 3Q FY2019 vs 3Q FY2018

The impairment written back in 3Q FY2018 totalling RMB12.04 million consists of receipt of previously impaired trade receivables of RMB11.92 million and sales of RMB 0.12 million of previously impaired inventories.

### YTD 3Q FY2019 vs YTD 3Q FY2018

The impairment written back in YTD Q3 FY2018 totalling RMB32.24 million consists of receipt of previously impaired trade receivables of RMB22.95 million and sales of RMB9.29 million of previously impaired inventories.

## **Statement of Financial Position as at 30 September 2019**

### **截止 2019 年 9 月 30 日的资产负债表**

#### **Property, plant and equipment** 产业厂房和机器设备

Property, plant and equipment (PPE) as at YTD 3Q FY2019 was RMB77.88 million as compared to RMB87.63 million as at 4Q FY2018. The decrease was mainly due to depreciation in YTD 3Q FY2019 amounting to RMB12.47 million offset by a gain on disposal of fixed assets of RMB5K and further offset by the acquisition of new plant and machinery amounting to RMB0.52 million and a company car amounting to RMB0.23 million.

#### **Inventories** 存货

As at YTD 3Q FY2019, inventories stood at RMB9.95 million which mainly consists of newly purchased raw materials amounting to RMB2.20 million and spare parts amounting to RMB2.92 million to fulfill the sales orders.



**Trade receivables 应收账款**

Trade receivables decreased from RMB81.44 million in 4Q FY2018 to RMB39.01 million in YTD 3Q FY2019 mainly due to the Subsidiary's receipts of cash amounting to RMB37.25 million from various customers as at 30 September 2019. As an update, the Group has received settlement of bill receivables amounting to RMB9.15 million from a long outstanding debtor on 31 October 2019. The Subsidiary has bill receivables on hand amounting to RMB5.63 million which will be due during the year ended 31 December 2019.

**Other receivables, deposits and prepayments 其他应收, 定金和预付款**

Other receivables, deposits and prepayments amounting to RMB 2.90 million in YTD 3Q FY2019, an increase from RMB2.38 million in 4Q FY2018 is mainly due to a reduction in prepayment of RMB0.13 million and increase in temporarily cash advance to employees amounting to RMB0.34 million.

**Trade payables 应付账款**

The trade payables decreased by RMB10.99 million from RMB17.66 million in 4Q FY2018 to RMB6.67 million in YTD 3Q FY2019 due to payments made to various suppliers and due to lower purchases in tandem with lower sales during YTD 3Q FY2019.

**Other payables and accruals & provision 其他应付和计提**

Other payables and accruals decreased by RMB3.83 from RMB9.01 million as at YTD 4Q FY2018 to RMB5.18 million as at YTD 3Q FY2019. This is mainly due to the reversal of over-accrual of expenses amounting to RMB4.94 million in relation to professional fees for debt collection.

**Bank loans 银行贷款**

The bank loans as at YTD 3Q FY2019 refers to loans from Jiangnan Rural Commercial Bank totaling RMB16 million for trade facilities purposes.

**Statement of Cash Flows for the period ended 30 September 2019**

**截止2019年9月30日的资金流量表**

**3Q FY2019**

The Group's net cash outflow from operating activities amounted to RMB16.10 million arising from loss before income tax adjusted for non-cash effects items of, RMB5.96 million after accounting of negative changes in working capital amounting to RMB9.92 million.

The Group did not use any cash for investing activities during the period.

The Group's net cash generated from financing activities amounted to RMB5.70 million mainly due to the Subsidiary's new bank borrowing of RMB6 million on 10 July 2019 from Jiangnan Rural Commercial Bank. During the period, there was an interest payment of RMB0.30 million consisting of bank loan interest amounting of RMB0.25 million and interest expenses for conversion of discounted bills to cash amounting to RMB0.05 million.

In 3Q FY2019, the Group had a net cash outflow of RMB10.39 million.



YTD 3Q FY2019

The Group's net cash outflow from operating activities amounted to RMB6.90 million arising from loss before income tax adjusted for non-cash effects items of, RMB26.44 million after accounting for a positive change in working capital amounting to RMB19.68 million.

The Group's net cash used in investing activities amounting to RMB0.68 million was mainly applied on acquisition of new plant and machinery for RMB0.52 million and a company car for RMB0.23 million and disposal of used fork lift for RMB55K and a laptop for RMB8K.

The Group's net cash outflow from financing activities amounted to RMB0.91 million due mainly to payment of interest of RMB0.79 million on bank loans and interest expenses of RMB0.12 million for the conversion of discounted bills during the period.

During YTD 3Q FY2019, the Group had a net cash outflow of RMB8.49 million.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

如以前曾向股东披露预测或前景申明，列出它与实际业绩的差别

Not applicable. 不适用

**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.**

截止公告日，集团所处行业的显著趋势和竞争情况以及可能影响集团在下个报告和未来 12 个月的任何已知因素或事项的有关评论

China's GDP grew by 6% in the third quarter of 2019 was the slowest since the first quarter of 1992, it's believed to be China's slowest GDP gain in at least 27½ years. The business environment continues to be challenging and highly competitive in the landscape that the Group is operating in. The uncertainty resulting from the impact of United States-China in Economic Confrontation, the Japan-China Grassroots Reconnection and the re-action of China's government had also casted dark clouds ahead for the Chinese economy in general.

The current board has taken cognizance of the ongoing conflict of substantial shareholders. In light of the legal actions undertaken by the Group in China and Singapore against the largest shareholder, Mr. Liu Ming in his previous capacity as head of the Subsidiary, and the prolongation of the cases, customers and business partners have expressed their loss of confidence. This situation generates disruptions to board and management, lost business opportunities and various obstacles to turn the Group around from a debilitating condition.

The industry in which the Subsidiary operates is still undergoing consolidation and the market is stagnant. The resulting fierce competition has resulted in margin compression as big key customers exploited the situation to depress prices. The Board will actively pursue efforts to bring to conclusion the legal cases in China and Singapore so as to relieve the Group from such encumbrances that hinder the prospects of turnaround.



The Subsidiary will continue to intensify bids for tender to secure more orders from the current major customers and new customers to increase the revenue significantly in order to improve trading performance. It has started on-line tender new customers. It has been making efforts to re-establish business relationships with its ex-key customers and is hopeful to re-gain their confidence. In the meantime, cost cutting measures have been introduced to improve the overall cost competitiveness and production efficiency.

While the Group has achieved positive cash position as at end 3Q FY2019 and is expected to barely do so for 4Q FY2019, it would appear that FY2020 would be more challenging subject to performance of the Subsidiary for 4Q FY2019 and the budget which it is in the midst of finalisation.

**11. Dividend**

股息

**(a) Current Financial Period Reported On 当期**

None 无

**(b) Corresponding Period of the Immediately Preceding Financial Year 上财年同期**

None 无

**(c) Date payable 付款期**

Not applicable 不适用

**(d) Book closure date 股息权截止日**

Not applicable 不适用

**12. If no dividend has been declared/(recommended), a statement to that effect and the reason(s) for the decision.**

如果没有宣布/推荐股息，请此刻声明。

No dividend has been declared or recommended in 3Q FY2019.  
2019 年第 3 季度没有建议派发股息。

The statement stated that it is due to the Group's continuous losses incurred for the year-to-date. 此刻声明，因为集团这几年直到现在都不断亏损

**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.**

如果集团已获得股东的授权，而授权交易的金额是按照规则920(1)(a)(ii).如有此授权，请作此声明

No IPT mandate has been obtained. 没有获得此授权



**14. Confirmation of Interim Financial Statements for the period ended 30 September 2019 (“3Q FY2019”)**

**确认2019年3季度财年报表**

Pursuant to SGX-ST Listing Rule 705(5), the directors of Shanghai Turbo Enterprises Limited do hereby confirm that to the best of their knowledge, nothing has come to the attention of the board of directors which may render the 3Q FY2019 financial results to be materially false or misleading. This confirmation has been made without an audit of these financial statements.

根据新交所上市规则第 705（5），上海动力发展有限公司董事特此确认，据他们所知，没有发现 2019 年 3 季度的财务报告含有重大的虚假或误导性。这些财务报表还没有经过审计。

**15. Confirmation Pursuant to Rule 720(1) of the Listing Manual**

**根据规则第720（1）的上市手册确认**

Shanghai Turbo Enterprises Ltd confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7  
上海动力发展有限公司确认所有的董事和执行人员已遵守了上市规则第 720（1）。

**“In the event of any conflict between the English and Chinese versions of this announcement, the English version shall prevail.”**

**“若中英文版本出现不一致时，以英文版本为准。”**

**BY ORDER OF THE BOARD 董事局命令**

Loh Kai Keong  
Independent Director (AC Chairman)  
独立董事(审计委员会主席)  
14 November 2019  
2019 年 11 月 14 日