



Shanghai Turbo

SHANGHAI TURBO ENTERPRISES LTD

上海动力发展有限公司

EMPOWERING THE FUTURE

稳健发展 铸就未来 ANNUAL REPORT
年度报告 2016



CORPORATE INFORMATION 企业信息

BOARD OF DIRECTORS 董事局成员

Mr Liu Ming

Chief Executive Officer and
Executive Director

刘明先生

首席执行官兼执行董事

Mr Jack Chia Seng Hee

Lead Independent Director
Appointed as Lead Independent
Director on 1 May 2016

杰克谢先生

首席独立董事
于2016年5月1日受委任为
首席独立董事

Dr Daniel Liu Danjun

Non-Executive Non-Independent
Director

Appointed as Non-Executive
Non-Independent Director on
1 May 2016

刘丹军博士

非执行董事

于2016年5月1日受委任为
非执行董事

Mr Tan Wee Peng Kelvin

Non-Executive Independent Director

Appointed as Non-Executive
Independent Director on
16 July 2016

陈伟平先生

非执行董事

于2016年7月16日受委任为
非执行董事

Mr Raymond Lim Sian Heong

Non-Executive Independent Director

Appointed as Non-Executive
Independent Director on
16 November 2016

林猷淞先生

非执行董事

于2016年11月16日受委任为
非执行董事

AUDIT COMMITTEE 审计委员会

Mr Tan Wee Peng Kelvin

Chairman

陈伟平先生

主席

Mr Jack Chia Seng Hee

Member

杰克谢先生

成员

Dr Daniel Liu Danjun

Member

刘丹军博士

成员

Mr Raymond Lim Sian Heong

Member

林猷淞先生

成员

NOMINATING COMMITTEE 提名委员会

Mr Jack Chia Seng Hee

Chairman

杰克谢先生

主席

Mr Liu Ming

Member

刘明先生

成员

Dr Daniel Liu Danjun

Member

刘丹军博士

成员

Mr Tan Wee Peng Kelvin

Member

陈伟平先生

成员

REMUNERATION COMMITTEE 薪酬委员会

Mr Jack Chia Seng Hee

Chairman

杰克谢先生

主席

Dr Daniel Liu Danjun

Member

刘丹军博士

成员

Mr Tan Wee Peng Kelvin

Member

陈伟平先生

成员

Mr Raymond Lim Sian Heong

Member

林猷淞先生

成员

COMPANY SECRETARY 公司秘书

Ms Wong Yoen Har

Appointed on 9 May 2016

黄婉霞女士

于2016年5月9日受委任

REGISTERED OFFICE 注册办事处

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman KY1-1111
Cayman Islands

BUSINESS OFFICE 商业办事处

No.9, Yinghua Road, Zhonglou Economic Development
Zone, Changzhou City, Jiangsu Province,
The People's Republic of China
中国江苏省常州市钟楼开发区樱花路9号
Tel 电话: 86 519 8390 6629
Fax 传真: 86 519 8388 8330
www.shanghaiturbo.com

CAYMAN ISLANDS SHARE REGISTRAR

开曼群岛股份登记处

Codan Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

SHARE TRANSFER AGENT 股份过户处

Boardroom Corporate & Advisory Services Pte. Ltd.

50 Raffles Place, #32-01 Singapore Land Tower
Singapore 048623
Tel 电话: 65 6536 5355
Fax 传真: 65 6536 1360

EXTERNAL AUDITORS 外部审计师

Crowe Horwath First Trust LLP 国富浩华合信会计事务所

8 Shenton Way, #05-01 AXA Tower
Singapore 068811
Audit Partner-in-charge 主要审计合伙人
Mr Goh Sia 吴诚先生
Appointed with effect from financial year 2013
自2013财政年受委任

INTERNAL AUDITORS 内部审计师

BDO China Shu Lun Pan Certified Public Accounts LLP 立信会计师事务所(特殊普通合伙)

No. 61 Nanjing Dong Road, Shanghai New Huangpu
Financial Tower, 4th Floor 200002
上海市南京东路61号新黄浦金融大厦4楼 200002
Tel 电话: 86-21-63391116
Fax 传真: 86-21-63299117
Audit Partner-in-charge 主要审计合伙人
Mr Scott Gao 高飞先生
Appointed with effect from financial year 2013
自2013财政年受委任

INVESTOR AND MEDIA CONTACT

投资者关系及媒体联系人

NRA Capital Pte. Ltd.

Mr Evan Ong
Tel 电话: 65 6236 6895
Email 邮件: evan.ong@nracapital.com

CONTENTS

目录

- 02 Corporate Profile
公司简介
- 03 Group Structure
集团构架
- 04 CEO's Statement
首席执行官致词
- 06 Operational and Financial Review
运营及财年回顾
- 08 Results at a Glance
业绩一览表
- 10 Financial Highlights
财年摘要
- 12 Board of Directors
董事会成员
- 17 Key Management
管理层成员
- 20 Corporate Governance Report
企业管治报告
- 40 Directors' Statement
董事会声明
- 43 Independent Auditor's Report
独立审计师报告
- 49 Audit Committee Statement
审计委员会声明
- 50 Financial Statements
财务报告
- 105 Shareholdings Statistics
股权统计资料
- 107 Notice of Annual General Meeting
年度股东大会通知



COMPANY PROFILE

公司简介

Shanghai Turbo is a precision engineering group that specialises in the production of precision vane products, namely stationary vanes, moving vanes and nozzles. These vanes are the key components of steam turbine generators used for power generation in power plants, power stations and/or substations. They are also essential components mounted onto steam turbine generators to maximise the efficiency of steam flow in the generation of electricity.

上海动力是一家精密工程集团，专门生产精密叶片产品，即固定叶片，流动叶片及喷嘴。这些叶片为汽轮发电机发电的主要零件，适用于发电厂、发电站及/或配电站。它们也用于安装在汽轮发电机的必要零件，以便在发电时最大限度地提高蒸汽流量的效率。



GROUP STRUCTURE

集团构架

Shanghai Turbo Enterprises Ltd⁽¹⁾ 上海动力发展有限公司



Mr Liu Ming
刘明先生

Chief Executive Officer and
Executive Director
首席执行官兼执行董事



Mr Jack Chia
杰克谢先生

Lead Independent Director
首席独立董事



Dr Daniel Liu
刘丹军博士
Non-Executive
Non-Independent Director
非执行非独立董事



Mr Kelvin Tan
陈伟平先生
Non-Executive
Independent Director
非执行独立董事



Mr Raymond Lim
林猷淞先生
Non-Executive
Independent Director
非执行独立董事

BEST SUCCESS (HONG KONG) LIMITED⁽²⁾ 百昇(香港)有限公司

Mr Liu Ming
刘明先生
Director
董事

Dr Daniel Liu
刘丹军博士
Director
董事

CHANGZHOU 3D TECHNOLOGICAL COMPLETE SET EQUIPMENT CO., LIMITED⁽³⁾ 常州市三维技术成套设备有限公司



Mr Liu Ming
刘明先生
Executive Director
执行董事



Mr Jiang Ronglin
姜荣林先生
General Manager
总经理



Mr Henry Lim
林恒仁先生
Lead Supervisory
Committee Member
首席监事



Mr Isaac Peh
白锦程先生
Financial Controller
财务总监

(1) Incorporated in Cayman Islands. Investment holding company. Audited by Crowe Horwath First Trust LLP.
(成立于开曼群岛, 投资控股公司。由新加坡国富浩华合信会计师事务所审计)

(2) Incorporated in Hong Kong. Investment holding company. Reviewed by Crowe Horwath First Trust LLP for consolidation purpose.
(成立于香港, 投资控股公司。由新加坡国富浩华合信会计师事务所审核, 并入集团合并报表)

(3) Incorporated in People's Republic of China. Operating subsidiary related to manufacture of vane products. Reviewed by Crowe Horwath First Trust LLP for consolidation purpose.
(成立于中华人民共和国, 主营业务是生产汽轮机叶片的相关产品, 由新加坡国富浩华合信会计师事务所审核, 并入集团合并报表)

CEO'S STATEMENT 首席执行官致词



“We strive to make the most of the opportunities available amid a tough operating climate.”

“尽管面对艰难的运营环境，我们仍坚持不懈，善用所有的契机。”

DEAR SHAREHOLDERS,

We strive to make the most of the opportunities available amid a tough operating climate.

BUSINESS OVERVIEW AND STRATEGY

FY2016 proved to be another challenging year for Shanghai Turbo, as we continue to deal with the industry restructuring situation previously outlined. Upstream power generator manufacturers have taken more of the production work in-house, leaving downstream players like us having to compete for a smaller volume of less lucrative work. This has been compounded by the government policy situation. In January 2017, the National Energy Administration revealed a five-year plan which emphasises the construction of more renewable energy sources such as wind, solar, and hydropower.

The bright spot in all of this is that our export sales increased in FY2016 compared to FY2015, due in no small part to the upgrading and replacement of our machines with 10 new CNC machines imported from Italy. Japanese customers, in particular, have exacting technical specifications, and our upgraded capabilities have given them confidence that we are able to meet their requirements. This has translated into more orders from Mitsubishi Heavy Industries. We hope to continue building on this in FY2017.

尊敬的各位股东，

尽管面对艰难的运营环境，我们仍坚持不懈，善用所有的契机。

业务回顾与策略

2016财政年对本集团而言，无疑又是充满挑战的一年。我们仍面对着上个财政年度所提的行业转型情况。上游的能源电力制造商将更多的生产流程移到内部生产线，以致外包我们下游供应商的订单削减，迫使我们需接受较低利润的订单。更雪上加霜的是，中国国家能源局于2017年1月颁布未来五年的工作计划，将重点推广可再生能源如风力、太阳能及水力发电机的建造。

唯一值得庆幸的是，我们于2016财政年的出口销售额与2015财政年相比有所增长，主要因为我们对旧机械进行提升与更换，以来自意大利进口的10台崭新CNC机械取而代之所致。我们来自日本的客户，对机械都有尤其精准的技术规格要求，而我们技术能力的提升达到了他们的严格标准，使他们增加了对我们的信心。这有助于我们成功获得三菱重工的更多订单。在未来一年，我们希望能够继续开拓这块领域的业务，进一步推动本集团的发展。

FINANCIAL HIGHLIGHTS

Group revenue decreased a marginal RMB 4.5 million from FY2015 to FY2016, and gross profit margin also declined, from 28.2% in FY2015 to 22.4% in FY2016, reflecting higher manufacturing overheads and outsourced costs. The decrease in revenue reflects the current industry conditions, and our major customers are also facing margin pressure.

In FY2016 we had RMB 14.1 million net cash generated from operating activities, and RMB 32.3 million net cash used in investing activities, mainly for the new machinery which is critical to our day-to-day operations as well as our business development efforts. Net cash generated from financing activities was RMB 4.0 million as we tapped on our bank facilities for capital investment. As at 31 December 2016, we had cash and cash equivalents of RMB 45.7 million. We have proposed a first and final dividend of RMB 0.125 per share, balancing the desire to reward our loyal shareholders against the capital needs of the Group.

The trade receivables situation has seen some improvement over the course of this year. The outstanding amount as at 31 December 2016 was RMB 164.0 million, compared to RMB 168.3 million at the end of FY2015, and the proportion of trade receivables due for more than 3 months was 22%, compared to 31% at 31 December 2015. In FY2016, bills receivables amounted to RMB 37.9 million, of which RMB 26.7 million is bank-secured. Nonetheless, due to slow collections from one of our major customers in China, we made an impairment of RMB 4.5 million this year.

Management will continue to closely monitor the receivables situation and we hope to see more improvements in future. We will also continue to vigorously pursue opportunities for more orders from overseas customers.

LIU MING

Executive Director and Chief Executive Officer

财务摘要

本集团在2016财政年的营业额与2015财政年相比有所下滑，跌幅达人民币450万元。毛利率也同时下跌，从2015财政年的28.2%滑落至2016财政年的22.4%，主要是因为制造成本与外包成本皆上升所致。营业额的下跌主要反映了当前整体市场的走势，就连我们的主要客户也难逃毛利削减的情况。

在2016财政年，本集团从运营活动所得人民币1410万元现金，而投资活动所使用人民币3230万元现金，主要用于新设备的添购，而这新设备在对本集团的日常运营与业务拓展中扮演着关键性的角色。融资活动所得净现金人民币400万元，主要是由于我们使用了银行借贷，以进行资本投资。截至2016年12月31日止，本集团的现金及现金等价物为人民币4570万元。虽然本集团面对资金欠缺的情况，但我们仍建议派发每股人民币12.5分的一次性及最终股息，以回馈我们的忠实股东。

我们的应收账款情况在过去一年有了些许的改善。截至2016年12月31日止，我们累计人民币1亿6400万元的应收账款总额，与2015财政年末的人民币1亿6830万元相比情况有所好转，而逾期超过3个月的应收账款额，仅占总额的22%。这比起截至2015年12月31日止的31%。体现了较好的管理。在2016财政年，承兑汇票总额达人民币3790万元，其中人民币2670万元的部分是银行承兑汇票。然而，由于来自中国的一个主要客户的应收账款回款较慢，我们决定于今年计提人民币450万元的减值损失。

管理层将持续关注应收账款的情况，并希望在未来能够目睹更显著的改善。我们也将继续寻找业务商机，并积极开拓海外市场，以助本集团获取更多的客户订单。

刘明

执行董事兼首席执行官



OPERATIONAL AND FINANCIAL REVIEW

运营及财年回顾



STATEMENT OF COMPREHENSIVE INCOME

Group revenue decreased a marginal 3% from RMB 141.5 million in FY2015 to RMB 137.0 million in FY2016, mainly due to challenging conditions in the domestic market and reduced orders from the Group's major customers. However, in 3Q2016 the Group recorded strong revenue and profit mainly due to overseas orders in the quarter, and for the full year there was a total of RMB 29.9 million in overseas orders, compared to RMB 22.9 million in FY2015.

Cost of sales increased by 5% compared to FY2015, due to a combination of higher consumables and outsourcing costs, and a RMB 2.7 million provision for obsolete inventory. Together with the decrease in revenue, this resulted in a gross profit of RMB 30.6 million in FY2016, 23% lower than in FY2015. FY2016 gross profit margin was 22.4%, compared to 28.2% in FY2015.

Administrative expenses decreased by RMB 1.2 million due to lower professional fees and lower accruals of CEO incentives. Other operating expenses was RMB 4.7 million in FY2016, mainly due to an impairment of RMB 4.5 million for the Group's trade receivables in view of slow collections from a major domestic customer. The Group incurred finance costs of RMB 226,000 in FY2016 (FY2015: nil) due to interest on a RMB 7.0 million 1-year tenure loan, which is due in April 2017. Income tax was RMB 2.7 million in FY2016, compared to RMB 7.1 million in FY2015.

The Group's FY2016 net profit was RMB 2.3 million, compared to RMB 11.0 million in FY2015.

综合收益表

2016财政年里，在国内具挑战性的运营环境以及主要客户的订单减少的带动下，本集团的营业额从2015财政年的人民币1亿4150万元下跌至2016财政年的人民币1亿3700万元。不过，在2016年第三季度中，本集团的营业额及利润却出现有显著的增长，主要由海外市场的订单所推动，以致来自海外的全年营业额高达人民币2990万元，与2015财政年的人民币2290万元相比表现强劲。

销售成本在2016财政年同比微升5%，主要原因是材料成本与外包成本上升以及计提人民币270万元的存货跌价准备所导致。加上营业额的下跌，本集团在2016财政年取得人民币3060万元的毛利，同比下跌23%。2016财政年的毛利率为22.4%，同比2015财政年的28.2%。

在2016财政年，本集团的行政费用有所下跌，跌幅达人民币120万元，主要因较低的专业人士费及首席执行官激励配套计提所致。其他运营费用为人民币470万元，主要由于本集团的一个主要中国客户的收账缓慢，而决定计提人民币450万元的减值准备。本集团在2016财政年的融资成本为人民币23万元（2015财政年：无），这是由一笔人民币700万元的一年期贷款利息所致，并将于2017年4月到期。所得税费用为人民币270万元，与2015财政年的710万元相比有所减少。

在综合上述因素，本集团于2016财政年的净利润为人民币230万元，与2015财政年的人民币1100万元相比有所下滑。

STATEMENT OF FINANCIAL POSITION

As at 31 December 2016, the Group's non-current assets stood at RMB 136.1 million, compared to RMB 111.9 million as at 31 December 2015. This was mainly due to a RMB 35.4 million acquisition in property, plant and equipment, attributable to the acquisition of 10 new CNC machines during FY2016. The Group also spent RMB 3.0 million on repair and refurbishing of buildings.

Over the same period, current assets decreased from RMB 276.5 million to RMB 253.0 million, mainly due to a RMB 13.1 million reduction in cash and cash equivalents, and a RMB 4.9 million decrease in Trade and other receivables, deposits and prepayments; this was primarily due to the reclassification of deposits paid for the new CNC machines, into property, plant and equipment.

The Group's total liabilities increased from RMB 61.9 million at 31 December 2015 to RMB 67.0 million as at 31 December 2016. This was mainly due to a 1-year bank loan of RMB 7.0 million, which is due in April 2017 and was used for capital investment.

STATEMENT OF CASH FLOWS

Net cash generated from operating activities in FY2016 was RMB 14.1 million, compared to RMB 31.2 million in FY2015, mainly due to lower pre-tax profit and an increase in inventories in FY2016.

Net cash used in investing activities was RMB 32.3 million in FY2016, higher than the RMB 11.1 million in FY2015, due to the acquisition of machinery amounting to RMB 35.9 million in FY2016.

Net cash generated from financing activities was RMB 4.0 million in FY2016, compared to RMB 2.4 million used in FY2015, mainly due to a RMB 7.0 million bank loan as well as RMB 4.0 million net reduction in pledged deposits in FY2016.

In view of the above, the Group's cash and cash equivalents decreased from RMB 58.8 million as at 31 December 2015 to RMB 45.7 million as at 31 December 2016.

资产负债表

截至2016年12月31日止，本集团的非流动资产总额为人民币1亿3610万元，与截至2015年12月31日止的人民币1亿1190万元相比有所增加。这主要是因为2016财政年里，本集团购买了10台崭新数控机床，促使设备总额增加人民币3540万元。此外，本集团也花费人民币300万元用于大楼整修。

过去一年，本集团的流动资产总额从人民币2亿7650万元下降至人民币2亿5300万元，主要因为现金及现金等价物总额下跌人民币1310万元及应收和其他应收款、存款及预付金总额下跌人民币490万元所致。这个跌幅主要是本集团将购买崭新数控机床的预付款进行重分类，将其归纳为设备项目中所致。

本集团的负债总额从截至2015年12月31日止的人民币6190万元增加到截至2016年12月31日止的人民币6700万元。这主要应用于资本投资，总值人民币700万元为期一年的贷款所致，这笔贷款将于2017年4月到期。

现金流量表

在2016财政年里，运营活动所得的净现金为人民币1410万元，与2015财政年的人民币3120万元相比有所下滑。这主要是因2016财政年较低的税前利润及库存增加所导致。

在2016财政年由投资活动所得的净现金为人民币3230万元，比起2015财政年的人民币1110万元高。这是因为本集团于2016财政年购买了总值人民币3590万元的机械所致。

融资活动所得的现金在2016财政年达人民币400万元，与2015财政年的240万元所使用形成对比，主要是因为总值人民币700万元的银行贷款及总值人民币净400万元的存款担保减少所致。

综合上述因素，本集团的现金及现金等价物总额有所下跌，从截至2015年12月31日的人民币5880万元下跌到截至2016年12月31日止的人民币4570万元。



RESULTS AT A GLANCE

业绩一览表

		31-Dec-16	31-Dec-15	Variance	
		2016年	2015年	增跌幅	
		12月31日	12月31日	RMB'000	%
		RMB'000	RMB'000	RMB'000	%
	Assets				
	Current assets:				
	Inventories	33,582	30,218	3,364	11%
	Trade receivables	164,045	168,314	(4,269)	-3%
	Other receivables, deposits and prepayments	4,713	10,207	(5,494)	-54%
	Land use right	251	251	-	-
	Cash and cash equivalent	50,402	67,557	(17,155)	-25%
	Total current assets	252,993	276,547	(23,554)	-9%
	Non-current assets:				
	Property, plant and equipment	126,332	101,846	24,486	24%
	Land use right	9,787	10,038	(251)	-3%
	Total non-current assets	136,119	111,884	24,235	22%
	Total assets	389,112	388,431	681	-
	Current liabilities:				
	Trade payables	52,409	46,254	6,155	13%
	Other payables and accruals	4,765	11,169	(6,404)	-57%
	Income tax payable	91	2,104	(2,013)	-96%
	Bank Loan	7,000	-	7,000	NM
	Total current liabilities	64,265	59,527	4,738	8%
	Non-current liabilities:				
	Deferred tax liabilities	2,765	2,413	352	15%
	Total non-current liabilities	2,765	2,413	352	15%
	Total liabilities	67,030	61,940	5,090	8%
	EQUITY AND LIABILITIES				
	Capital and reserves:				
	Share capital	55,409	55,409	-	-
	Share premium	78,470	81,527	-	-
	Statutory reserve	30,526	29,696	830	3%
	Translation deficit	(3,207)	(3,372)	165	5%
	Retained earnings	160,884	163,231	(5,404)	-3%
	Total equity	322,082	326,491	(4,409)	-1%
	Total equity and liabilities	389,112	388,431	681	-

Decreased slightly in 2016. At the same time, the proportion of bills receivables to trade receivables increased from 2015 to 2016.
应收账款有所下降同时, 承兑汇票在应收账款的份额从2015年至2016年有所增加。

Decreased mainly due to the reclassification of deposits paid for new CNC machines into PPE in 2016.
主要原因是机器设备已在2016年接收, 预付款被重分类为机器设备。

Decreased primarily due to lower profit before tax, higher capital investment in 2016 compared to 2015.
现金下降的主要原因为2016年更低的税前利润及更高的机器投资。

Increased mainly due to the acquisition of 10 units of CNC in 2016.
主要原因是2016年购置了10台数控机器。

Decreased due to the settlement of VAT payable and reclassification of expenses.
由于增值税的结算和其他应付的重分类, 其他应付款和计提有所下降。

A 1 year tenure bank loan of RMB 7,000,000 loan was obtained in April 2016, due in April 2017. The interest rate on the loan is 4.57% per annum.
公司于2016年4月贷了一笔一年期的7,000,000人民币贷款, 2017年4月到期。年化利息为4.57%。

Mainly due to reduced orders from local market, however overseas orders increased. 主要原因是国内市场的订单减少。但是国外销售额有所增加。

Increased mainly due to a combination of higher consumables and outsourced costs, as well as additional provision for obsolete inventory for 2016. 主要原因是材料成本和外包成本上升。此外2016年有新的库存减值准备。

There is a finance cost incurred in 2016 due to interest incurred on RMB 7,000,000 1 year tenure loan due in April 2017. 2016年的财务费用为利息费用。利息费用产生于7,000,000人民币的1年期贷款，贷款将于2017年4月到期。

Increased due to impairment made for trade receivables for 2016 due to slow collections from the Group's major customer in the domestic market. 主要原因是国内客户的收款缓慢导致应收账款于2016年做了减值准备。

		31-Dec-16 2016年 12月31日 RMB'000	31-Dec-15 2015年 12月31日 RMB'000	Variance 增跌幅 %
Revenue	营业收入	136,977	141,475	(4,498) -3%
Cost of sales	销售成本	(106,333)	(101,540)	(4,793) 5%
Gross profit	毛利润	30,644	39,935	(9,291) -23%
Other operating income	其他运营收入	2,783	3,182	(399) -13%
Finance Cost	财务费用	(226)	-	- NM
Selling and distribution expenses	销售及分销费用	(2,866)	(2,949)	83 -3%
Administrative expenses	行政费用	(20,684)	(21,849)	1,165 -5%
Other operating expenses	其他运营费用	(4,664)	(222)	(4,442) NM
Profit before income tax	所得税前利润	4,987	18,097	(13,110) -72%
Income tax expenses	所得税费用	(2,694)	(7,073)	4,379 -62%
Profit for the year	净利润	2,293	11,024	(8,731) -79%
Other comprehensive income/ (expenses)	其它综合收入 / (费用)	165	(41)	206 NM
Total comprehensive income attributable to equity shareholders of the Company	总综合收益可归本公司权益持有人的利润	2,458	10,983	(8,525) -78%



FINANCIAL HIGHLIGHTS

财年摘要

2011 2012 2013 2014 2015 2016

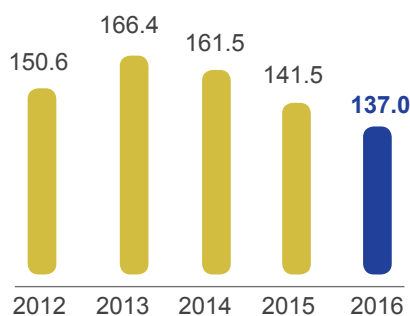
Income Statement 损益表 (in RMB'000) (千元人民币)						
Revenue 营业收入	182,784	150,586	166,400	161,495	141,475	136,977
Gross profit 毛利润	72,023	80,747	68,039	63,708	39,935	30,644
Profit before tax 税前盈利	52,267	56,665	45,709	43,056	18,097	4,987
Net profit after tax 税后净利	36,217	41,481	43,821	34,434	11,024	2,293

Balance Sheet 资产负债表 (in RMB'000) (千元人民币)						
Property, plant and equipment 不动产、厂房及设备	140,215	125,561	114,079	115,192	101,846	126,332
Inventories 存货	6,793	16,703	22,384	40,508	30,218	33,582
Trade receivables 应收账款	72,140	83,679	121,569	166,580	168,314	164,045
Cash and bank balances 现金及银行存款	59,935	75,727	85,817	53,775	67,557	50,402
Trade payables 应付账款	40,716	35,502	41,748	60,923	46,254	52,409
Other payables and accruals 其他应付款及应计项目	14,455	18,079	16,436	5,291	11,169	4,765
Bank Loan 银行贷款	-	-	-	-	-	7,000
Shareholders' Equity 股东权益	230,459	257,761	294,616	322,375	326,491	322,082
Total assets 资产总计	291,646	315,113	355,959	390,666	388,431	389,112
Total liabilities 负债总计	61,187	57,352	61,343	68,291	61,940	67,030

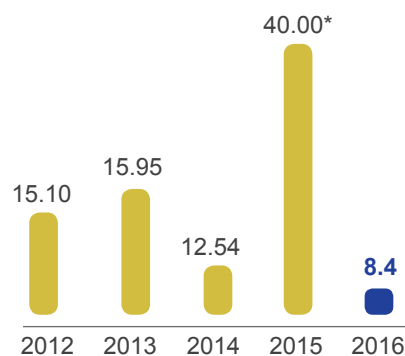
Cash Flow 现金流量 (in RMB'000) (千元人民币)						
Operating activities 营业活动	66,790	34,071	23,481	-4,979	31,189	14,105
Investing activities 投资活动	-41,924	-4,542	-6,470	-20,215	-11,125	-32,254
Financing activities 融资活动	5,258	-27,044	-5	-13,664	-2,404	3,948
Net movement 净流量	30,124	2,485	17,006	-38,858	17,660	-14,201

Financial Ratios 财务比率						
Earnings per share (RMB) 每股盈余 (人民币)	0.13	0.15	0.16	0.13	0.40	0.08
Net asset value per share (RMB) 每股资产净值 (人民币)	0.84	0.94	1.07	1.17	11.89	11.73
Dividend Yield (%) 股息率 (%)	10.5	12.3	5.9	8.1	5.1	2.9
Dividend Payment Quantum (RMB'000) 实际股息金额 (千元人民币)	13,734	6,867	-	13,734	6,867	3,434

Revenue 营业收入
(RMB million) (百万元人民币)

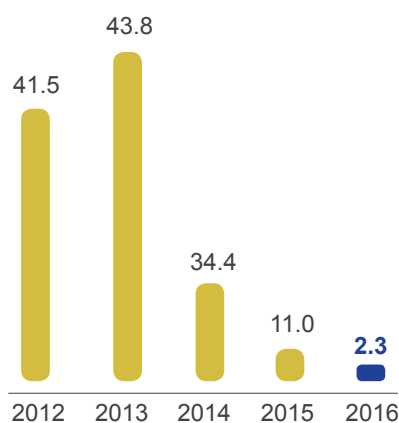


Earnings per share 每股盈余 *
(RMB cents) (人民币分)

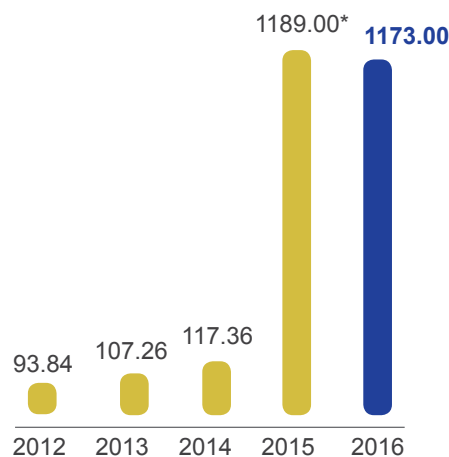


* A 10 to 1 share consolidation was completed on 15 May 2015.
在2015年5月15日完成了一项10股为1股的股份合并。

Net Profit After Tax 税后净利
(RMB million) (百万元人民币)

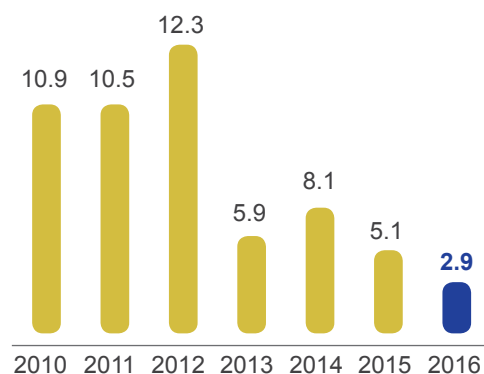


Net Asset Value per share 每股资产净值 *
(RMB cents) (人民币分)



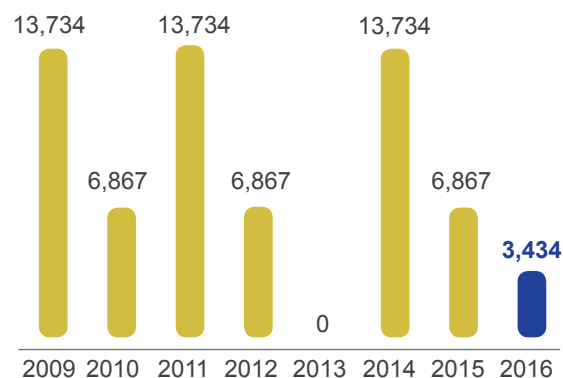
* A 10 to 1 share consolidation was completed on 15 May 2015.
在2015年5月15日完成了一项10股为1股的股份合并。

Dividend Yield Chart (%) 股息率表 (%)



Shareholders started receiving dividends from 2010
股东自2010年开始收到股息

Dividend Payment Quantum (RMB'000)
实际股息金额 (千元人民币)



Started paying dividends from FY2009
自2009财政年开始派发股息

BOARD OF DIRECTORS

董事会成员



MR LIU MING, Age 43

刘明先生，年龄43

CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

首席执行官兼执行董事

Diploma in food technology from Jiangsu Province Foodstuff Technical School
中国江苏省食品工业学校大专文凭

Certification holder in Corporate Management at Tsinghua University
中国清华大学企业管理证书

Date of appointment as Chief Executive Officer: 13 November 2009

委任日期：2009年11月13日

Date of appointment as Executive Chairman: 16 March 2010

受委任为执行主席：2010年3月16日

Date of last re-election as Executive Chairman: 7 February 2015

受重新委任为执行主席：2015年2月7日

Length of service: 11 years (as at 31 December 2016)

服务任期：11年（截至2016年12月31日）

Served on the following Board Committees

- Nominating Committee - Member

Present directorships in other listed companies

- NIL

Present principal commitments

(other than directorships in other listed companies)

- NIL

Directorships in other listed companies held over the preceding three years (2014-2016)

- NIL

Background and experience

Mr Liu Ming works on the formulation and execution of overall business strategies and policies. He is also responsible for key decision-making on matters such as capital expenditure, and oversees the production and operations, marketing, quality control, public relations and technology departments.

Mr Liu Ming joined the Group in 1997 as a quality supervisor and was subsequently promoted in 1999 to General Manager. Mr Liu Ming previously started his career in 1991 at Changzhou City Di Er Liang Ku, before joining Golden Apples Foodstuff Co., Ltd. as a supervisor, where he was responsible for the supervision of confectionery production from 1992 to 1997.

服务于以下董事委员会

- 提名委员会 — 成员

现任其他上市公司董事

- 无

目前主要职务

(除担任其他上市公司董事外)

- 无

过去三年所担任其他上市公司之董事 (2014年至2016年)

- 无

背景与经验

刘明先生负责制定和执行集团的业务策略与方针。他也负责监督集团的生产经营及管理、行销、质量控制、公共关系及技术部门的运作。

刘明先生于1997年加入集团，担任质量主管，并随后于1999年升职为总经理。刘明先生于1991年在常州市第二粮库开始他的职业生涯，而在之后的1992年至1997年间，担任金苹果食品公司的主管，负责监督甜点的生产。



MR JACK CHIA SENG HEE , Age 56

杰克谢先生，年龄56

LEAD INDEPENDENT DIRECTOR

首席独立董事

Bachelor's degree in Accountancy from the National University of Singapore
新加坡国立大学会计学学士学位

Master of Arts Degree in International Relations from the International University of Japan
日本国际大学国际关系学硕士学位

Fellow of Institute of Singapore Chartered Accountants
新加坡特许会计师协会成员

General Manager Program at Harvard Business School
美国哈佛大学总经理课程

Date of appointment as Director: 1 February 2008
委任日期：2008年2月1日

Date of appointment as Lead Independent Director: 1 May 2016
受委任为首席独立董事：2016年5月1日

Date of last re-election as Independent Director: 30 April 2016
受重新委任为独立董事：2016年4月30日

Length of service: 8 years 11 months (as at 31 December 2016)
服务任期：8年11个月（截至2016年12月31日）

Served on the following Board Committees

- Audit Committee – Member
- Nominating Committee – Chairman
- Remuneration Committee – Chairman

Present directorships in other listed companies

Listed companies

- Combine Will International Holdings Limited
- Dukang Distillers Holdings Limited
- Debao Property Development Limited
- mm2 Asia Limited
- AGV Group Limited

Present principal commitments

(other than directorships in other listed companies)

- NIL

Directorships in other listed companies held over the preceding three years (2014-2016)

- Sunray Holdings Limited (Chairman, Nominating Committee)
- China Hongcheng International Holdings Limited (Chairman, Remuneration Committee and Nominating Committee)

Background and experience

Mr Chia has spent more than 20 years in both the private and public sectors, substantially in Japan and China, with Arthur Andersen, Singapore Technologies, the Government of Singapore Investment Corporation (GIC) and the International Enterprise Singapore Board, in consulting, marketing, asset management and government advocacy. Currently, Mr Chia is a professional director, specialising in corporate governance matters, and is residing mainly in Singapore and Chongqing, China.

服务于以下董事委员会

- 审计委员会 – 成员
- 提名委员会 – 主席
- 薪酬委员会 – 主席

现任其他上市公司董事

上市公司

- 联志国际控股有限公司
- 杜康控股有限公司
- 德宝地产发展有限公司
- mm2亚洲有限公司
- AGV Group Limited

目前主要职务

(除担任其他上市公司董事外)

- 无

过去三年所担任其他上市公司之董事 (2014年至2016年)

- 三瑞控股有限公司 (主席, 提名委员会)
- 中国宏诚国际控股有限公司 (主席, 薪酬委员会和提名委员会)

背景与经验

谢先生在私人及公共领域服务了20年的时间，主要在日本与中国，分别在安达信会计师事务所、新加坡科技、新加坡政府投资公司及新加坡国际企业发展局担任咨询、行销、资产管理及政府宣传等职务。目前，他是一名专业董事，专注于企业管治的事宜。他常驻新加坡与重庆。

BOARD OF DIRECTORS

董事会成员



DR DANIEL LIU DANJUN, Age 47

刘丹军博士，年龄47

NON-EXECUTIVE NON-INDEPENDENT DIRECTOR

非执行非独立董事

Harbin Institute of Technology, Ph.D in Electrical Engineering and Automation
哈尔滨工业大学机电控制及自动化博士学位

Date of appointment as Non-Executive Non-Independent Director: 1 May 2016

受重新委任为非执行非独立董事：2016年5月1日

Length of service: 8 months (as at 31 December 2016)

服务任期：8个月（截至2016年12月31日）

Served on the following Board Committees

- Audit Committee – Member
- Nominating Committee – Member
- Remuneration Committee – Member

Present directorships in other listed companies

- NIL

Present principal commitments

(other than directorships in other listed companies)

- NIL

Directorships in other listed companies held over the preceding three years (2014-2016)

- NIL

Background and experience

Dr Daniel Liu Danjun started his career as a Research Associate Professor at Beijing University of Technology's Department of Automation, before moving to Intel's China Research Centre as a Senior Researcher for Human-Computer Interaction Technology. Thereafter, he held technical and sales positions at electronics and technology companies, and various industry groups, as well as being Chairman for a number of technology companies. Dr Liu has a Ph.D in Electrical Engineering and Automation, as well as Master's and Bachelor's degrees in Material Science and Engineering, from the Harbin Institute of Technology.

服务于以下董事委员会

- 审计委员会 – 成员
- 提名委员会 – 成员
- 薪酬委员会 – 成员

现任其他上市公司董事

- 无

目前主要职务

(除其他上市公司董事外)

- 无

过去三年所担任其他上市公司之董事 (2014年至2016年)

- 无

背景与经验

刘丹军博士在加入INTEL中国研究院计算机人机交互技术担任高级研究员之前，曾于北京工业大学自动化系任职副研究员。之后，刘博士于几间技术公司担任主席一职并在电子信息公司及各行业从事技术及销售工作。刘博士持有哈尔滨工业大学机电控制及自动化博士学位以及材料科学本科及硕士学位。



MR TAN WEE PENG KELVIN, Age 52

陈伟平先生，年龄52

NON-EXECUTIVE INDEPENDENT DIRECTOR

非执行独立董事

Master of Business Administration from the National University of Singapore
新加坡国立大学工商管理硕士学位

Bachelor of Accountancy (First Class Honours) from the National University of Singapore
新加坡国立大学会计学学士（甲等荣誉）学位

Programme for Management Development, Harvard Business School
哈佛商学院综合性领导力课程

Fellow, Institute of Singapore Chartered Accountants
新加坡特许会计师协会会员

Member, Singapore Institute of Directors
新加坡董事协会会员

Date of appointment as Non-Executive Independent Director: 16 July 2016
受重新委任为非执行独立董事：2016年7月16日

Length of service: 5.5 months (as at 31 December 2016)
服务任期：5.5个月（截至2016年12月31日）

Served on the following Board Committees

- Audit Committee – Chairman
- Nominating Committee – Member
- Remuneration Committee – Member

Present directorships in other listed companies

Listed companies

- IREIT Global – Independent Director
- Viking Offshore and Marine Ltd – Independent Director
- Transcorp Holdings Ltd – Lead Independent Director

Others

- Unusual Ltd – Non Executive Independent Director
- Several other private companies

Present principal commitments

(other than directorships in other listed companies)

- Golden Equator Capital – Portfolio Mentor
- Makara Capital Partners – Investment Advisor

Directorships in other listed companies held over the preceding three years (2014-2016)

- WE Holdings Ltd – Lead Independent Director

Background and experience

Kelvin has more than 25 years of professional and management experience in both private and public sectors in Singapore. He has held senior positions with AETOS Security Management, PSA International, and Temasek Holdings.

服务于以下董事委员会

- 审计委员会 – 主席
- 提名委员会 – 成员
- 薪酬委员会 – 成员

现任其他上市公司董事

上市公司

- IREIT Global – 独立董事
- Viking Offshore and Marine Ltd – 独立董事
- Transcorp Holdings Ltd – 首席独立董事

其他

- Unusual Ltd – 非执行独立董事
- 多家私人有限公司董事

目前主要职务

(除其他上市公司董事外)

- 金道资本 – 投资组合指导
- Makara资本 – 投资顾问

过去三年所担任其他上市公司之董事 (2014年至2016年)

- WE Holdings Ltd – 首席独立董事

背景与经验

陈伟平先生在新加坡的公共与私营部门有超过25年的专业与管理经验。他曾在AETOS 保安管理，港务国际集团，与淡马锡控股担任要职。

BOARD OF DIRECTORS

董事会成员



MR RAYMOND LIM SIAN HEONG, Age 67
林酰淞先生, 年龄67

NON-EXECUTIVE INDEPENDENT DIRECTOR
非执行独立董事

Date of appointment as Non-Executive Independent Director: 16 November 2016
受重新委任为非执行独立董事: 2016年11月16日

Length of service: 1.5 months (as at 31 December 2016)
服务任期: 1.5个月 (截至2016年12月31日)

Served on the following Board Committees

- Audit Committee – Member
- Remuneration Committee – Member

Present directorship in other listed companies

- NIL

Present principal commitments

(other than directorships in other listed companies)

- Director, Changzhou 3D Technological Complete Set Equipment Co., Ltd
- Managing Director, Weihai Yunchen Trading Co., Ltd

Directorships in other listed companies held over the preceding three years (2014-2016)

- NIL

Background and experience

Mr Raymond Lim started his career with the Agri-Food & Veterinary Authority of Singapore (AVA) as a Fishery Officer in 1970, and was later seconded to the Ministry of Defence to set up Singapore Food Industries Pte Ltd, which caters rations to the Singapore Armed Forces. In 1981, he set up his own companies Kai-Ocean Pte Ltd, Kaiyen Company Pte Ltd, and Sea King Pte Ltd, specialising in the import and export of seafood, supplying to major supermarkets in Singapore.

From 1988 to 1997 he was the Deputy President of Singapore Fish Merchant General Association, and in 1992, the Honourable General Secretary of Asian Fishery and Forestry Association of Singapore. He was elected President of the Seafood Industries Association of Singapore (SIAS) in 1994 and held this position until 1997.

Mr Raymond Lim set up Kunshan Ta Chuan Co., Ltd in Kunshan City, Jiangsu in 1999, manufacturing processed food products such as fish burgers and chicken nuggets. He left Kunshan Ta Chuan in 2012.

Since 2012, Mr Raymond Lim was the consultant of Xiamen Chongma Import & Export Co. Ltd. In 2015, Mr Raymond Lim is also the consultant of Weihai Yunchen Trading Co., Ltd, which manufactures a wide range of food products for both China and overseas markets.

服务于以下董事委员会

- 审计委员会 – 成员
- 薪酬委员会 – 成员

现任其他上市公司董事

- 无

目前主要职务

(除其他上市公司董事外)

- 董事, 常州市三维技术成套设备有限公司
- 董事经理, 威海云辰贸易有限公司

过去三年所担任其他上市公司之董事 (2014年至2016年)

- 无

背景与经验

林先生于1970年在新加坡农粮与兽医局开始了职业生涯, 并于1974年被暂时调到国防部设立新加坡食品工业私人有限公司, 为新加坡武装部队供应干粮。在1981年, 他创办了自己的公司Kai-Ocean私人有限公司, 凯元私人有限公司以及海王私人有限公司, 专注于海鲜的进出口及供应到新加坡各大超市。

在1988年至1997年间, 他担任新加坡鱼商总会副会长, 并于1992年担任亚细安森林与渔业组织新加坡区秘书长。于1994年至1997年间, 他当选成为新加坡水产业工商联合会会长。

林先生于1999年在中国江苏省昆山市创办昆山大川食品有限公司, 主要制造鱼肉汉堡及炸鸡块。他随后于2012年离开其公司。

自2012年起林先生担任厦门中马进出口有限公司顾问。于2015年林先生亦担任威海云辰贸易有限公司顾问, 主要制造各种食品供应到中国及海外市场。

KEY MANAGEMENT

管理层成员



MR JIANG RONGLIN, Age 47
姜荣林先生，年龄47

GENERAL MANAGER, Changzhou 3D Technological Complete Set Equipment Co., Ltd
总经理，常州市三维技术成套设备有限公司

Date of appointment as General Manager: October 2013
委任日期：2013年10月

Length of service: 3 years 2 months (as at 31 December 2016)
服务任期：3年2个月（截至2016年12月31日）

Present directorship in other listed companies

- NIL

Present principal commitments

(other than directorships in other listed companies)

- NIL

Directorships in other listed companies held over the preceding three years (2014-2016)

- NIL

Background and experience

Mr Jiang started his career in a state-owned corporation as a section chief in 1987. In 1995, he decided to set up his own business and he subsequently founded Changzhou Jinyang Paper Products Co., Ltd in 1997. He assumed the role of Executive Director and General Manager of the Company, growing and developing it until 2013, whereupon he left in search of new challenges. He joined Changzhou 3D Technological Complete Set Equipment Co., Ltd and was appointed General Manager.

现任其他上市公司董事

- 无

目前主要职务

(除其他上市公司董事外)

- 无

过去三年所担任其他上市公司之董事 (2014年至2016年)

- 无

背景与经验

姜先生于1987年在一家国营企业工作，任职一名工段长。1995年，他决定创立自己的公司，成为个体经营者，并于1997年成立常州市金洋纸业有限公司，担任执行董事及总经理，负责规划设计厂区厂房。在2013年，在他的领导下，常州市金洋纸业有限公司步入正轨，而为了寻求更大的发展，他在2013年10月出任常州市三维技术成套设备有限公司总经理，至今仍担任此职位。

KEY MANAGEMENT

管理层成员



MR HENRY LIM HENG LIN, Age 67

林恒仁先生，年龄67

LEAD SUPERVISOR, Changzhou 3D Technological Complete Set Equipment Co., Ltd

首席监事主管，常州市三维技术成套设备有限公司

Bachelor's degree in Government & Public Administration from the Nanyang University of Singapore

新加坡南洋大学政府与行政学学士学位

Master of Business Administration degree in Corporate Finance from the University of Dubuque of USA

美国杜布克大学工商管理金融学硕士学位

Date of appointment as Supervisor: 1 January 2015

委任日期：2015年1月1日

Length of service: 2 years (as at 31 December 2016)

服务任期：2年（截至2016年12月31日）

Present directorship in other listed companies

- NIL

Present principal commitments

(other than directorships in other listed companies)

- Senior Consultant of Jacob Business Armour Pte Ltd

Directorships in other listed companies held over the preceding three years (2014-2016)

- NIL

Background and experience

Mr Lim is currently a Senior Consultant with Jacob Business Armour Pte Ltd in providing business continuity management training for SMEs and assisting public listed companies in areas of corporate governance, compliance and management issues.

From 1994 to 2010, Mr Lim was a founder and CEO of companies engaging in property development including residential, hotels & resorts, golf course and industrial park in Shanghai and cities in Jiangsu Province. He was also active in fund raising, including IPOs and M&A investments.

Prior to that, he had founded and managed a garments factory for 18 years. He also led a consulting firm helping SMEs in corporate restructuring. He was also involved in trading of hedge funds in the region.

现任其他上市公司董事

- 无

目前主要职务

(除其他上市公司董事外)

- 捷卡企业危机管理私人有限公司资深顾问

过去三年所担任其他上市公司之董事 (2014年至2016年)

- 无

背景与经验

林先生目前担任捷卡企业危机管理私人有限公司的资深顾问，为中小型企业提供企业持续管理的培训，并协助上市公司有关企业管治、合规准则及管理的课题。

于1994年至2010年期间，林先生创办并担任多家房地产发展公司的首席执行官职务，主要开发中国上海及江苏省多个城市的住宅、酒店与度假村、高尔夫球场及工业区等项目。他也积极参与集资活动，如首次公开售股及合并与收购的投资方案。

此前，他也创办并管理一家制衣工厂长达18年，以及管理一家顾问咨询公司，帮助中小型企业有关企业重组的事项。他也在本区域参与对冲基金的交易。



MR ISAAC PEH LIN SIAH, Age 42

白锦程先生，年龄42

FINANCIAL CONTROLLER

财务总监

Bachelor of Arts (Major in Economics and Statistics) from the National University of Singapore

新加坡国立大学文学学位（主修经济学与统计学）

ACCA

特许公认会计师

CPA(Australia)

特许公共会计师（澳大利亚）

CPA (US)

特许公共会计师（美国）

Date of employment: 9 December 2013

委任日期：2013年12月9日

Length of service: 3 years (as at 31 December 2016)

服务任期：3年（截至2016年12月31日）

Present directorships in other listed companies

- NIL

Present principal commitments

(other than directorships in other listed companies)

- NIL

Directorships in other listed companies held over the preceding three years (2014-2016)

- NIL

Background and experience

Mr Peh has 15 years' broad based experience in various capacities in accounting/audit, primarily for companies involved in manufacturing activities such as semiconductor assembly and testing, printed circuit board assembly, light consumer products and other various capacities in accounting/ audit.

现任其他上市公司董事

- 无

目前主要职务

(除其他上市公司董事外)

- 无

过去三年所担任其他上市公司之董事 (2014年至2016年)

- 无

背景与经验

白先生拥有15年于制造业领域的广泛经验，其中包括半导体组装及测试、印制电路板组装、轻工消费品及其他各种会计和审计职务。

CORPORATE GOVERNANCE REPORT

企业管治报告

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

Shanghai Turbo Enterprises Ltd (the “**Company**”) and its Management is committed to maintain high standards of measures, practices and transparency in the disclosure of material information in line with those set out in the Code of Corporate Governance 2012 (the “**Code**”).

The Company has established various self-regulating and monitoring mechanisms, to ensure that effective corporate governance is practiced as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and financial performance of the Group.

This report describes the Company’s corporate governance processes and structures that were in place throughout the financial year, with specific reference made to the principles and guidelines of the Code which forms part of the Continuing Obligations of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

The Board is pleased to confirm that for the financial year ended 31 December 2016 (“FY2016”), the Company has generally adhered to the principles and guidelines as set out in the Code.

BOARD MATTERS

BOARD’S CONDUCT OF ITS AFFAIRS

Principle 1: Effective Board to lead and control the Company

1. sets the overall strategy of the Group, supervises and works with the management to make objective decisions in the interest of the Group including establishing goals and priorities for the management, and reviews the management’s performance by monitoring the achievement of these goals;
2. establishes policies on matters such as financial control, financial performance and risk management procedures, thereby taking responsibility for the overall corporate governance of the Group;
3. sets objective performance criterion to evaluate the Board’s performance and succession planning process;
4. reviews the adequacy and effectiveness of the Group’s risk management and internal controls framework including financial, operational, compliance and information technology controls and establishing risk appetite and parameters to safeguard shareholders’ interests and the Company’s assets;
5. reviews and approves key operational and business initiatives, major funding proposals and other corporate actions, significant investment and divestment proposals, including determining the Group’s operating and financial performance, the Group’s annual budgets and capital expenditure, release of the Group’s half-year and full-year financial results and other strategic initiatives proposed by Management;
6. approves all Board appointments/re-appointments and appointment of ¹Key Management Personnel, evaluates their performance and reviews their remuneration packages;

上海动力发展有限公司（下称“**本公司**”）及其管理层致力于在实质信息的披露上秉持高水平的措施、实践及透明度，以遵守2012年所颁布之《企业管治守则》（下称“**《守则》**”）。

本公司已经制定多个自我调节及监控机制，以确保实践有效的企业管治为履行职责的基础，维护并提升本集团股东价值与业绩表现。

本报告载列本公司过去财政年所实施之企业管治程序及架构，特别以《守则》的原则与指导为参考，组成了新加坡证券交易有限公司（下称“**新交所**”）《上市手册》的持续义务之部分。

董事会欣然确定，截至2016年12月31日止之财政年度（下称“**2016财政年**”），本公司已大致上遵守了《守则》中所列明之原则与指导。

董事会事项

董事会对其事务的处理

原则1：可领导与管制公司的有效董事会

1. 制定本集团的整体策略，监督及与管理层合作以本集团的利益为考量做出客观的决策，包括为管理层设立目标与优先考虑的事项，并通过监控这类目标的达成对管理层的表现进行检讨；
2. 对财务控制、业绩表现及风险管理程序等事项设立政策，从而负责本集团的整体企业管治；
3. 制定客观的表现评估标准，以评估董事会的表现及交接流程的规划；
4. 检讨本集团风险管理及内部控制框架的足够性与有效性，包括财务、运营、合规及资讯科技控制，并设立风险承受度与参数以保障股东利益与本公司资产；
5. 对主要运营及商业举措、重大资金建议案及其他企业行为、主要投资及撤资建议案进行检讨与批准，包括确认本集团运营及业绩表现、本集团年度预算及资本开支、本集团半年度及年度业绩的公布以及其他管理层所提议的策略性举措；
6. 批准所有董事会的委任/重新委任、¹主要管理人士的委任，评估其表现并检讨其薪酬配套；

CORPORATE GOVERNANCE REPORT

企业管治报告

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

7. identifies the key stakeholder groups and recognises that their perceptions affect the Company's reputation;
 8. sets the Company's values and standards (including ethical standards), and ensures that obligations to shareholders and other stakeholders are understood and met; and
 9. considers sustainability issues (where applicable), e.g. environmental and social factors, as part of its strategic formulation.
7. 确定主要股东类别及认识到其观点可对本公司的声誉造成影响;
 8. 制定本公司的价值与标准（包括道德标准），并确保已了解及达到对股东与其他关系人的义务；及
 9. 考虑可持续性课题（在适用的情况），例如环境及社会因素，作为其策略制定的一部分。

¹ Key Management Personnel: the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the Company

¹ 主要管理人员：首席执行官及其他对本公司活动的规划、指导与控制拥有权利及责任的人士

To assist in the execution of its responsibilities, the Board has established several Board Committees namely, Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"). These Board Committees function within clearly defined terms of reference, which are reviewed on a regular basis. The terms of reference of the respective committees have incorporated the recent changes under the Code. All Board Committees are chaired by an Independent Director and a majority of the members are independent Directors.

为协助其责任的执行，董事会已设立若干董事委员会，即审计委员会（下称“**审计委员会**”）、提名委员会（下称“**提名委员会**”）及薪酬委员会（下称“**薪酬委员会**”）。董事委员会的职责范围已被给予明确定义说明，并会定期进行检讨。各委员会的职能范围已纳入了守则所推出的最新改变。所有的董事委员会由一名独立董事担任主席，而大部分成员都是独立董事。

The Board and its committees met regularly and as warranted by particular circumstances to discharge their duties. An annual schedule of Board and Board Committee meeting dates are set by the Directors in advance. Ad-hoc meetings are convened when required to address any significant issues that may arise in-between the scheduled meetings. Where physical meetings are not possible, timely communication with members of the Board and Board Committees can be achieved through electronic means and circulation of written resolutions for approval by the Board or relevant Board Committees. The Company's Articles of Association ("**Articles**") provide that the Directors may conduct meetings by means of telephone or video conference or other methods of simultaneous communication.

董事会及其委员会定期以及在特殊情况需要时进行会面以执行其职责。董事会的年度既定会议日期及董事委员会的会议日期都由董事会提前制定。临时会议是在需要时召开以应付任何在既定会议之间所可能产生的重大课题。在无法召开实质会议的情况下，董事会成员与董事委员会之间的及时沟通可通过电子方式及以书面决议获取董事会或相关董事委员会的批准。本公司的《公司章程》（下称“**《章程》**”）规定，董事可通过电话或视讯或其他可同步沟通的方式召开会议。

To enable members of the Board and its committees to prepare for the meetings, agendas were circulated in advance. Members of the management are invited to attend the meetings to present information and/or render clarification when required. Directors are welcome to request for further explanation, briefings or discussions on any aspect of the Group's operations or business from the management. When required, Board members meet to exchange views outside the formal environment of Board meetings. The frequency of meetings and attendance of each director at every board and Board Committee meeting are disclosed in this Report.

为了确保董事会成员及其委员会可为会议做准备，会议议程会提前传阅。管理层成员将在必要时受邀出席会议以呈现资料及/或提供解释说明。董事可要求管理层对本集团的运营或业务的任何方面提供进一步的解释、简报或讨论。在必要时，董事会成员会在董事正式会议以外的时候会面以交换意见。会议的频率及每名董事在每次董事及董事委员会会议的出席率已在本报告中披露。

CORPORATE GOVERNANCE REPORT

企业管治报告

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

The attendance of the directors at Board meetings and Board Committee meetings as at 31 December 2016 are as follows:-

董事于2016年12月31日的董事会议及董事委员会会议的出席率如下:

		Board 董事会	Audit Committee ("AC") 审计委员会	Nominating Committee ("NC") 提名委员会	Remuneration Committee ("RC") 薪酬委员会
Number of meetings	召开会议次数	6	4	2	2
Name of directors	董事姓名				
Executive Director:	执行董事:				
Liu Ming	刘明	6	—	2	—
Non-Executive Independent Directors:	非执行 独立董事:				
⁽¹⁾ Huang Wooi Teik	⁽¹⁾ 黄伟德	3	1	1	1
⁽²⁾ Jack Chia Seng Hee	⁽²⁾ 杰克谢	6	4	2	2
⁽⁴⁾ Tan Wee Peng Kelvin	⁽⁴⁾ 陈伟平	2	2	1	—
⁽⁵⁾ Raymond Lim Sian Heong	⁽⁵⁾ 林酰淞	—	—	—	—
Non-Executive Non-Independent Director:	非执行 非独立董事:				
⁽¹⁾ Aloysius Wee Meng Seng	⁽¹⁾ 黄明成	2	—	—	—
⁽³⁾ Dr Daniel Liu Danjun	⁽³⁾ 刘丹军博士	3	3	1	1

- (1) Huang Wooi Teik and Aloysius Wee Meng Seng retired as Directors on 30 April 2016
- (2) Jack Chia Seng Hee was appointed as Lead Independent Director on 1 May 2016
- (3) Dr Daniel Liu Danjun was appointed as Non-Executive Non-Independent Director and a member of the Audit Committee, Nominating Committee and Remuneration Committee on 1 May 2016
- (4) Tan Wee Peng Kelvin was appointed as Non-Executive Independent Director, Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee on 16 July 2016
- (5) Raymond Lim Sian Heong was appointed as Non-Executive Independent Director and a member of the Audit Committee and Remuneration Committee on 16 November 2016

- (1) 黄伟德及黄明成已于2016年4月30日卸任董事一职。
- (2) 杰克谢已于2016年5月1日受委任为首席独立董事。
- (3) 刘丹军博士已于2016年5月1日受委任为非执行非独立董事、并担任审计委员会成员、提名委员会成员及薪酬委员会成员。
- (4) 陈伟平已于2016年7月16日受委任为非执行独立董事，并担任审计委员会主席、提名委员会成员及薪酬委员会成员。
- (5) 林酰淞已于2016年11月16日受委任为非执行独立董事，并担任审计委员会成员及薪酬委员会成员。

The Board recognises that while these Board Committees have the delegated power to make decisions, execute actions or make recommendations in their specific areas respectively, and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility for the decisions and actions rests with the Board.

董事会认识到，虽然董事委员会已被给予授权，分别为其特定领域进行决策、执行或提供建议，并将其决策及/或建议汇报给董事会，但最终的决策及行为将由董事会负责。

The Company has adopted internal guidelines governing matters that require the Board's approval. Matters which are specifically reserved to the Board for decision include those involving a conflict of interest for a substantial shareholder or a director, material acquisitions, disposal of assets, corporate or financial restructuring and share issuances, dividends and other returns to shareholders and matters which require Board approval as specified under the Company's interested person transaction policy.

本公司已采纳内部指导原则规管有关需要董事会批准的事项。特定需要董事会决策的事项包括主要股东或董事的利益冲突、重大收购、资产处置、企业或财务重组及股份发行、股息及其他股东回报以及在本公司利益相关人交易政策中所列明需董事会批准的事项。

CORPORATE GOVERNANCE REPORT

企业管治报告

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

Newly appointed directors will, if necessary, be given briefings by the management on the business activities of the Group, governance policies, policies on disclosure of interests in securities, the rules relating to disclosure of any conflict of interest in a transaction involving the Company, prohibitions in dealing in the Company's securities and restrictions on disclosure of price sensitive information.

To keep pace with a fast-changing regulatory environment, the Company and the Board works closely with the Company Secretary to provide its directors with regular updates on the latest governance and listing policies. All directors were also updated regularly concerning any changes in company policies.

A formal letter of appointment is furnished to every newly-appointed director upon his or her appointment explaining, among other matters, their roles, obligations, duties and responsibilities as members of the Board.

Directors and the management are encouraged to attend courses to keep abreast of changes in the law and governance matters that may affect the Company. The Company has a budget for them to receive further relevant training of their choice in connection with their duties.

BOARD COMPOSITION AND GUIDANCE

Principle 2: Strong and independent element on the Board

Presently, the Board comprises one Executive Director, one Non-Executive Non-Independent Director and three Non-Executive Independent Directors.

Non-Executive Chairman & Lead Independent Director

Mr Huang Wooi Teik
(Retired on 30 April 2016)

Executive Director & CEO

Mr Liu Ming

Lead Independent Director

Mr Jack Chia Seng Hee
(Appointed as Lead Independent Director on 1 May 2016)

Non-Executive Non-Independent Directors

Mr Aloysius Wee Meng Seng
(Retired on 30 April 2016)

Dr Daniel Liu Danjun
(Appointed on 1 May 2016)

Non-Executive Independent Directors

Mr Tan Wee Peng Kelvin
(Appointed on 16 July 2016)

Mr Raymond Lim Sian Heong
(Appointed on 16 November 2016)

新委任的董事，若有需要，将接受管理层有关本集团商业活动的管理、治理政策、披露证券利益政策、披露关于本公司任何利益冲突交易的规则、本公司证券的交易禁律以及披露股价敏感信息限制的简报。

为了在瞬息万变的规范环境中与时俱进，本公司及董事会与公司秘书密切合作，定期为其董事提供最新治理与上市政策的更新信息。所有董事也定期获得公司政策改变的更新信息。

一旦受委任，每名新委任董事将获得一封正式的委任信函，对其身为董事会成员的职能、义务、职责与责任以及其他事项进行解释。

董事与管理层可踊跃报读课程，以掌握可能影响本公司的法律及治理事项之最新信息。本公司有拨款预算，可让其自行选择接受对其执行职务所需的相关培训。

董事会构成与指导

原则2：董事会的坚强与独立能力

目前，董事会由一名执行董事、一名非执行非独立董事以及三名非执行独立董事组成。

非执行主席及首席独立董事

黄伟德先生
(于2016年4月30日卸任)

执行董事兼首席执行官

刘明先生

首席独立董事

杰克谢先生
(于2016年5月1日委任为首席独立董事)

非执行非独立董事

黄明成先生
(于2016年4月30日卸任)

刘丹军博士
(于2016年5月1日受委任)

非执行独立董事

陈伟平先生
(于2016年7月16日受委任)

林猷淞先生
(于2016年11月16日受委任)

CORPORATE GOVERNANCE REPORT

企业管治报告

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

There is presently an executive director, a non-executive non-independent and three non-executive independent directors. Half of the board is independent directors with the lead independent director, hence there is a strong independent element on the Board.

Individual directors' profiles are shown in the "Board of Directors" section of this Annual Report as set on pages 12 to 16.

The NC conducts its annual review on the composition and size of the Board. The NC considers the current Board composition and size to be appropriate to facilitate effective decision making for the existing needs and demands of the Group's businesses. The NC, through the approval of the board, has also put in place the appointment of an independent director, Mr Raymond Lim Sian Heong, on 20 July 2015, at the operating subsidiary, Changzhou 3D Technological Complete Set Equipment Co, Ltd ("Changzhou 3D"). The board of the operating subsidiary meets quarterly to discuss the operational issues in depth, before surfacing the issues to the Company.

The NC and the Board, in its deliberation as to the independence of a director, takes into account examples of relationships as set out in the Code.

The Board possesses the relevant core competencies in areas such as accounting and finance, strategic planning, business and management experience. In particular, the Executive Director possesses good industry knowledge while the Non-Executive Directors, who are mostly professionals and experts in their own fields, are able to take a broader view of the Group's activities, contribute their valuable experiences and provide independent and objective judgement during Board deliberations or when challenging Management's proposals or decisions constructively on business activities and transactions involving conflicts of interest and other complexities. The Non-Executive Directors also contribute to the Board process by monitoring and reviewing Management's performance against goals and objectives. Their views and opinions provide alternate perspectives to the Group's business.

During the year, the Non-Executive Directors helped develop both the Group's short-term and long-term business strategies, corporate governance compliance and played an important role in tightening the internal control processes risk and compliance monitoring. They also communicated among themselves without the presence of management as and when the need arises. The Company also benefited from the management's ready access to its Directors for guidance and exchange of views both within and outside the formal Board or committees meetings.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

Principle 3: Clear division of responsibilities at the top of the Company

The position of the Chairman and Chief Executive Officer ("CEO") are separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

目前，董事会中有一名执行董事，一名非执行非独立董事及三名非执行独立董事。半数的董事会成员由独立董事组成，因此具有强大的独立能力。

个别董事的履历载于本年报第12页至16页的董事会栏目。

提名委员会每年会对董事会的构成和规模进行检讨。提名委员会认为，目前的董事会规模及委员会数量适当于对本公司现有运营的需要与需求做出有效决策。提名委员会通过获得董事会的批准，也于2015年6月20日委任了林酰淞先生为运营子公司常州市三维技术成套设备有限公司（下称“常州三维”）的独立董事。运营子公司董事会按季度深切地讨论运营课题，并随之将课题告知本公司。

提名委员会及董事会在考虑董事的独立能力时，会把《守则》中的关系例子纳入考量。

董事会拥有会计及财务、政策筹划、业务及管理经验等领域的相关核心才能。尤其，执行董事有良好的业内知识，而主要来自各个专业领域的专业人士和专才担任非执行董事，能以更广阔的视野看待本集团业务，提供宝贵经验，并在董事会的各项考量事宜中或具建设性地挑战管理层在商业活动及有关利益冲突与其他复杂交易的建议或决定时提供独立性的判断。非执行董事也通过监控及检讨管理层的表现是否达到目标与目的，为董事会流程作出贡献。他们的看法与意见将对本集团的业务提供另一观点。

过去一年，非执行董事协助发展本集团的短期及长期策略、企业管治合规，并在内部控制程序、风险及合规监控上扮演着举足轻重的角色。他们也在无管理层出席的情况下，在有必要时进行沟通。管理层也能在正式董事会或董事委员会会议中或以外的时间轻易接触董事获取指导和交换意见，让本公司从中受益。

主席与首席执行官（下称“首席执行官”）

原则3：本公司高层明显职务分化

主席与首席执行官的职责是分开的，以确保有适当的权利平衡，加强负有责任及让董事会拥有更高能力去进行独立决策。

CORPORATE GOVERNANCE REPORT

企业管治报告

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

Mr Jack Chia Seng Hee, being the Lead Independent Director ("LID") appointed on 1 May 2016, leads the Board meetings and sets the Board meeting agenda in consultation with the Company Secretary and ensures that Board members are provided with complete, adequate and timely information. The LID is also responsible for ensuring that adequate time is available for discussion of all agenda items, particularly for strategic issues, and promoting high standards of corporate governance. Besides ensuring effective communication with shareholders, the LID also acts as facilitator to the Non-Executive Directors for them to effectively contribute to the Group.

The LID is also the principal liaison to address shareholders' concerns, for which direct contact through normal channels of the CEO or Financial Controller has failed to resolve or for which such contact is inappropriate. He also facilitates periodic meetings with the other Independent Directors on board matters, when necessary and provides his feedback to the CEO after such meetings.

The other specific roles as LID are as follows:

- a) acts as liaison between the Non-Executive Directors and the CEO and the Executive Directors to provide non-executive perspectives; and
- b) assists the Board and Company officers in better ensuring compliance with and implementation of corporate governance.

Mr Liu Ming, the Executive Director and CEO, is responsible for the day-to-day running of the Group and the execution of the strategic plans set out by the Board. He ensures that the Board is kept updated and informed of the Group's business.

During the year, the Company's Non-Executive directors have communicated between themselves, without the presence of the management as and when the need arises.

BOARD MEMBERSHIP

Principle 4: Formal and transparent process for appointment and re-appointment of directors to the Board

Presently, the NC comprises 4 members, 2 of whom (including the Chairman) are independent directors:-

Mr Jack Chia Seng Hee	(Chairman)
Mr Liu Ming	(Member)
Dr Daniel Liu Danjun	(Member)
Mr Tan Wee Peng Kelvin	(Member)

The primary function of the NC is to determine the criteria for identifying candidates and to review nominations for the appointment of directors to the Board, to consider how the Board's performance may be evaluated, and to propose objective performance criteria for the Board's approval. Its duties and functions are outlined as follows:-

1. to make recommendations to the Board on all Board appointments and re-nomination having regard to the director's contribution and performance (e.g. attendance, preparedness, participation, candour, and any other salient factors);

杰克谢先生于2016年5月1日受委任为首席独立董事。首席独立董事杰克谢先生领导董事会议，并咨询企业秘书后设定董事会议程，以及确保董事会成员获得完整、足够及及时的信息。首席独立董事也负责确保所有议程所列事项都能获得足够时间讨论，尤其是策略性课题，并促进企业管治的高水平。除了确保能够有效地与股东沟通外，首席独立董事也需衔接非执行董事与本集团的桥梁，让他们能有效地为本集团贡献。

首席独立董事也是在无法通过正常管道直接接触首席执行官或财务总监获得化解或类似接触并不适合的情况下，应付股东疑问的主要联系人。他也与其他独立董事协调有关董事会事项的周期会议，并在必要时在此类会议后向首席执行官提供反馈。

首席独立董事的其他特定职责如下：

- a) 扮演非执行董事与首席执行官之间的联系人，而非执行董事需提供非执行观点；及
- b) 协助董事会及本公司人员更好地确保企业管治的合规与实施。

自2006年本公司上市，刘明先生被委任为执行董事和首席执行官，负责本集团的日常运营以及董事会策略筹划的执行。他确保董事会获知本集团业务的最新信息。

过去一年，本公司的非执行董事，在无管理层出席的情况下，在有必要时进行沟通。

董事会成员

原则4：董事会委任及重新委任董事的正式与透明程序

目前，提名委员会包含四位成员，其中两个人（包括主席）为独立董事：-

杰克谢先生	(主席)
刘明先生	(成员)
刘丹军博士	(成员)
陈伟平先生	(成员)

提名委员会的主要职能是确认筛选人选的标准并对董事会委任董事的提名者进行检讨、思考董事会的表现如何受到评估，并建议客观的表现评估标准让董事会批准。提名委员会的职责与职能如下：

1. 为董事会推荐所有有关董事的委任，并依据董事的贡献及表现（例如出席率、应变能力、参与、公正性及其他显著因素）进行重新提名；

CORPORATE GOVERNANCE REPORT

企业管治报告

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. to ensure that all directors would be required to submit themselves for re-nomination and re-election at regular intervals and at least once in every three years;
 3. to determine annually whether a director is independent, in accordance with the independence guidelines contained in the Code;
 4. to review whether a director is able to and has adequately carried out his duties as a director of the Company in particular where the director concerned has multiple Board representations; and
 5. to consider how the Board's performance may be evaluated and to propose objective performance criteria.
2. 确保所有董事需定时和至少每三年一次为自己提交提名和重新受委任的申请;
 3. 依据《守则》的独立指导原则, 每年确认董事是否具独立能力;
 4. 检讨董事是否能够并适当地执行其身作为本公司董事的职责, 尤其是身兼多个董事代表 职衔的董事; 及
 5. 思考董事会的表现如何受到评估, 并建议客观的表现评估标准。

The NC reviews annually the independence of each Director based on the definition and criteria set out in the Code for independence. Each Non-Executive Director is required to complete a Confirmation of Independence form drawn up based on the Principle 2 of the Code for the NC's review and recommendation to the Board.

Taking into consideration the foregoing, the NC is of the view that Mr Jack Chia Seng Hee, Mr Tan Wee Peng Kelvin and Mr Raymond Lim Sian Heong are deemed to be independent. Each of these Directors has also confirmed their independence. Dr Daniel Liu Danjun is not independent by virtue of him representing the interests of his 27.18% shareholders (as defined under the Code) of the Company.

The NC also noted that as at 31 December 2016, none of the Independent Directors has served on the Board beyond 9 years from the date of his first appointment. Each of these directors have abstained from any discussion and voting on the matter at the NC and Board meetings respectively.

The Board had concurred with the NC's assessment.

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that directors appointed to the Board possess the relevant background, experience and knowledge in business, legal, finance and management skill critical to the Group's business to enable the Board to make sound and well considered decisions.

The Company's Articles provide for the retirement and re-election of Directors at every Annual General Meeting ("AGM").

Article 86(1) & (2) of the Company's Articles of Association require that every director on the Board shall retire at least once every three (3) years. A retiring Director shall be eligible to offer himself for re-election. Pursuant to Article 85(6) of the Company's Articles of Association, any new director appointed during the year shall retire at the next AGM of the Company and shall then be eligible for re-election. The NC is responsible for the nomination of retiring Directors for re-election.

提名委员会每年根据《独立守则》所制定的定义与标准为每名董事的独立能力进行检讨。每名非执行董事需根据《守则》第二原则填妥一份独立确认表格, 让提名委员会能够为董事会进行检讨与提出建议。

在考虑到上述情况, 提名委员会认为, 杰克谢先生, 陈伟平先生与林酰淞先生都拥有独立能力。这些董事也已确认其独立能力。刘丹军博士由于其代表本公司27.18%股东的利益(根据《守则》的定义), 并非拥有独立能力。

提名委员会也注意到, 截至2016年12月31日, 无任何独立董事自其首次受委任以来, 在董事会任期超过九年。每名董事已分别在提名委员会会议及董事会会议对此事项的任何讨论与投票表示弃权。

董事会已同意提名委员会的评估。

提名委员会获得董事会授权以来, 已尽力确保受委任董事拥有对本集团至关重要的商业、法律、财务及管理技能的相关背景、经验及知识, 让董事会能够作出明确及深思熟虑的决策。

本公司《章程》规定, 董事需在每个年度股东大会(下称“**年度股东大会**”)卸任及受重新委任。

根据本公司《章程》第86(1)及(2)条规定, 所有董事须每三(3)年至少卸任一次。卸任的董事可为自己提交受重新提名及重新委任的申请。根据本公司《章程》第85(6)条规定, 在本年度新受委任的董事将在下一个本公司的年度股东大会上卸任及受重新委任。提名委员会负责为受重新委任的卸任董事进行提名。

CORPORATE GOVERNANCE REPORT

企业管治报告

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

In reviewing the nomination of the retiring directors, the NC considered the composition and progressive renewal of the Board, and the competency, performance and contribution of each of the retiring directors, having regard not only to their attendance, preparedness and participation at Board and Board Committee meetings but also the time and effort devoted to the Group's business and affairs, especially their operational and technical contributions. Where appropriate, the NC will also consider the Director's independence.

The Board has accepted the NC's recommendation on the nomination of Mr Liu Ming, who is retiring pursuant to Article 86(1), to be put forward for re-election at the forthcoming AGM. Mr Liu Ming will, upon re-election as a director of the Company, remain as a member of the NC and will be considered non-independent.

The Board has also accepted the NC's recommendations on the nominations of Dr Daniel Liu Danjun, Mr Tan Wee Peng Kelvin and Mr Raymond Lim Sian Heong, who are retiring pursuant to Article 85(6), to be put forward for re-elections at the forthcoming AGM.

Dr Daniel Liu Danjun will, upon re-election as a director of the Company, remain as a member of the AC, NC and RC and will be considered non-independent. Mr Tan Wee Peng Kelvin will, upon re-election as a director of the Company, remain as Chairman of the AC and a member of the NC and RC and will be considered independent. Mr Raymond Lim Sian Heong will, upon re-election as a director of the Company, remain as a member of the AC and RC and will be considered independent.

Mr Liu Ming, Dr Daniel Liu Danjun, Mr Tan Wee Peng Kelvin and Mr Raymond Lim Sian Heong have abstained from deliberation and voting in respect of their own re-elections at the respective NC and Board meetings.

Where a Director has multiple Board representations, the NC will determine if the Director has been able to devote sufficient time and attention to the Company's affairs and if he has been adequately carrying out his duties as a Director. The recommendation of the NC is then made to the Board accordingly. The Board will review this recommendation. The NC is of the view that the number of directorships a Director can hold and his principal commitments should not be prescriptive as the time commitment for each board membership will vary. The NC will review the number of listed company board representations which each Director holds on an annual basis or from time to time when the need arises. In this respect, the NC believes that it would not be necessary to prescribe a maximum number of listed company board representations a Director may hold. The Board affirms and supports this view.

Currently, no alternate Directors have been appointed in respect of any of the Directors.

During the year, the NC had reviewed the directorships and principal commitments disclosed by each Director and was of the view that the existing directorships and principal commitments of the respective Directors have not affected their abilities to discharge their duties. The Board concurred with the NC.

在检讨即将卸任董事的提名时，提名委员会以董事会的表现、构成及渐进式更新，及每名即将卸任董事的能力及贡献为考量，并非仅考虑其在董事会议及董事委员会会议中的出席率及参与，但也考虑其对本集团的业务及事项，尤其是运营和技术贡献所付出的时间与精力。在适当时，提名委员会也将考虑其董事的独立性。

董事会已接受提名委员会的建议，在来临的年度股东大会上，提名依照《章程》第86(1)条规定即将卸任的刘明先生受重新委任。刘明先生在受重新委任为本公司董事时，将继续担任提名委员会成员，并将不具独立能力。

董事会也已接受提名委员会的建议，在来临的年度股东大会上，提名依照《章程》第85(6)条规定即将卸任的刘丹军博士、陈伟平先生及林酰淞先生受重新委任为本公司董事。

刘丹军博士在受重新委任为本公司董事时，将继续担任审计委员会、提名委员会及薪酬委员会成员，并将不具独立能力。陈伟平先生在受重新委任为本公司董事时，将继续担任审计委员会主席以及提名委员会与薪酬委员会成员，并将具有独立能力。林酰淞先生在受重新委任为本公司董事时，将继续担任审计委员会及薪酬委员会成员，并将具有独立能力。

刘明先生、刘丹军博士、陈伟平先生及林酰淞先生，皆已于提名委员会会议及董事会议上，就有关其受重新委任为董事的任何决议时放弃考量及投票权。

当一名董事担任多个董事会的董事职位时，提名委员会将确认，该董事是否能够将足够的时间与精神投入本公司事项，及是否已适当执行其身为董事的职责。提名委员会相应地将提名建议提交给董事会。董事会将检讨此建议。提名委员会认为，一名董事所能担任的董事职位及其主要职务数量不应受到规定，因每个董事会职位所需付出的时间将有所不同。提名委员会将每年或在有必要的时候，时不时检讨各董事所担任的上市公司董事职位数量。因此，提名委员会相信，没有必要对董事实施上市公司董事职位数量的限制。董事会认同并支持此观点。

目前，尚未委任任何替代任何在卸董事。

过去一年，提名委员会已检讨每名董事所披露的所持董事职位及主要职务，并认为个别董事的现有所持董事职位及主要职务并没有影响其执行职责的能力。董事会对提名委员会的建议表示同意。

CORPORATE GOVERNANCE REPORT

企业管治报告

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

None of the Directors are related and do not have any relationship with the Company or its related companies or its officers who could interfere or to be reasonably perceived to interfere with the exercise of their independent judgements.

董事之间并没有关系，也与本公司或与其相关公司或其可干涉或被合理视为可干涉董事实行独立判断的公司职员有任何的关系。

BOARD PERFORMANCE

Principle 5: Formal annual assessment of the effectiveness of the Board and contributions by each director.

董事会表现

原则5：董事会的有效性及各名董事的贡献之正式年度评估

The NC is responsible for assessing the Board as a whole and also each individual director's contribution.

提名委员会负责董事会整体及个别董事贡献的评估。

To ensure confidentiality, the evaluation forms completed by directors were submitted to the Company Secretary for collation and the consolidated responses were presented to the NC for review and discussion. The NC has reported to the Board on its review of the Board's performance for the year.

为了确保其机密性，董事所进行的评估都提交给公司秘书进行整理，并把整合过的反馈呈现给提名委员会进行检讨和商议。提名委员会已经向董事会汇报了委员会对董事会的年度表现检讨。

The NC, in conducting the appraisal process to assess the performance and effectiveness of the board as a whole, focuses on a set of performance criteria which includes the evaluation of the size and composition of the Board, the board's access to information, board processes and accountability, board performance in relation to discharging its principal responsibilities, and the directors' standards of conduct. The Board has approved and adopted a revised set of performance criteria in view of the Code in 2015, which fosters proactive board development, raises the performance bar relative to corporate best practices and ensures relevance in today's dynamic business environment.

提名委员会在进行评估董事会的表现与有效性的过程中，专注于一套表现评估标准，其中包括董事会规模与构成、获取信息、董事会的流程及负有责任、董事会执行其主要职责的表现以及董事的操守标准。董事会已批准及采纳了《守则》在2015年所修改的表现标准，以促进积极的董事会发展、相对企业最佳实践提升表现水平，并确保符合现今多变的商业环境。

The questionnaires in the board performance evaluation were expanded to include remuneration matters, risk management and internal controls and shareholders' right and responsibilities, which covers communications with shareholders and conduct at shareholders' meetings.

董事会表现评估的问卷已延伸至包括薪酬事项、风险管理及内部控制与股东权益及责任，其中就涵盖在股东会议上与股东的沟通及操守。

The NC and the Board had approved and adopted a set of new performance criteria for the assessment of each individual director.

提名委员会及董事会已批准及采纳一套对每个个别董事所进行的新表现评估标准。

The Board has taken the view that the financial indicators, as set out in the Code as a guide for the evaluation of the board and its directors, may not be appropriate as these are more of a measurement of management's performance and therefore less applicable to directors.

董事会认为，《守则》所列明财务指标为评估董事会的指导原则，可能并不恰当，因此指标较倾向于衡量管理层的表现，因此较不适用于董事。

The NC has conducted a board performance evaluation exercise to assess the effectiveness of the Board as a whole for FY2016 and is satisfied that sufficient time and attention has been given by the directors to the affairs of the Group. The overall ratings have improved. The NC is generally satisfied with the results of the Board performance for FY2016, which indicated areas of strengths and those that could be improved further. No significant problems were identified. The NC had discussed the results with Board members who agreed to work on those areas that could be improved further. The NC would continue to evaluate the process for such review and its effectiveness from time to time.

在2016财政年，提名委员会已进行董事会整体表现评估活动，并对董事为本集团事项付出足够的时间和精力感到满意。整体的董事会评估成绩有所进步。提名委员会对董事会于2016财政年的表现表示满意，并已指出其强项及仍拥有进步空间的领域，而且并没有出现重大问题。提名委员会已与董事会成员讨论其成绩，并都已对仍拥有进步空间的领域表示同意。提名委员会将继续不时评估此类检讨程序及其有效性。

The NC had put in place a formal process for short listing, evaluating and nominating candidates for appointment as new Directors.

提名委员会已制定认知、评估及提名委任其新董事人选的流程。

CORPORATE GOVERNANCE REPORT

企业管治报告

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

The NC, in consultation with Management and the Board, determines the qualifications and expertise required or expected of a new board member taking into account the current board size, structure, composition and progressive renewal of the board. Prospective candidates are sourced through recommendations from board members, business associates, advisors, professional bodies and other industry players. These candidates are reviewed by the NC. The criteria for assessing the suitability of any nominee or candidate are determined by the NC.

The NC, in evaluating the suitability of the nominee or candidate, will take into account his qualifications, business and related experience and ability to contribute effectively to the board. The NC will also determine if the nominee or candidate would be able to commit time to his appointment having regard to his other board appointments and principal commitments, and if he is independent.

The evaluation process will also involve an interview or meeting with the nominee or candidate. Appropriate background checks and confidential searches will also be made. Recommendations of the NC are then put to the board for consideration.

The Company may appoint professional search firms and recruitment consultants to assist in the selection and evaluation process if the appointment involves specific skill sets or industry specialisation.

ACCESS TO INFORMATION

Principle 6: Board members to have complete, adequate and timely information

The Board has separate and independent access to the senior management of the Company, the Company Secretary, the Internal Auditors (as defined below) and the External Auditors (as defined below) at all times. Directors also have unrestricted access to the Company's records and information, all Board and Board's committees' minutes, and have been receiving management accounts so as to enable them to carry out their duties.

In addition to the periodic business forecasts submitted to the Board for approval, the Board has been provided with management reports, Board papers and related materials informing the directors of the Group's performance, position and prospects. Management also keeps the Board apprised of material variances between the actual results, and the corresponding period of the previous year, with appropriate explanation on such variances. Further, additional information is circulated to the Board on a regular basis as and when there is material development in the Group's business operations.

The Company Secretary attends all Board and Board Committee meetings and administers, attends and prepares minutes of Board and Board Committee meetings, and assists the Chairman in ensuring that Board procedures are followed and reviewed in accordance with the Company's Articles of Association, so that the Board functions effectively and the relevant rules and regulations applicable to the Company are complied with. The Company Secretary's role is to advise the Board on all governance matters, ensuring that legal and regulatory requirements as well as board policies and procedures are complied with.

提名委员会在咨询管理层及董事会后确认，一名新董事成员所需或应所需的资历和专业知识，应该纳入目前董事会的规模、架构、构成及董事会循序渐进的更新为考量。通过董事会成员、商业伙伴、顾问、专业机构及其他业内人士的推荐，有潜力的人选将被网罗。这些人选会经提名委员会的检讨。评估任何提名者或人选的合适性将由提名委员会确认。

提名委员会在评估提名者或人选的合适性后，将其资历、商务及相关经验以及能够有效地为董事会贡献的能力纳入考量。提名委员会也将确认，提名者或人选是否能够在受委任后投入时间，并同时兼顾其他董事会的委任和主要职务，以及是否具独立能力。

评估过程也将涵盖与提名者或人选进行面试或会议，同时也会进行适当的背景调查和机密搜索。提名委员会的推荐随即将提交给董事会进行挑选。

若此委任涵盖特定技能或行业专才，本公司可委任专业搜寻公司和招募顾问，以协助挑选及评估的过程。

获取信息

原则6：董事会成员须获取完整、足够和及时的信息

董事会可随时单独接触本公司高级管理层、公司秘书、内部审计师（定义如下）以及外部审计师（定义如下）。董事也可无限制地查看本公司记录及资料、所有董事会及董事委员会会议记录，以及获取管理层账目，以让他们能够执行其职务。

除了提交给董事会以获取批准的周期的商业预估外，董事会也获得管理层报告、董事会文件及相关资料，以让董事获知本集团的业绩表现、财务状况及前景。管理层也会通知董事会关于实际业绩、过去一年的同期表现以及预算的重大差异，并为此类差异提供适当解释。此外，董事会也会定期和在本集团商业运营发生重大发展时，获得额外信息。

公司秘书会出席所有董事会及董事委员会会议，并准备董事会及董事委员会会议记录，及协助主席确保董事会程序都依据本公司《章程》执行，以让董事会能有效地运作，遵守本公司的相关规章制度。公司秘书的职责在于为董事会提供所有有关治理事项的咨询，确保遵守法律与法规要求以及董事会政策和程序。

CORPORATE GOVERNANCE REPORT

企业管治报告

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

The appointment and removal of the Company Secretary and the professional corporate secretarial firm are subject to the approval of the Board.

Should directors require professional advice, whether as a group or individually, the Company shall upon the direction of the Board, appoint a professional advisor selected by the Group or the individual, approved by the Chairman, to render the service. The costs of such service shall be borne by the Company.

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7: Formal and transparent procedure for fixing remuneration packages of directors and key management executives

Presently, the RC comprises 4 members, 3 of whom (including the Chairman) are Independent Directors:-

Mr Jack Chia Seng Hee	(Chairman)
Dr Daniel Liu Danjun	(Member)
Mr Tan Wee Peng Kelvin	(Member)
Mr Raymond Lim Sian Heong	(Member)

The RC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration, and for fixing the remuneration packages of individual directors and senior management. The RC's review will cover all aspects of remuneration including, but not limited to, directors' fees, salaries, allowances, bonus, share options and benefits in kind and specific remuneration packages for each director. In structuring a compensation framework for executive directors and key executives, the RC seeks to link a proportion of executive compensation to the Group's performance. The RC's recommendation are made in consultation with the Chairman of the Board and submitted for endorsement by the entire Board. No director is involved in deciding his own remuneration.

No remuneration consultants were engaged in FY2016.

LEVEL AND MIX OF REMUNERATION

Principle 8: The level of remuneration for directors should be aligned with the long-term interest and risk policies

Executive Directors do not receive directors' fees. The Executive Director and key senior management remuneration packages are based on service contracts. The reviews of the compensation are carried out by the RC to ensure that the remuneration of the Executive Director and key management personnel commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group.

The performance of the CEO (together with other key management personnel) is reviewed periodically by the RC and the Board. In structuring the compensation framework, the RC also takes into account the risk management policies of the Group. This is designed to align remuneration with the interests of shareholders and link rewards to corporate and individual performance so as to promote the long-term sustainability of the Company.

公司秘书及专业企业秘书公司的委任和免除都需经过董事会的批准。

不论是集团或个人，若董事要求专业咨询，本公司将在获得董事会的指示后，委任一名由本集团或个人挑选并由主席批准的专业顾问，来提供服务。此类服务的成本将由本公司承担。

薪酬政策之制定程序

原则7：制定董事与主要管理执行员的薪酬配套的正式及透明程序

目前，薪酬委员会包含四位成员，其中三人（包括主席）为独立董事：-

杰克谢先生	(主席)
刘丹军博士	(成员)
陈伟平先生	(成员)
林酰淞先生	(成员)

薪酬委员会负责确保制定执行员薪酬以及个别董事和高级管理层的薪酬配套之正式及透明程序。薪酬委员会的检讨将涵盖所有薪酬范围，包括但不限于，董事费、薪金、津贴、花红、股份认购权和实物福利以及个别董事的特定薪酬配套。在建立执行董事及主要执行人员的薪酬框架时，薪酬委员会寻求将部分的执行人员薪酬与本集团业绩表现挂钩。薪酬委员会的建议是向董事会主席咨询后，提交给董事会审批。无任何董事可自行决定自身的薪酬。

在2016财政年中，本公司并没有咨询任何薪酬顾问。

薪酬水平及组合方式

原则8：董事的薪酬水平须与长期利益和风险政策相一致

执行董事没有获得董事费。执行董事及主要高级管理层的薪酬配套是根据服务合同给予薪酬。薪酬检讨是由薪酬委员会进行的，以确保执行董事及主要管理人员的薪酬与其表现相符合，并就本集团的财务稳健及业务需求仍属适当。

首席执行官的表现（同其他主要管理人员）是由薪酬委员会定期进行检讨，并由董事会建立薪酬框架，薪酬委员会也将本集团风险管理政策纳入考量。这是为了让薪酬与股东利益相一致，并让回报与企业及个人表现挂钩，以促进本公司的长期可持续性发展。

CORPORATE GOVERNANCE REPORT

企业管治报告

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

The RC sets and reviews remuneration linked to the key performance indexes for the CEO for every financial year and assesses his performance. Key performance indices are not only tied to corporate performance but also linked with certain risk control measurements. For FY2016, the CEO has not met the key performance indices set by the RC.

The Company does not have a share option scheme or performance share plan. The RC is considering the viability of such schemes/plans and is looking into other long-term incentive schemes to supplement the Group's current compensation framework. The RC intends to extend the same to other 'Key Management Personnel.

Non-Executive Directors are paid yearly Directors' fees of an agreed amount based on their contributions, taking into account factors such as effort, time spent, responsibilities of the directors and the need to pay competitive fees to attract, motivate and retain the directors. Directors' fees are recommended by the Board for approval at the Company's AGM.

The Company uses contractual provisions to allow the Company to reclaim incentive components of remuneration from its Executive Director, but not its key management person in China, in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The RC has obtained legal advice on the unenforceability of such provisions on key management personnel in the People's Republic of China.

DISCLOSURE ON REMUNERATION

Principle 9: Clear disclosure of remuneration policy, level and mix of remuneration, and the procedure for setting the remuneration

An appropriate and attractive level of remuneration has been set to attract, retain and motivate directors and staff. The remuneration package is made up of both fixed and variable components. The variable component is determined based on the performance of the individual employee as well as the Group's performance. Annual increments and adjustments to remuneration are reviewed and approved taking into account the results of the annual review made by the executive directors and the various heads of department. All non-executive directors are paid directors' fees that are subject to shareholders' approval at the AGMs.

The RC has recommended to the Board the payment of directors' fees of RMB1,800,000 for FY2017 for the Non-Executive Directors, an increase of RMB380,000 from the Directors' fees for FY2016, which amounted to RMB1,420,000. This is in view of the an additional non-executive independent director appointed.

The Board concurred with the RC's recommendation. The Non-Executive Directors have abstained from deliberation and voting in respect of their own fees at the respective RC (where applicable) and Board meetings. Accordingly, shareholders' approval will be sought at the forthcoming AGM.

薪酬委员会于每个财政年对首席执行官相关的主要表现指标进行制定与检讨，并评估其表现。主要表现指标不仅与企业业绩挂钩，也与一些风险控制措施相关。在2016财政年，首席执行官未达到薪酬委员会所制定的主要表现指标。

本公司没有股份认购权计划或股权激励计划。薪酬委员会正考虑此类计划的可行性，并探讨其他长期激励计划来搭配本集团现有的薪酬框架。薪酬委员会也有意将此计划延伸至'主要管理人员'身上。

非执行董事每年根据他们的贡献，获得双方认同的董事费。他们的贡献将精力、所投入的时间、董事职责以及所需支付之具竞争力的费用来吸引、推动和留住董事纳入考量。董事会将推荐董事费数额，并于本公司的年度股东大会上批准。

本公司使用合同条款，使本公司能够收回执行董事薪酬的激励部分，除非在财务业绩出现舞弊或错误，或行为不正导致本公司的财务损失，此条款将不实施于位于中国的一位管理人员。薪酬委员会已获取法律咨询，探讨此类对主要管理人员的条款在中国的不可强制执行力。

薪酬的披露

原则9：清楚披露薪酬政策、薪酬水平和组合方式，以及薪酬的制定程序

一项适当及具吸引力的薪酬水平已被制定来吸引、留住及推动董事和员工。薪酬配套是由固定及可变动性部分组成。可变动性部分是根据个别员工的表现以及本集团的业绩所决定。年度加薪和薪酬调整是纳入执行董事和各部门主管所进行的年度评估结果为考量后，才进行评估与批准的。所有非执行董事将获得董事费，但需在年度股东大会上获得批准。

薪酬委员会已向董事会建议支付2017财政年度总值180万元人民币的非执行董事费，与2016财政年的142万元人民币相比，增幅为38万元人民币。这是鉴于委任了一名额外的非执行独立董事。

董事会对薪酬委员会的建议表示同意。非执行董事已放弃在薪酬委员会会议（适用情况）和董事会议中对自己董事费的考量及投票权。因此，在来临年度股东大会上，此建议将寻求股东通过批准。

CORPORATE GOVERNANCE REPORT

企业管治报告

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

Remuneration for the directors for the financial year ended FY2016 is as follows:

2016财政年的董事薪酬如下:

Remuneration Bands & Salary	薪酬级别与姓名	Salary 薪金	Bonus 花红	Other Remuneration 其他薪酬	Directors Fees 董事费	Total 总计
		%	%	%	%	%
Executive Director	执行董事					
\$250,000 and 500,000	25万新元至50万新元					
Liu Ming	刘明	94.2	—	—	5.8	100
Non-Executive Directors	非执行董事					
Below \$250,000	25万新元以下					
Huang Wooi Teik	黄伟德	—	—	—	100	100
Jack Chia Seng Hee	杰克谢	—	—	—	100	100
Aloysius Wee Meng Seng	黄明成	—	—	—	100	100
Dr Daniel Liu Danjun	刘丹军博士	—	—	—	100	100
Tan Wee Peng Kelvin	陈伟平	—	—	—	100	100
Raymond Lim Sian Heong	林酰淞	—	—	—	100	100

For confidentiality reasons, the Company is not disclosing the remuneration of each individual Director to the nearest thousand dollars. However, disclosure had been provided in bands of \$250,000 instead, with a breakdown in percentage of the remuneration earned through fees, salary, fixed component, variable component, benefits in kind, and/or other long term incentives.

出于信息保密性考虑, 本公司将不按千元整数四舍五入披露个别董事的薪酬。但是, 薪酬已以25万元新币的范畴进行披露, 并通过董事费、薪金、固定部分、可变动部分、实物福利, 及/或其他长期激励措施, 列出其薪酬的比例细目。

Remuneration for the top six 'Key Management Personnel (who are not a director or CEO) for FY2016 is as follows:

2016财政年六大'主要管理人员的薪酬(非董事或首席执行官)如下:

		Salary 薪金	Bonus 花红	Other Remuneration 其他薪酬	Total 总计
		%	%	%	%
Below \$250,000	25万新元以下				
Jiang Ronglin	姜荣林	80.9	19.1	—	100
Henry Lim	林恒仁	—	—	100	100
Isaac Peh Lin Siah	白锦程	100	—	—	100
Li Aidong	李爱东	84.7	15.3	—	100
Huang Yijiang	黄一江	85.2	14.8	—	100
Jia Qin	贾芹	86.3	13.7	—	100

The aggregate of the total remuneration paid to the top six 'Key Management Personnel (who are not directors or the CEO) is RMB1,566,188.

付给六大'主要管理人员(非董事或首席执行官)的薪酬总额为156万6188元人民币。

There were no termination, retirement and post-employment benefits granted to Directors, the Chairman and Group CEO or the top Key Management Personnel in FY2016.

主席及本集团首席执行官或主要管理层成员于2016财政年并无获授终止、退休及离职福利。

CORPORATE GOVERNANCE REPORT

企业管治报告

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

For confidentiality reasons and given the competitive hiring pressures and disadvantages that this might bring, the Company is not disclosing the aggregate total remuneration and each individual's remuneration. However, disclosure had been provided in bands of S\$250,000, with a breakdown in percentage of the remuneration earned through salary, fixed component, variable component, benefits in kind, and/or other long term incentives.

The remuneration packages of the Executive Directors and the Key Management Personnel of the Company and its subsidiaries comprise base salaries and bonuses.

There are no immediate family members of directors or CEO in employment with the Group whose remuneration exceeds S\$50,000 during FY2016.

The Company does not have any share scheme.

ACCOUNTABILITY

Principle 10: The Board should present a balanced and understandable assessment of the performance, position and prospects

The Board is accountable to shareholders. The Board updates shareholders on the operations and financial position of the Group through quarterly, half yearly and full year results announcements as well as timely announcements of other matters as prescribed by the relevant rules and regulations. The management is accountable to the Board by providing the Board with the necessary financial information for the discharge of its duties.

During the year, the Board has reviewed reports from the management to ensure compliance with all the Group's policies, operational practices and procedures and relevant legislative and regulatory requirements.

The management updates the Board regularly on the Group's business activities and financial performance through operations reports. Such reports compare the Group's actual performance against results of the previous year and, where appropriate, against forecast. They also highlight key business indicators and major issues that are relevant to the Group's performance from time to time in order for the Board to make balanced and informed assessment of the Group's performance, position and prospects.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: The Board is responsible for risk governance and internal controls

As the Company does not have a risk management committee, the Board, the AC and the management assume the responsibility of the risk management function. The management reviews regularly the Group's business and operational activities to identify areas of significant risks, as well as appropriate measures to control and mitigate these risks. The management reviews all significant policies and procedures and highlights all significant matters to the Board and the AC.

为保密理由，和对聘雇的竞争压力和可能造成的不利因素，本公司不会披露总薪酬及每个个别董事的薪酬。但是，薪酬已以25万元新元的范畴进行披露，并通过董事费、薪金、固定部分、可变动部分、实物福利，及/或其他长期激励措施，列出其薪酬的比例细目。

本公司及其子公司的执行董事与主要管理人员薪酬配套包含基本薪金和花红。

本集团于2016财政年并没有聘用薪酬超过5万新元的董事或首席执行官之直系亲属。

本公司并无任何股权激励计划。

问责性

原则10: 董事会须对业绩、财务状况及前景呈交平衡和明了的评估结果。

董事会要对股东负责。董事会通过每个季度、半年度及年度业绩公布以及对其他相关规章制度所制定之事项的及时公布，让股东获得运营和财务状况的更新信息。管理层须对董事会负责，为董事会提供所需的财政信息以助执行其职务。

过去一年，董事会已检讨管理层的报告，确保所有本集团的政策、运营实践方针和程序以及相关法律及法规要求都合规。

管理层通过提交运营报告，定期向董事会提供本集团商业活动及业绩表现的更新信息。此类报告对本集团实际业绩与上一年业绩及，在适用时，也与预测进行比较。他们也时不时强调商业指标和与本集团业绩相关的重大事项，让董事会能够对本集团的业绩、财务状况及前景做出平衡和明确的评估。

风险管理及内部控制

原则11: 董事会负责风险治理及内部控制

既然本公司没有风险管理委员会，董事会、审计委员会及管理层会承担风险管理的职责。管理层定期检讨本集团的商业和运营活动，以确认主要风险领域，以及适当的措施来控制与减少此类风险。管理层检讨所有主要政策及程序，并向董事会和审计委员会汇报强调所有主要事项。

CORPORATE GOVERNANCE REPORT

企业管治报告

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

The Board is cognizant of its responsibility for maintaining a sound system of internal controls to safeguard the shareholders' investment and the Group's assets and business. The Group's internal auditors, BDO China Shu Lun Pan Certified Public Accountants LLP ("Internal Auditors"), carry out a review of the effectiveness of the Group's material internal controls annually as set out in their scope laid out in their audit plan. All material non-compliance and internal control weaknesses noted during their audit are reported to the AC.

Major control weaknesses on financial reporting, if any, are highlighted by the external auditors in the course of their audit.

The AC had engaged HLS Risk Advisory Services to conduct an Enterprise Risk Management ("ERM") report on the Company in 2013. The Company had adopted many of the recommendations highlighted in the report and a structure is now in place based on the report.

The Board has received written assurance from the CEO and the Financial Controller ("FC") that:

- (a) The financial records of the Group have been properly maintained and financial statements for the financial year ended 31 December 2016 give a true and fair view of the Group's operations and finances; and
- (b) The system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

COMPLIANCE WITH RULE 1207(10) OF THE SGX-ST LISTING MANUAL

Based on the Group's framework of internal control policies and procedures established and maintained by the Group, work done by the Supervisory committee and reviews performed by the external auditors and Internal Auditors in FY2016 and the Management Assurance Letter signed by the CEO and the FC, the Board, with the concurrence of the AC, is of the view that the internal control systems of the Group, addressing the financial, operational, compliance and information technology risks are adequate as at 31 December 2016.

AUDIT COMMITTEE

Principle 12: Establishment of Audit Committee with written terms of reference

Presently, the Audit Committee ("AC") comprises 4 members, 3 of whom (including the Chairman) are Independent Directors are:-

Mr Tan Wee Peng Kelvin	(Chairman)
Mr Jack Chia Seng Hee	(Member)
Dr Daniel Liu Danjun	(Member)
Mr Raymond Lim Sian Heong	(Member)

董事会明白其维护健全内部控制系统的责任，以保障股东的投资和本集团的资产和业务。本集团的内部审计师立信会计师事务所（特殊普通合伙）（下称“内部审计师”）每年依据其审计计划所制定的范围，对本集团重大内部控制的有效性进行检讨。所有在审计过程中所发现的重大未合规及内部控制弱点，都会向审计委员会汇报。

财政汇报上的重大控制弱点，若有，会在外部审计师进行审核时被强调。

审计委员会已于2013年聘用HLS Risk Advisory Services为本公司进行企业风险管理（下称“企业风险管理”）报告。本公司已采纳报告中所强调的许多建议，而且现已根据报告实施了风险管理架构。

董事会已获得首席执行官及财务总监的书面保证：

- (a) 本集团的财务记录已受到正规地保管，而截至2016年12月31日止之财务报告反映了本集团运营及财务的确实性和公平性；及
- (b) 本集团已设立的风险管理系统及内部控制足够并有效地应付本集团在现有商业环境的重大风险，其中包括重大财务、运营、合规及资讯科技风险。

《新交所上市手册》第1207 (10) 条的合规

根据由本集团所设立及维持的本集团内部控制政策与程序框架，监事会所检讨的事项及2016财政年中外部审计师与内部审计师所执行的商定程序，以及由首席执行官与财务总监签署的管理层保证书，已获得董事会及审计委员会的同意，并鉴于本集团的内部控制系统，于2016年12月31日都足够应付财务、运营、合规及资讯科技的风险。

审计委员会

原则12：审计委员会的设立并授予书面形式职权范围

目前，审计委员会包含四位成员，其中三人（包括主席）为独立董事：

陈伟平先生	(主席)
杰克谢先生	(成员)
刘丹军博士	(成员)
林酰淞先生	(成员)

CORPORATE GOVERNANCE REPORT

企业管治报告

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

The AC assists the Board to maintain a high standard of Corporate Governance, particularly by providing an independent review of the effectiveness of the financial reporting, management of financial and control risks, and monitoring of the internal control systems.

The members of AC, collectively, have expertise or experience in financial management and are qualified to discharge the AC's responsibilities.

The functions of the AC are as follows:

1. assists our Board in discharging its statutory responsibilities on financial and accounting matters;
2. reviews the financial and operating results and accounting policies of the Group;
3. reviews significant financial reporting issues and judgments relating to financial statements for each interim and annual results announcement before submission to the Board for approval;
4. reviews and reports to the Board annually on the adequacy of the Company's internal controls (financial, operational, compliance and information technology) and risk management policies and systems established by the management;
5. reviews the audit plans and reports of the external auditors and consider the effectiveness of the actions taken by the management on the auditors' recommendations;
6. appraises and reports to our Board on the audits undertaken by the external auditors, the adequacy of the disclosure of information, and the appropriateness and quality of the system of management and internal controls;
7. reviews the independence of external auditors annually, and considers the appointment or re-appointment of external auditors and matters relating to the resignation or removal of the external auditors, and approves the remuneration and terms of engagement of the external auditors;
8. reviews interested person transactions, as defined in the Listing Manual of the SGX-ST;
9. reviews the remuneration of employees who are related to the Company's directors or substantial shareholders; and
10. reviews the effectiveness of the Company's internal audit function.

The AC has adequate resources to enable it to discharge its responsibilities properly. The AC has explicit authority to investigate any matter within its terms of reference.

The AC has full access to the Internal Auditors and the Company's external auditors, Crowe Horwath First Trust LLP, Singapore ("External Auditors"). No former partner or director of the External Auditors is a member of the AC. The AC also has the discretion to invite any director or key executive to attend its meetings. It meets with the External Auditors and Internal Auditors without the presence of the management at least once a year.

审计委员会协助董事会维护高标准的企业管治，尤其是对财务汇报、财务和控制风险管理以及内部控制系统监管的有效性上，提供独立的评估检讨。

审计委员会成员，整体来说，在财务管理上拥有专业技能或经验，并拥有执行审计委员会职责的资格。

审计委员会的职能如下：

1. 协助董事会在财务及会计事项上执行其法定职责；
2. 检讨本集团的财务和运营业绩及会计政策；
3. 在提交董事会批准前，检讨每半年度及年度相关财政报告的业绩公布之主要财务汇报事项及判断；
4. 每年检讨本公司内部控制（财务、运营、合规及资讯科技）以及管理层制定的风险管理政策和系统是否足够，并向董事会进行汇报；
5. 检讨外部审计师的审计计划和报告，并考虑管理层对审计师的建议所采取的行动是否有效；
6. 评估外部审计师所进行的审计，披露信息的足够性，以及管理系统和内部控制的适当性和素质，并向董事会进行汇报；
7. 每年检讨外部审计师的独立能力，并考虑外部审计师的委任或重新委任及辞退或免除外部审计师的相关事项，并批准外部审计师的薪酬和聘用条件；
8. 依据《新交所上市手册》的定义，检讨利益相关人交易；
9. 检讨与本公司董事或主要股东相关的员工之薪酬；及
10. 检讨本公司内部审计职能的有效性。

审计委员会拥有足够的资源，让其正规地执行职责。审计委员会拥有确切权利，可调查任何在其所授予的职权内的任何事项。

审计委员会可随时与内部审计师及本公司的外部审计师国富浩华合信会计事务所（新加坡）（下称“外部审计师”）接触。无任何外部审计师的前合伙人或董事是审计委员会成员。审计委员会也可完全酌情邀请任何董事或主要执行员出席其会议。审计委员会每年在主要管理层缺席的情况下，与外部审计师和内部审计师会面至少一次。

CORPORATE GOVERNANCE REPORT

企业管治报告

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

The AC has reviewed the non-audit services performed by the External Auditors and noted that there was no non-audit service performed in FY2016. The audit service fees for the financial year ended 31 December 2016 amounted to RMB 946,271.

Pursuant to Rule 716 of the SGX-ST Listing Manual, the AC and the Board are satisfied that the appointment of Changzhou Xinhuarui CPAs, a firm of Certified Public Accountants, registered in the PRC to audit the statutory financial statements of Changzhou 3D would not compromise the standard and effectiveness of the audit of the Company.

The AC has recommended to the Board of Directors that Crowe Horwath First Trust LLP, Singapore, be nominated for reappointment as external auditors at the forthcoming AGM of the Company. The Board concurred with the AC's recommendation.

The Company has put in place a whistle-blowing framework, endorsed by the AC where employees of the Company may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters and to ensure that arrangements are in place for the independent investigations of such matters and for appropriate follow up actions. Any employee can speak directly to: (1) the Supervisory Committee members Ms Huang Xia or Ms Pan Haiya, who are full time in the plant, and who will in turn report to Mr Henry Lim, Lead Supervisor; or (2) Mr Raymond Lim Sian Heong, Director at Changzhou 3D who is based in China. Alternatively, they can write to changzhou3d@163.com anonymously, and this email is only accessible by Mr Tan Wee Peng Kelvin, AC Chairman. The details of the whistle-blowing policies and arrangements have been made available to all employees.

There was no whistle-blowing letter received in FY2016.

In addition to the activities undertaken to fulfil its responsibilities, the AC is kept abreast by the management and external auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements.

INTERNAL AUDIT

Principle 13: Setting up an independent internal audit function

As mentioned earlier, the Company had appointed BDO China Shu Lun Pan Certified Public Accountants LLP to undertake the function of internal audit. The Internal Auditors have unrestricted access to all the Company's documents, records, properties and personnel, including access to the AC.

Reports of the Internal Auditors' work covering various cycles or aspects of the accounting functions and internal control systems and procedures had been received and corrective actions taken in the course of the year. The Internal Auditors are continuing to look at other cycles or aspects and their reports have been received and their recommendations accepted.

审计委员会已检讨外部审计师所进行的非审计服务，并意识到于2016财政年中并无进行任何非审计服务。截至2016年12月31日止之财政年度审计服务费总计为94万6271元人民币。

根据《新交所上市手册》第716条规则，审计委员会及董事会对委任中国注册特许公共会计师事务所常州新华瑞联合会计师事务所为常州三维的法定财务报表进行审计将不会危及本公司的审计标准与有效性感到满意。

审计委员会已向董事会建议，国富浩华合信会计师事务所（新加坡），将在本公司来临的年度股东大会上被提名重新受委任为外部审计师。董事会对审计委员会的建议表示同意。

本公司已制定一套由审计委员会所审批的举报政策框架，本公司员工可，在隐秘的情况下，对财务汇报事项或其他事项可能发生不当行为提出疑问，以确保安排对此类事项进行独立调查和适当的后续行动。任何员工可直接与：(1) 监事委员会成员全职职员黄霞女士或潘海亚女士接触，而她们将向首席监事会主管林恒仁先生汇报；(2) 中国常州三维董事林酰淞先生洽谈。除此之外，他们也可匿名发邮件至changzhou3d@163.com，此邮箱仅有审计委员会主席陈伟平一人可登入。举报政策及安排的细节均已提供给所有员工。

于2016财政年，本公司并没有接获举报信函。

除了为履行职责所执行的活动外，审计委员会也会从管理层及外部审计师手中获知可能对本集团商业和财务报告造成影响的会计标准变化、证券交易所法律和其他守则和法规变化。

内部审计

原则13：设立独立内部审计职能

如以上所述，本公司已委任立信会计师事务所（特殊普通合伙）来行使内部审计的职能。内部审计师可无受限地获取和接触本公司包括审计委员会在内的所有文件、记录、地产及人员。

审计委员会已获得涵盖各种会计职能周期和方面及内部控制系统和程序的内部审计师工作报告，并于过去一年中实施了改进措施。内部审计师正在持续探讨其他周期或方面，公司已经收到他们的内审报告及采纳了他们的建议。

CORPORATE GOVERNANCE REPORT

企业管治报告

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

The AC reviews the adequacy of the internal audit function to ensure that internal audits are conducted effectively and that management provides the necessary co-operation to enable the Internal Auditors to perform their function. The AC also reviews the Internal Auditors' reports and remedial actions implemented by management to address any internal control inadequacies identified.

SUPERVISORY TEAM

The AC, through the approval of the board, has appointed Mr Henry Lim on 1 January 2015, as Lead Supervisor of Changzhou 3D.

The Supervisory Team is a requirement of Chinese companies to provide periodic checks on internal controls and processes, as well as serving as an extension of the internal and external audit.

Mr Lim made 6 visits to the operating subsidiary in 2016 to carry out the work specified by the AC. He is supported by two full time staff. The reports of the Supervisory Team are extended to the External Auditors.

COMMUNICATION WITH SHAREHOLDERS

Principle 14: Fair and equitable treatment of shareholders

The Company believes in timely, fair and adequate disclosure of relevant information to shareholders and investors so that they will be apprised of developments that may have a material impact on the Company's securities. The Company does not practise selective disclosure. All information of the Company is published through the SGXNet.

The Company allows The Central Depository (Pte) Limited or other corporations which provide nominee or custodial services to appoint more than two proxies to attend general meetings of the Company so that shareholders will have the opportunity to participate effectively in and vote at general meetings.

Principle 15: Effective and fair communication with shareholders

In line with the continuous disclosure obligations under the listing rules of the SGX-ST, the Board informs shareholders promptly of all major developments that may have a material impact on the Group. The Board embraces openness and transparency in the conduct of the Company's affairs, whilst safeguarding its commercial interests. Material information on the Group is released to the public through the Company's announcements via the SGXNET.

General meetings have been and still are the principal forum for dialogue with shareholders. At these meetings, shareholders are able to engage the Board and the management on the Group's business activities, financial performance and other business-related matters. The Company could also gather views or input and address shareholders' concerns at general meetings. The Company welcomes shareholders to visit the factory of operating subsidiary located in Changzhou, to gain a better understanding of its operations.

审计委员会检讨内部审计师职能的足够性，以确保所进行的内部审计具有有效性，而管理层提供所需的合作，让内部审计师能够执行其职责。审计委员会也检讨内部审计师报告及管理层所实施的修补措施，以应付任何所认知的内部控制不足。

监事会

审计委员会，通过董事会的批准，已于2015年1月1日起委任林恒仁先生为常州三维首席监事。

监事会是中国的要求，对内部控制和程序提供周期性检查，以及作为内部和外部审计的延伸。

林先生于2016年期间到运营子公司勘察六次，以执行审计委员会所制定的工作。他拥有两名全职职员的协助。监事会的报告也可延伸至外部审计师。

与股东的沟通

原则14: 对股东公平与公正的待遇

本公司相信对股东和投资者披露相关信息的及时性、公平性与足够性，才能让他们获知可能对本公司证券有影响的发展。本公司没有实施选择性披露。所有本公司的信息都刊登在新交所的网站。

本公司允许中央托收（私人）有限公司或其他提供提名者或保管服务的企业委任超过两名代理人出席本公司的股东大会，以让股东拥有在股东大会上有效参与和投票的机会。

原则15: 与股东有效和公平的沟通

依据《新交所上市规则》的持续披露义务，董事会将所有可能对本集团造成重大影响的主要发展及时地通知股东。董事会在本公司事项上提倡开放和透明的操守，同时保障其商业利益。本集团的重大信息是通过本公司于新交所网站的公布，散播给公众的。

股东大会一直以来且依然是与股东进行对话的主要平台。在此类会议上，股东可针对本集团的商业活动、业绩表现及其他商业相关事项与董事会和管理层进行交流。本公司也可汇集反馈或意见，在股东大会上解答股东的疑问。本公司欢迎股东到位于常州的运营子公司厂房勘察，以加深对其运营的了解。

CORPORATE GOVERNANCE REPORT

企业管治报告

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

The Company does not have a concrete dividend policy at present. The Company has however consistently declared dividends in each calendar year since 2009. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other macroeconomic and internal factors as the Board may deem appropriate. The Company endeavours to pay dividends and where dividends are not paid, the Company will disclose its reason(s) accordingly.

The Board has recommended the payment of a first and final dividend of RMB0.125 per ordinary share (tax not applicable) for FY2016 and would table its recommendation to shareholders for approval at the forthcoming AGM.

Principle 16: Shareholders' participation at general meetings

All shareholders receive the annual report and notice of the AGM. At the AGM, shareholders are given the opportunity to voice their views and ask directors or the management questions regarding the Company's affairs. If the Company convenes an extraordinary general meeting ("EGM"), the same is practised save for the shareholders receiving a circular or letter explaining the purpose of the EGM and notice of EGM.

The Chairmen of the AC, RC and NC will normally be present at AGM to answer any questions relating to the work of these Committees. The external auditors are also present at the AGM to answer questions from shareholders.

The Company's Articles of Association allows a member of the Company to appoint not more than two proxies to attend and vote in place of the member. A member or the Company entitled to attend and vote at the AGM and who holds two or more shares is entitled to appoint one (1) or two (2) proxies to attend and vote.

The Board notes that there should be separate resolutions at general meetings on each substantially separate issue and supports the Code's principle regarding "bundling" of resolutions.

The minutes of general meetings, which include substantial comments or queries from shareholders and responses from the Board are available to shareholders upon written request.

The Board noted that the SGX-ST had introduced new listing rules to promote greater transparency in general meetings and support listed companies in enhancing their shareholders' engagement. The Company would be required to conduct its voting at general meetings by poll with effect from 1 August 2015 where shareholders are accorded rights proportionate to the shareholding and all votes are counted and the voting results of the general meetings are released via SGXNet on the same day. The Board believes that the new rule will enhance transparency of the voting process and encourage greater shareholder participation. Accordingly, the Company would be conducting its voting at the upcoming AGM by poll.

本公司目前没有实质的股息政策，但本公司已自2009年起连续每个日历年派发股息。每年所派发股息的形式、频率及数额将以本集团的利润增长、现金状况、运营活动所产生的正现金流量、业务增长的预期资本要求及其他董事会视为适当的宏观经济及内部因素为考量。本公司会竭力派发股息，而若没派发股息，本公司将随之披露其原因。

董事会已建议于2016财政年派发每普通股0.125元人民币的一次性及最终股息，并将在来临年度股东大会上向股东提出其建议以获得批准。

原则16：股东于股东大会的参与

所有股东都可获得年度报告和年度股东大会通知。股东有机会提出自己的意见以及向董事或管理层发问有关本公司事项的问题。若本公司召开一个股东特别大会（下称“股东特别大会”），将实行同样的程序，但股东会收到的是通函或一封解释股东特别大会的用意，以及股东特别大会通知。

审计委员会、薪酬委员会及提名委员会的主席一般将出席年度股东大会，以解答任何有关此类委员会工作上的问题。外部审计师也会出席年度股东大会，为股东解答问题。

本公司《章程》允许本公司股东委托不超过两名代理人代表出席及投票。公司股东有权出席年度股东大会，并进行投票，且持有两股或以上额股票，有权委托一(1)或两(2)名代理人出席及投票。

董事会意识到，于年度股东大会上，对独立重大事宜应个别提出决议，并支持《守则》对于“捆绑”决议的指导原则。

股东可通过书面要求，获得股东大会的会议记录，其中包含了股东们的重大反馈或提问和董事会的回应。

董事会注意到，新交所已推出新上市规则，以促进股东大会的更大透明度，及为上市公司提升其股东互动给予支持。本公司将需从2015年8月1日起，在股东大会上通过股东意愿进行投票而股东将以股份持有的比例获得投票权，并为所有票数进行计算。股东大会的投票结果要在当天于SGXNet公告。董事会相信，新的规则将提升投票过程的透明度，并促进更高的股东参与率。因此，本公司将在来临的股东大会上通过股东意愿进行投票。

CORPORATE GOVERNANCE REPORT

企业管治报告

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

DEALING IN SECURITIES

The Company has adopted its own internal compliance code pursuant to the best practices on dealings in securities and these are applicable to all its officers in relation to their dealings in the Company's securities. Its officers are advised not to deal in the Company's shares during the period commencing two weeks before the announcement of the Company's quarterly results and one month before the announcement of the Company's full year results, or if they are in possession of unpublished price-sensitive information of the Company. In addition, directors and officers should not deal in the Company's securities on short-term considerations and are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

The Group has complied with Listing Rule 1207(19) of the Listing Manual.

MATERIAL CONTRACTS

There are no material contracts of the Company or its subsidiaries involving the interests of the Executive Directors, each director or controlling shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS

The Group has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC, and that the transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders. All interested person transactions are subject to review by the AC to ensure compliance with the established procedures.

Pursuant to Rule 907 of the Listing Manual of SGX-ST, the aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual) are as follows:-

Name of Interested Person 利益相关人姓名	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920) 在本财政年度所进行的全部利益相关人交易总值（不含低于10万新元和根据第920条规则按照股东授权进行的交易）	Aggregate value of all interested person transactions conducted during the financial year under review under Shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) 根据第920条规则按照股东授权进行的全部利益相关人交易总值（不含低于10万新元的交易）
N.A. 不适用	Nil 无	Nil 无

The Group has not obtained a general mandate from shareholders for Interested Person Transactions. All Interested Person Transactions are subject to review by the Board and the AC.

证券交易

本公司已依据证券交易最佳实践方针，采纳其内部合规守则，而这适用于所有进行本公司证券交易的人员。他们已获建议，不许在本公司公布季度业绩的两个星期前，及本公司公布全年业绩前的一个月，或拥有本公司股价敏感信息的情况下进行本公司的股份交易。此外，董事及人员不应以短期的考量对本公司证券进行交易，并在获准的交易期进行证券交易时，也须时刻遵守内线交易法的规定。

本集团已编制《上市手册中的上市规则》第1207(19)条规则。

重大合同

本公司或其子公司并没有与执行董事、个别董事或享有控制权的股东利益相关的拥有重大合同，不论于财政年结束之际仍持续存在，或就是自上个财政年起就已签署实行。

利益相关人交易

本集团已制定程序，确保所有与相关人的交易都能及时地向审计委员会汇报，而交易是在公平的情况下进行，并不会损害股东的利益。所有利益相关人交易都需经过审计委员会检讨评估，以确保合规已制定的程序。

根据《新交所上市手册》第907条规则，所有于本财政年的利益相关人交易的总值（不含低于10万新元及依据《上市手册》第920条规则按照股东授权进行的交易）如下：

本集团并没有获得股东对利益相关人交易的全面委托。所有利益相关人交易都需经过董事会及审计委员会的检讨评估。

DIRECTORS' STATEMENT

董事会声明

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

The directors present their statement to the members together with the audited financial statements of Shanghai Turbo Enterprises Ltd. (the "Company") and subsidiaries (the "Group") for the financial year ended 31 December 2016 and the statement of financial position of the Company as at 31 December 2016.

董事会将其报告连同上海动力发展有限公司（下称“本公司”）及子公司（下称“本集团”）截至2016年12月31日之财政年度已经审计的财务报表及截至2016年12月31日的本公司资产负债表一起提呈给本公司股东。

In the opinion of the directors,

董事会认为，

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 50 to 104 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2016 and of the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

- (a) 列载于第50至104页的本公司资产负债表和本集团合并财务报表，真实而公正地反映了本公司和本集团在截至2016年12月31日的资产负债状况，以及本集团在截至2016年12月31日止之财政年度的业绩表现、股权变动及现金流量情况；及
- (b) 在本声明日，董事会有合理理由相信，本公司将有能力偿还其所有到期债务。

The board of directors has, on the date of this statement, authorised these financial statements for issue.

董事会已于本声明日，授权此财务报表的发行。

Directors

The directors of the Company in office at the date of this statement are as follows:

Mr Liu Ming
Mr Jack Chia Seng Hee
Dr Daniel Liu Danjun
Mr Tan Wee Peng Kelvin
Mr Raymond Lim Sian Heong

董事

截至本声明日，本公司在职的董事如下：

刘明先生
杰克谢先生
刘丹军博士
陈伟平先生
林酰淞先生

Directors' interests in shares or debentures

None of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

董事的股份或债券利益

截至本财政年，并无在任董事拥有于本公司或其相关企业的股份或债券的任何利益，除以下董事外：

Direct interests

直接利益

		At 1 January 2016 于2016年1月1日	At 31 December 2016 于2016年12月31日
Company	本公司		
<i>Ordinary shares</i>	<i>普通股数量</i>		
Liu Ming	刘明	8,240,000	8,240,000

The director's interests in the ordinary shares of the Company as at 21 January 2017 were the same as those as at 31 December 2016.

以上董事截至2017年1月21日所拥有的本公司普通股利益与截至2016年12月31日的相同。

DIRECTORS' STATEMENT

董事会声明

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Share options

During the financial year, no options to take up unissued shares of the Company or any subsidiaries were granted and no shares were issued by virtue of the exercise of options to take up unissued shares of the Company or any subsidiaries. There were no unissued shares of the Company or any subsidiaries under option at the end of the financial year.

Audit committee

The members of the Audit Committee at the end of the financial year are as follows:

Mr Tan Wee Peng Kelvin (Chairman)	(Non-Executive Independent Director)
Mr Jack Chia Seng Hee	(Lead Independent Director)
Dr Daniel Liu Danjun	(Non-Executive Non-Independent Director)
Mr Raymond Lim Sian Heong	(Non-Executive Independent Director)

The Audit Committee carried out its functions in accordance with the Listing Manual of the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance. In performing those functions, the Audit Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditors;
- the audit plan of the Company's independent auditors and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditors;
- the periodic results announcements prior to their submission to the Board of Directors for approval;
- the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2016 prior to their submission to the Board of Directors, as well as the independent auditors' report on the statement of financial position of the Company and the consolidated financial statements of the Group; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited).

为使董事能从收购股份或债券中受益的协议

无论是在本财政年度期间的任何时候，还是在期末，本公司均没有为使本公司董事能够从收购本公司或其他任何法人团体的股份或债券中获得利益而订立协议。

股份认购权

本财政年度期间，并无批准使用认购权获取本公司或其任何子公司的未发行股份，并且也没有由于股份认购权的行使，导致本公司或其任何子公司的未发行股份被发行。于本财政年度止，本公司或其任何子公司没有股份认购权下的未发行股份。

审计委员会

截至本财政年度的审计委员会成员如下：

陈伟平先生 (主席)	(非执行独立董事)
杰克谢先生	(首席独立董事)
刘丹军博士	(非执行非独立董事)
林酰淞先生	(非执行独立董事)

审计委员会依据《新加坡证券交易有限公司上市手册》及《企业管治守则》执行其职能。在执行其职能期间，审计委员会已：

- 与内部审计师检讨内部程序的范围与结果；
- 检讨本公司独立审计师的审计计划及其他因法定审计所产生的内部会计控制建议；
- 检讨本公司管理层给予内部审计师的援助；
- 在提交董事会寻求批准前，检讨周期的业绩公布；
- 在提交董事会寻求批准前，检讨截至2016年12月31日本公司的资产负债表及本集团的合并财务报表，以及独立审计师对本公司资产负债表和本集团合并财务报表的报告；以及
- 检讨利益相关人交易（依《新加坡证券交易有限公司上市手册》第9章所定义）。

DIRECTORS' STATEMENT

董事会声明

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

The Audit Committee has recommended to the Board of Directors that the independent auditors, Crowe Horwath First Trust LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company. The Audit Committee has conducted an annual review of non-audit services provided by the auditors to satisfy itself that the nature and extent of such services will not affect the independence and objectivity of the external auditors before confirming their re-nomination.

In appointing the external auditors for the Company and subsidiaries, the Board of Directors has complied with Rules 712 and 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Further details regarding the Audit Committee are disclosed in the Corporate Governance Report.

Independent auditors

The independent auditors, Crowe Horwath First Trust LLP, have expressed their willingness to accept re-appointment as auditors of the Company.

On behalf of the Board of Directors

Liu Ming
Director

Jack Chia Seng Hee
Director

24 March 2017

审计委员会已向董事会推荐，在本公司面临的年度股东大会上提名重新委任独立审计师国富浩华合信会计事务所。审计委员会在确定重新提名前，已对审计师所提供的非审计服务进行年度检讨，以确保这些服务的性质和内容范围不会损害到外部审计师的独立性和客观性。

在委任本公司及其子公司的外部审计师时，董事会已遵守《新加坡证券交易有限公司上市手册》第712及715条规则。

更多与审计委员会相关的细节已列载于企业管治报告。

独立审计师

独立审计师国富浩华合信会计事务所已表示愿意接受重新受委任。

谨代表董事会

刘明
董事

杰克谢
董事

2017年3月24日

INDEPENDENT AUDITOR'S REPORTS

独立审计师报告

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币



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Member Crowe Horwath International

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TO THE MEMBERS OF SHANGHAI TURBO ENTERPRISES LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Shanghai Turbo Enterprises Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 50 to 104, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with International Financial Reporting Standards (IFRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

有关财务报表的报告

意见

我们已审核上海动力发展有限公司（“该公司”）及其子公司（“该集团”）载于第50页至第104页随附的财务报表，包括该集团及该公司于2016年12月31日的财务状况表及截至该日止年度该集团及该公司的综合损益表、综合全国收益表、综合权益变动表及综合现金流量表以及包括主要会计政策概要的财务报表附注。

我们认为，该集团随附的综合财务报表及该公司的资产负债表已按照《国际财务报告准则》的规定编制，以真实而公平地反映该集团及该公司于2016年12月31日的财务状况及截至该日止年度该集团的综合财务表现、综合权益变动表及综合现金流量。

意见基准

我们按照国际审计准则（国际审计准则）进行审核工作。我们在准则下所尽的责任已于此报告中的“审计师须就财务报表承担的责任”部分中详细载列。我们按照会计与企业管理局公认会计师及会计主体道德操守与职业守则（会计与企业管理局守则）及新加坡审核财务报表的道德要求，独立于该集团，并按照此要求及会计与企业管理局守则满足我们其他的道德责任。我们相信，我们所获取充分和恰当的审核凭据，为我们的审核意见提供基础。

主要审核事项

主要审核事项指的是根据我们专业判断，在本财政年度的审核财务报表中最重要的事项。我们在进行审核财务报表期间，会获得对该事项的整体解决方案，并构成我们的意见，且我们不会对该事项提供个别意见。

INDEPENDENT AUDITOR'S REPORTS

独立审计师报告 For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币



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Key Audit Matters (Continued)

The key audit matter

Credit risk concentration and recoverability of receivables

Two major customers of the Group contributed 67% of the total revenue of the Group. As at 31 December 2016, the amount due from these two customers represented 85% of trade receivable of the Group (excluding bills receivable).

An impairment loss of RMB 4,550,000 has been recognised on one of the major customers, which represents 99% of the total impairment loss on receivables recognised in profit or loss for the year.

Management's judgement is required to assess the recoverability and impairment of these trade receivables. From the historical trend, long turnover days for debts indicates significant delay in payment beyond credit term and normal business practice. As such, the management had taken into account the individual receivable turnover days when estimating expected cash flows from collection which extend beyond 1 year.

The key judgement applied by management is disclosed in Note 2 to the financial statements and the relevant disclosures on the credit risk are disclosed in Note 31(iii) to the financial statements.

How the matter was addressed in our audit

Risk Response

Our audit of impairment losses on trade receivables focused on challenging management's assessment of these material overdue debts and reviewing the computation of the impairment.

Our key procedures applied include:

1. Testing the ageing report of the trade receivables for its accuracy and reliability.
2. Discussing with management to obtain understanding of the payment ability, trading pattern and whether there has been disputes with these two customers.
3. Examining evidence of receipts from these customers subsequent to year end date.
4. Evaluating management assumptions used to determine impairment loss amount with reference to turnover days, historical collection pattern, and the broader macro-economic industry factors.
5. Challenging the management's assumption on discount rate.

Based on the above audit procedures performed, we found the impairment losses provided on trade receivables to be reasonable. We have also considered the Group's disclosures about the estimation uncertainty and the credit risks to be sufficient.

主要审核事项 (续)

主要审核事项

信贷风险集中及应收账款的可收回性

对该集团两位主要客户的销售收入占该集团收入总额的67%。截至2016年12月31日止,来自该两位主要客户的应收账款占该集团应收账款总额的85% (不包括应收票据)。

其中一名贷方的减值亏损已被确认为人民币4,550,000元,占本年度已确认于收益或亏损的应收款项减值亏损总额的99%。

管理层须作出判断,评估该类应收账款的可收回性及减值。根据历史趋势,该债款拥有很长的周转期,显示信贷逾期和超越正常商业实践的重大拖欠。因此,管理层在预估超过一年的应收款项预期现金流量时,是根据个别应收账款的周转期。

管理层所应用之主要判断已于财务报表附注2中披露,而其信贷风险的相关披露已于财务报表附注31(iii)披露。

我们的审核中如何处理此事项

风险应对

我们对应收账款的审核专注于管理层对该重大逾期债款的评估及用于确定减值的计算法。

我们的主要应用程序包括:

1. 测试应收账款的账龄之准确性及可靠性。
2. 与管理层讨论,以获取对支付能力、贸易表现及是否与该两位客户有纠纷的了解。
3. 于随后年末日期对来自该客户的收据证据进行审查。
4. 评估管理层至报告日期根据客户的周转期、历史付款表现及更宽的宏观经济情况对该已逾期并未收回债款的评估。
5. 质疑管理层对折扣率的假设

根据上述所进行的审计程序,我们发现应收账款的减值为合理。我们也认为,该集团对预估不确定性及信贷风险进行足够的披露。

INDEPENDENT AUDITOR'S REPORTS

独立审计师报告 For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币



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Key Audit Matters (Continued)

The key audit matter

Inventories management:

Inventories represented approximately 9% of the total assets of the Group. As at 31 December 2016, the net carrying amount of inventories amounted to RMB 33,582,000, which is stated after an allowance of inventories obsolescence of RMB 3,341,000. Write-down recognised in profit and loss during the year is RMB 2,700,000.

Management's judgement is required to assess the appropriate level of provisioning required for the inventories. This process involves estimating the future replacement demand for the batches of inventories.

The management had assessed the appropriateness level of provisioning against inventory obsolescence through the specific identification by the sales department on the status of related completed or on-going sales contracts. The management had also taken into consideration the ageing and conditions of the inventories by category and by project, as well as the historical trend of replacement sales.

The key judgement applied by management is disclosed in Note 2 to the financial statements and the breakdown of inventories are disclosed in Note 11 to the financial statements.

How the matter was addressed in our audit

Risk Response

Our audit of inventories valuation focused on challenging management's assessment of the inventories obsolescence.

Our key procedures applied include:

1. Testing the inventories ageing report for its accuracy and reliability.
2. Testing the controls over the purchasing of raw material and consumables to ensure that purchases were made in accordance with production plan and related sales order.
3. Discussing with management to obtain understanding of the inventory management plans with regards to the finished goods produced for replacement orders.
4. Independently assessing the adequacy of the allowance for obsolescence, taking into consideration the status of the related sales contract, timing and quantity of the completed sales contracts, the ageing and conditions of the inventories, historical usage pattern, and the possibility of future replacement demand.

Based on the above audit procedures performed, we found the inventory obsolescence provided in accordance with management's policy to be supportable on the basis of historical trends as well as management's inventory management plans.

We have also considered the Group's disclosures about the estimation uncertainty to be sufficient.

主要审核事项 (续)

主要审核事项

存货管理:

存货占本集团资产总额的约9%。截至2016年12月31日止, 存货的账面金额为人民币33,582,000元, 其中提供了总值人民币3,341,000元的存货陈旧贬值拨备。本年度确认于收益及亏损的拨备为人民币2,700,000元。

管理层须进行判断, 以预估所需拨备的适当水平。此过程涉及预估未来存货的替代需求。

管理层已通过货仓人员对存货情况的特定识别, 评估了对存货陈旧贬值拨备的适当性。并考量存货库龄。管理层相信, 于2016年12月31日的存货陈旧贬值拨备是足够的, 而存货以成本与净变现价值法入账。

管理层所应用的主要判断已于财务报表附注2披露, 且存货的相关分项已于财务报表附注11披露。

我们的审核中如何处理此事项

风险应对

我们对存货估值的审核专注于质疑管理层对存货陈旧贬值的评估。

我们所应用的主要程序包括:

1. 测试存货库龄报告的库龄之准确度及可靠性。
2. 测试原材料是根据批准的采购计划及相对客户的销售合同, 以确保采购却是有需要。
3. 测试原材料及消费品的采购控制, 确保原材料是根据生产计划及相关销售订单进行采购的。
4. 独立评估陈旧贬值拨备的足够性, 并以相关销售合同状态、完成销售合同的时间及数量、存货的库龄及状况、历史使用表现, 及未来替代需求的可能性为考量。

独立评估陈旧贬值拨备的足够性, 并以相关销售合同状态、完成销售合同的时间及数量、存货的库龄及状况、历史使用表现, 及未来替代需求的可能性为考量。

我们也认为, 该集团对不确定性的预估有足够的披露。

INDEPENDENT AUDITOR'S REPORTS

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Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

其他信息

管理层负责其他信息。其他信息涵盖年度报告中的信息，但不包括财务报表及我们的审计师报告。

我们对财务报表的意见并不涵盖其他信息，且我们不会也将不会表达任何形式的保证结论。

就我们审核财务报表而言，我们的责任是参阅上述的其他信息及，在该情况下，考虑该其他信息与财务报表或我们从审核中所获取的讯息是否存在重大不一致或出现重大误导性。在我们进行审核工作期间，若我们的结论为存在重大误导性，我们须进行举报。我们并无任何事件举报。

董事及管理層須就財務報表承擔的責任

管理層須負責根據國際財務報告準則，編制作出真實及公平反映的財務報表以及設計及維持足夠提供資產可預防來自未授权使用或出售虧損的合理保證的內部會計控制系統；及交易已適當授權，並且該等交易已作出所需記錄，以編制真實及公平的財務報表及維持資產的問責性。

在準備財務報表時，管理層須負責評估該團持續經營的能力，並在適用時，披露持續經營相關事項及運用持續經營基本會計法，除管理層有意清盤或結束經營，或已只剩此舉，別無其他實際方法外。

董事的責任包括監督該集團的財務報表流程。

INDEPENDENT AUDITOR'S REPORTS

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

审计师须就财务报表承担的责任

我们的目的旨在获取合理的保证，确保整体的财务报表不存在任何重大误导性陈述，不论是因欺诈或疏漏，并发表包括我们的意见的审计师报告。合理的保证是一项高水平的保证，但并不能确保凡按照国际审计师准则所进行的审核，若存在，都一定能察觉到重大误导性。误导可从欺诈或疏漏中产生，而若个体或总体利用该类财务报表为基础，以合理预期影响用户做出的经济决策，将被施为严重误导。

作为根据国际审计师准则的审计师，我们行使专业判断，并在整个审核过程中维持专业的质疑态度。我们也：

- 识别并评估财务报表存在重大误导性的风险，不论是因欺诈或疏漏，制定并执行审计程序以应付该类风险，及获取足够及适当的审核凭据，以提供我们审核意见的基础。无法察觉因欺诈所产生的重大误导性之风险，与因疏漏所产生的重大误导性之风险相比相对较高，因为欺诈可能涉及勾结、伪造、刻意遗漏、不实报告，或藐视内部控制。
- 取得审核相关内部控制的了解，已制定符合该情况的适当审核程序，但并非为了对该集团内部控制的有效性提出意见之用途。
- 评估所使用之会计政策及会计预估，及管理层所做相关披露的适当性。
- 对管理层使用的持续经营基础会计方法的适当性得出结论，并根据所取得的审核证据，总结是否存在活动或条件相关重大不确定性，可能对该集团持续经营的能力提出重要质疑。若我们总结存在重大不确定，我们须于我们的审计师报告中强调该相关披露，或若该类披露并不足够，我们将修改我们的意见。我们的结论是根据截至我们的审核报告日止所获的凭据所作出的。不过，未来活动或条件将可能导致该集团终止营业。

INDEPENDENT AUDITOR'S REPORTS

独立审计师报告 For the financial year ended 31 December 2016 截至2016年12月31日止
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Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Goh Sia.

Crowe Horwath First Trust LLP
Public Accountants and
Chartered Accountants

Singapore

24 March 2017

Crowe Horwath First Trust LLP (UEN: T08LL1312H) is an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A).

审计师须就财务报表承担的责任 (续)

- 评估财务报表之整体表达，结构及内容，包括披露，及财务报表是否以公平的方式表达相关交易及活动。
- 获取足够及适当与该集团个体或商业活动的财务信息之审核凭据，以表达对综合财务报表的意见。我们对该集团的审核方向、监督及表现负责。我们仍独立为我们的审核意见负责。

我们与董事沟通有关审核的规划范围与时间以及重大审计发现等，包括我们于我们的审核中发现的内部控制不足。

我们提供董事有关我们合规道德要求相关的独立性声明，及与他们沟通所有关系与其他可能供合理被视为对我们的独立性造成影响及，若适用，安全保障的相关事项。

在与董事沟通的事项中，我们确认于本年度的财务报表审核的最重要事项，即主要审核事项。我们会于我们的审计师报告中描述该类事项，除非法律或规定确认此类事项不应于我们的报告中载列，因为这么做所造成的严重后果，预计将超越公众的利益。

编制这份独立审计师报告的审计项目合伙人为吴诚。

Crowe Horwath First Trust LLP
公认会计师及
特许会计师

新加坡

2017年3月24日

Crowe Horwath First Trust LLP (UEN: T08LL1312H) 是一家于《有限责任合伙法》第163A章下，于新加坡注册的会计有限合伙公司。

AUDIT COMMITTEE STATEMENT

审计委员会声明 *For the financial year ended 31 December 2016 截至2016年12月31日止*
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The Audit Committee (AC) met with the Company's management and the external auditor (EA) in August 2016 to discuss the FY2016 audit plans, during which significant financial reporting issues including identification of key audit matters (KAMs) were discussed.

For FY2016, the EA had identified the credit concentration and recoverability of accounts receivables and inventory valuation as key audit matters, and in its audit report, the EA had agreed to the impairment of RMB 4.5 million to the accounts receivables to account for the longer collection period, as well as the impairment of RMB 2.7 million to the inventories to account for obsolescence.

The AC discussed these impairments with both management and the EA, and was satisfied with the rationale for such impairments, and the assumptions and methodologies used.

Notwithstanding the negative impact the accounts receivables impairment had on the FY2016 financial results, the AC would like to clarify that such impairments are not realised financial losses to the company as yet, because the impairment merely provided for the longer collection period beyond normal credit terms. There were no write-downs nor write-offs to the accounts receivables. Furthermore, the AC would like to inform shareholders that it had directed management to actively pursue the timely collection of all accounts receivables amidst the challenging economic environment in China and the business conditions of our customers. The Board had also pegged the performance bonuses of management to such collections and their timings to align both shareholder and management interests.

As for the impairment to inventories, this resulted in a realised financial loss to the company, and the AC has directed management to tighten the procurement and production processes to minimise wastages and defects, and to take proactive action to prevent recurrences.

Other than the KAMs, the AC also discussed other significant financial reporting issues with the EA and management, including timeliness of billing, delivery of goods, and recognition of outsourcing charges. The AC is pleased to inform shareholders that none of these issues warrant special mention this year as they all have been dealt with by management and have been accounted for based on established procedures and generally accepted accounting principles.

On behalf of the Audit Committee

Tan Wee Peng Kelvin
Audit Committee Chairman

审计委员会于2016年8月与本公司管理层及外部审计师会面，讨论2016财政年度的审计计划，当中也讨论了包括识别主要审计事项的重大财务报告事宜。

于2016财政年度，外部审计师已识别信贷集中及应收账款的收回性以及存货估值为主要审计事项，并在其审计报告中，外部审计师已同意总值人民币450万元的应收账款减值入账，以记录较长的回收期，及总值人民币270万元的存货减值入账，以记录陈旧贬值。

审计委员会与管理层及外部审计师对该减值进行讨论，并对该类减值的理论说明、假设及使用方法感到满意。

尽管应收账款减值对2016财政年的业绩造成负面影响，审计委员会欲澄清，该类减值并非本公司的实际财务损失，因为减值仅是为超过正常信贷期的较长回收期提供拨备。应收账款并没有减值或注销。此外，审计委员会欲通知股东，其已指示管理层，在中国艰难的经济环境和客户的运营条件中积极确保所有应收账款都能准时收回。董事会也必将该类回收款项的及时性与管理层的花红挂钩，以校正股东及管理层权益。

对于存货减值，这导致本公司已产生财务损失，及审计委员会已指示管理层收紧采购及生产过程，以减少损耗及短缺，并采取积极行动以避免事件再次发生。

除了主要审计事项，审计委员会也与外部审计师及管理层讨论其他重大财务报告事宜，包括账单的及时性、商品的发送及外包费用的确认。审计委员会欣然地通知股东，并没有该类事宜需于本年度特别提及，因为管理层已对其进行处理，并根据规定程序及公认会计原则入账。

奉审计委员会之命

陈伟平
审计委员会主席

STATEMENTS OF FINANCIAL POSITION

资产负债表

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

	Note 附注	Group 本集团		Company 本公司	
		2016 RMB'000 人民币千元	2015 RMB'000 人民币千元	2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	3	55,409	55,409	55,409	55,409
Share premium	4	78,470	81,527	78,470	81,527
		133,879	136,936	133,879	136,936
Other reserves					
Statutory reserve	5	30,526	29,696	–	–
Translation deficit	6	(3,207)	(3,372)	–	–
		27,319	26,324	–	–
Retained earnings	7	166,884	163,231	–	1,810
TOTAL EQUITY		322,082	326,491	133,879	138,746
ASSETS					
Non-current assets					
Property, plant and equipment	8	126,332	101,846	–	–
Subsidiaries	9	–	–	156,236	156,236
Land use right	10	9,787	10,038	–	–
Current assets					
Inventories	11	33,582	30,218	–	–
Trade receivables	12	164,045	168,314	–	–
Other receivables, deposits and prepayments	13	4,713	10,207	96	–
Land use right	10	251	251	–	–
Cash and cash equivalents	27	50,402	67,557	2,294	6,328
		252,993	276,547	2,390	6,328
TOTAL ASSETS		389,112	388,431	158,626	162,564

The accompanying notes are an integral part of the financial statements.

随附附注是财务报表的组成部分。

STATEMENTS OF FINANCIAL POSITION

资产负债表

For the financial year ended 31 December 2016 截至2016年12月31日止
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	Note 附注	Group 本集团		Company 本公司	
		2016 RMB'000 人民币千元	2015 RMB'000 人民币千元	2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
LIABILITIES					
Current liabilities					
Trade payables	14	52,409	46,254	-	-
Other payables and accruals	15	4,765	11,169	543	1,051
Bank loan	16	7,000	-	-	-
Due to subsidiaries (non-trade)	17	-	-	24,204	22,767
Income tax payable		91	2,104	-	-
		64,265	59,527	24,747	23,818
Non-current liability					
Deferred tax liability	18	2,765	2,413	-	-
TOTAL LIABILITIES		67,030	61,940	24,747	23,818
NET ASSETS		322,082	326,491	133,879	138,746

The accompanying notes are an integral part of the financial statements.
随附附注是财务报表的组成部分。

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

综合全面收益表 For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

		Note 附注	2016 RMB'000 人民币元	2015 RMB'000 人民币元
Revenue	营业收入	19	136,977	141,475
Cost of sales	销售成本		(106,333)	(101,540)
Gross profit	毛利润		30,644	39,935
Other operating income	其他运营收入	20	2,783	3,182
Selling and distribution expenses	销售及分销费用		(2,866)	(2,949)
Administrative expenses	行政费用		(20,684)	(21,849)
Other operating expenses	其他运营费用	21	(4,664)	(222)
Finance costs	财务费用		(226)	–
Profit before income tax	所得税前利润	23	4,987	18,097
Income tax expense	所得税	24	(2,694)	(7,073)
Profit for the year	净利润		2,293	11,024
Other comprehensive income/(loss)	其他综合收入/ (损失)			
Item that may be reclassified subsequently to profit or loss:	可随后重新分类至 损益的项目:			
- Currency translation differences arising from consolidation	- 因合并所产生的外币折算 差额	6	165	(41)
Total comprehensive income for the year, representing profit attributable to equity holders of the Company	总综合收益, 可归本 公司权益持有人的利润		2,458	10,983
Earnings per share (cents)	每股收入 (分)			
Basic and diluted	基本及摊薄	25	8.35	40.13

The accompanying notes are an integral part of the financial statements.
随附附注是财务报表的组成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

综合权益变动表

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

		Attributable to equity holders of the Company 可归本公司权益持有人					
		Share capital 股本	Share premium 股本溢价	Statutory reserve 法定储备金	Translation deficit 外币折算净亏损	Retained earnings 未分配利润	Total equity 权益总计
		RMB'000 人民币千元	RMB'000 人民币千元	RMB'000 人民币千元	RMB'000 人民币千元	RMB'000 人民币千元	RMB'000 人民币千元
		(Note 3) (附注3)	(Note 4) (附注4)	(Note 5) (附注5)	(Note 6) (附注6)		
Balance at 1 January 2015	于2015年1月1日之结余	55,409	81,527	27,957	(3,331)	160,813	322,375
Profit for the year	净利润	-	-	-	-	11,024	11,024
<u>Other comprehensive income/(loss), net of tax</u>	<u>其他综合收入/(损失), 净税金</u>						
Currency translation differences arising from consolidation	因合并所产生的外币折算差额	-	-	-	(41)	-	(41)
Total comprehensive income/(loss) for the year	总综合收入/(损失)	-	-	-	(41)	11,024	10,983
Transfer to statutory reserve	转到法定储备金	-	-	1,739	-	(1,739)	-
Dividends (Note 26)	股息 (附注26)	-	-	-	-	(6,867)	(6,867)
Total contributions by and distributions to owners	总资本摊销及分派	-	-	1,739	-	(8,606)	(6,867)
Balance at 31 December 2015	于2015年12月31日之结余	55,409	81,527	29,696	(3,372)	163,231	326,491
Balance at 1 January 2016	于2016年1月1日之结余	55,409	81,527	29,696	(3,372)	163,231	326,491
Profit for the year	净利润	-	-	-	-	2,293	2,293
<u>Other comprehensive income/(loss), net of tax</u>	<u>其他综合收入/(损失), 净税金</u>						
Currency translation differences arising from consolidation	因合并所产生的外币折算差额	-	-	-	165	-	165
Total comprehensive income/(loss) for the year	总综合收入/(损失)	-	-	-	165	2,293	2,458
Transfer to statutory reserve	转到法定储备金	-	-	830	-	(830)	-
Dividends (Note 26)	股息 (附注26)	-	(3,057)	-	-	(3,810)	(6,867)
Total contributions by and distributions to owners	总资本摊销及分派	-	(3,057)	830	-	(4,640)	(6,867)
Balance at 31 December 2016	于2016年12月31日之结余	55,409	78,470	30,526	(3,207)	160,884	322,082

The accompanying notes are an integral part of the financial statements.
随附附注是财务报表的组成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

合并现金流量表 For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

	Note 附注	2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
Cash flows from operating activities	运营活动所得现金流量		
Profit before income tax	所得税前利润	4,987	18,097
Adjustments:	调整项目:		
Impairment loss on trade receivables	应收账款减值亏损	4,608	-
Impairment loss on trade receivables written back	应收账款减值亏损回冲	(94)	(552)
Allowance for inventory obsolescence	存货陈旧贬值	2,700	643
Amortisation of land use right	土地使用权摊销	251	251
Exchange differences	汇兑差额	(922)	(626)
Depreciation of property, plant and equipment	物业、厂房及设备折旧	16,922	16,018
Interest income	利息收益	(107)	(516)
Interest expenses	利息开支	226	-
Loss on disposal of property, plant and equipment	处置物业、厂房及设备净亏损	26	137
Operating profit before working capital changes	营运资本变化前运营利润	28,597	33,452
Inventories	存货	(6,064)	9,647
Trade and other receivables	应收账款及其他应收款	(3,931)	998
Trade and other payables	应付账款及其他应付款	(249)	(8,791)
Cash generated from operations	运营活动所产生的现金	18,353	35,306
Interest income received	已收利息收入	107	516
Income taxes paid	已缴付所得税	(4,355)	(4,633)
Net cash generated from operating activities	运营活动所产生的现金净额	14,105	31,189
Cash flows from investing activities	投资活动所产生的现金流量		
Proceeds from disposal of property, plant and equipment	出售物业、厂房及设备的现金流入	89	200
Purchase of property, plant and equipment	购置物业、厂房及设备	(32,343)	(11,325)
Net cash used in investing activities	投资活动所使用的现金净额	(32,254)	(11,125)

The accompanying notes are an integral part of the financial statements.
随附附注是财务报表的组成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

合并现金流量表 For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

		Note 附注	2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
Cash flows from financing activities	融资活动所产生的 现金流量			
Dividends paid	已支付股息	26	(6,867)	(6,867)
Placement of pledged deposits	支付抵押存款	27	(9,894)	–
Withdrawal of pledged deposits	提取抵押存款	27	13,935	4,463
Proceeds from bank loan	银行贷款		7,000	–
Interest expenses paid	利息支出		(226)	–
Net cash from / (used in) financing activities	融资活动所产生 / (使用) 的 现金流量净额		3,948	(2,404)
Net (decrease)/increase in cash and cash equivalents	现金及现金等价物的净 (减少)/增加		(14,201)	17,660
Cash and cash equivalents at beginning of year	财政年初的现金及现金 等价物		58,775	40,530
Effects of exchange rate changes in cash and cash equivalents	货币折算对现金及现金 等价物的影响		1,087	585
Cash and cash equivalents at end of year	财政年度末的现金及 现金等价物	27	45,661	58,775

Note A
附注 A

Total additions to property, plant and equipment	总增置的物业、厂房及设备	8	41,523	3,009
(Decrease) / Increase in deposits paid included in other receivables, deposits and prepayments	(减少) / 增加已包含在其他应收款项, 定金及预付款的购买机械设备定金	13	(9,180)	8,316
Purchase of property, plant and equipment per consolidated statement of cash flows	合并现金流量表列载的 购置物业、厂房及设备		32,343	11,325

The accompanying notes are an integral part of the financial statements.
随附附注是财务报表的组成部分。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

这些备注是财务报表的一个组成部分，应结合所附财务报表一并阅读。

1. GENERAL INFORMATION

Shanghai Turbo Enterprises Ltd. (the "Company") is a limited liability company domiciled and incorporated in the Cayman Islands and listed on the Main Board of the Singapore Exchange Securities Trading Limited. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is located at No.9, Yinghua Road, Zhonglou Economic Development Zone, Changzhou City, Jiangsu Province, 213016 the People's Republic of China ("PRC").

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are shown in Note 9.

The financial statements for the financial year ended 31 December 2016 were authorised for issue in accordance with a resolution of the Board of Directors on 24 March 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below and are drawn up in accordance with the International Financial Reporting Standards ("IFRS"). The financial statements are presented in Chinese Renminbi ("RMB") and all values are rounded to the nearest thousand (RMB'000) as indicated.

The preparation of the financial statements in conformity with IFRS requires management to exercise its judgement, in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgement or complexity, are disclosed in this Note.

Adoption of new and revised standards

On 1 January 2016, the Group adopted the new or amended IFRS and Interpretations of IFRS ("INT IFRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS and INT IFRS. The adoption of these new or amended IFRS and INT IFRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

1. 前言

上海动力发展有限公司（以下简称“本公司”）是一家有限责任公司，在开曼群岛设立注册并在新加坡证券交易有限公司主板上市。本公司的注册办事处地址为板球广场，哈钦道，2681号邮箱，大开曼岛 KY1-1111，开曼群岛。企业的主要营业地址位于中国江苏省常州市钟楼开发区樱花路9号，邮编213016。

本公司的主要业务是投资控股。其附属公司之主要业务显示在附注9。

截至2016年12月31日为止的财务报表被授权问题与2017年3月24日举行的董事会决议一致。

2. 主要会计政策

编制基础

本财务报表按照历史成本惯例编制，除了以下披露的会计政策，都按照国际财务报告准则（IFRS）。财务报表以人民币（“人民币”）提出，所有值都以四舍五入到最接近千元（人民币千元）有如图所示。

在国际财务报告准则一致的财务报表的编制里，要求管理层在应用本集团的会计政策的过程时行使判断。这也要求使用某些关键的会计估计和假设，这些会影响会计报表时的资产和负债情况和财务年度报告的收入和支出。尽管这些估计是管理层基于当前事件和行动的了解，实际结果最终还是可能与这些估计有所不同。有关重要会计估计和假设对财务报表和涉及更高层次的判断或复杂的领域有显著的使用，会在本备注里说明披露。

新的和修订标准采纳

从2016年1月1日起，本集团采用的新的或修订的国际财务报告准则和IFRS（“IFRIC”）的解释是从该日起适用也是强制性的。本集团的会计政策也根据需要进行了更改，根据在各自的财务报告准则和国际IFRS的过渡规定。采用这些新的或修订的国际财务报告准则和解释公告并未导致本集团或会计政策的重大变化，对报告当前或前一财政年的数额并无重大影响。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

2. 主要会计政策 (续)

标准已颁布但尚未生效

本集团并未采纳下列已颁布标准和解释:

<u>Description</u>	<u>描述</u>	<u>Effective for annual periods beginning on or after</u>	<u>起效年度开始前后日期</u>
Amendments to IAS 12: <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	修订 IAS 12: 确定递延所得税资产为未实现亏损	1 January 2017	2017年1月1日
Amendments to IAS 7: <i>Disclosure Initiative</i>	修订 IAS 7: 信息披露计划	1 January 2017	2017年1月1日
Amend improvements to IFRS Standards 2014-2016	修订改进 IFRS (2014年至2016年)		
Amendments to IFRS 1 <i>First-time Adoption of Financial Reporting Standards</i>	修订 IFRS 1: 首度采纳财务报告准则		
Amendments to IAS 28 <i>Investments in Associates and Joint Ventures</i>	修订 IAS 28: 投资联营企业和合资企业		
Amendments to IFRS 12 <i>Disclosure of Interests in Other Entities</i>	修订 IFRS 12: 披露其他实体权益	1 January 2017	2017年1月1日
Amendments to IFRS 2: <i>Classification and Measurement of Share-based Payment Transactions</i>	修订 IFRS 2: 股份支付分类及计量	1 January 2018	2018年1月1日
- Amendments to IFRS 4: <i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts</i>	- 修订 IFRS 4: 应用 IFRS 9 金融工具及 IFRS 4 保险合同	1 January 2018	2018年1月1日
- Amendments to IAS 40: <i>Transfers of Investment Property</i>	- 修订 IAS 40: 投资物业转让	1 January 2018	2018年1月1日
IAS 28 <i>Investments in Associates and Joint Ventures</i>	IAS 28: 投资联营企业和合资企业	1 January 2018	2018年1月1日
- IFRS 9 <i>Financial Instruments</i>	- IFRS 9: 金融工具	1 January 2018	2018年1月1日
IFRS 15 <i>Revenue from Contracts with Customers</i>	IFRS 15: 客户合同的收入	1 January 2018	2018年1月1日
IFRS 1 <i>First-time Adoption of Financial Reporting Standards</i>	IFRS 1: 首度采纳财务报告准则	1 January 2018	2018年1月1日
IFRIC 22: <i>Foreign Currency Transactions and Advance Consideration</i>	IFRS 22: 外币交易及预付对价	1 January 2018	2018年1月1日
IFRS 16 <i>Leases</i>	IFRS 16: 租赁	1 January 2019	2019年1月1日
Amendments to IAS 10 and IAS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	修订 IAS 10 及 IAS 28: 投资者及其联营企业或合营企业之间的资产出售或投入计划	Postponed indefinitely	无限期延迟

The directors expect that the adoption of the new or amended standards and interpretations above will have no material impact on the financial statements in the period of initial application, except for the impending changes in accounting policy on adoption of the following:

董事认为采用上述新的或修订的标准对和解释将对本公司的财务报告在初期没有重大影响,除了采纳下列对本公司的会计政策即将出现的变动:

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Standards issued but not yet effective (Continued)

Amendments to IAS 7: Disclosure Initiative

The amendments introduce additional disclosure requirement intended to enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes. The Group will apply these amendments prospectively in 2017.

IFRS 9 Financial Instruments

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement, and introduces new requirements for classification and measurement, impairment and hedge accounting. The adoption of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities. IFRS 9 also introduces a new expected loss impairment model, and adds detailed guidance on impairment-related presentation and disclosures. IFRS 9 also contains new requirements on hedge accounting, which adopts a more principle-based approach, and allows entities to choose between applying hedge accounting requirements of IFRS 9 or continue to apply the existing hedge accounting requirements in IAS 39 for all hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Based on the Group's preliminary assessment, the Group is not expecting significant adjustment as the Group does not expect changes in measurement basis of financial assets and liabilities. On the other hand, the new standard may have impact on the level of impairment losses on trade receivables.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a single comprehensive model in accounting for revenue arising from contracts with customers, and will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective in 2018.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under IFRS 15, an entity recognises revenue when (or as) a performance obligations is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customers.

The application of IFRS 15 may have a material impact on the amounts reported and disclosures in the Group's consolidated financial statements. Based on the Group's preliminary assessment, the Group may need to reevaluate whether the sales contract represents single performance obligation and whether there is significant financing elements.

2. 主要会计政策 (续)

标准已颁布但尚未生效 (续)

修订 IAS 7: 信息披露计划

采纳修订须进行额外披露, 为的是让财务报表的使用户对因金融活动产生的负债变动进行评估, 包括因现金流及非现金变动产生的变动。本集团将于2017年以前瞻性方式应用该修订。

修订 IFRS 9: 金融工具

IFRS 9取代IAS 39金融工具: 确认和计量和IFRS 9。IFRS 9的所有先前版本引入了新的对分类和计量, 减值和套期会计的要求。IFRS 9的采用将会对本集团的金融资产的分类和计量的影响, 但对分类和集团的金融负债的计量没有任何影响。IFRS 9还引入了一个新的预期损失/坏账模型, 并在减值报和披露增加了详细的指导。IFRS 9还包含有关套期会计, 它采用了一种更加以原则为基础的方式的新要求, 以及允许实体应用IFRS 9的套期会计要求之间进行选择, 或继续适用在IAS 39现行的套期会计要求所有对冲会计。IFRS 9的有效年度自2018年1月1日开始并允许之前就应用。本集团正在评估这新标准对今后一个时期的影响。根据本集团的初步评估, 本集团预期将不会有重大调整, 因为本集团并预计将不会对金融资产及负债的计量基础进行改变。反之, 新标准可能对应收账款的减值亏损水平带来影响。

修订 IFRS 15: 客户合同的收入

IFRS 15建立一个会计单一综合模式来处理从客户所产生的利润, 当它于2018年生效时将取代包括国际会计准则IAS 18收入和IAS 11施工合同及其相关的解释。

IFRS 15的核心原则是, 实体应确认其收入所描绘的承诺转让正确反映到客户希望获得等值商品或服务的考量。根据FRS 115, 实体确认其收入来自(或当)一个应尽的义务被满足, 即, 一个特定商品或服务的“可控制”的义务已经转移给客户。

IFRS 15的应用程序可能会对报告金额和本集团的合并财务报表上的披露产生实质的影响。本集团正处于评估新标准对未来期间冲击的过程。根据本集团的初步评估, 本集团可能需要重新评估到底销售合同代表单一义务及到底存在重大融资元素。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Standards issued but not yet effective (Continued)

IFRS 16 Leases

This new standard on leases supersedes the previous standard (IAS 17) and interpretations and brings in a new definition of a lease that will be used to identify whether a contract is, or contains, a lease. For leasees, IFRS 16 reforms lease accounting by introducing a single model similar to the existing finance lease model. Specifically, lessees are required to recognise all leases on their statements of financial position to reflect their rights to use leased assets and the associated obligations for lease payments, with limited exemptions. However, lessor accounting, with the distinction between operating and finance leases, remains largely unchanged. IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted for entities that apply IFRS 15 *Revenue from Contracts with Customers* at or before the date of initial application of this standard. The Group will apply the new IFRS 16 when it becomes effective in 2019. The Group does not expect a material impact on the amounts reported and disclosures in the Group's consolidated financial statements as the Group does not have significant leasing arrangement as leases.

IFRIC 22: Foreign Currency Transactions and Advance Consideration

IFRIC 22 requires a foreign currency transaction to be recorded using spot exchange rate at the date of transaction.

This interpretation clarifies that when an entity pays or receives consideration in advance in a foreign currency, the date of transaction for the purpose of determining the transaction rate on initial recognition of the related asset, expense or income (or part of it) is the date on which the entity initially recognises the non-monetary asset or liability (such as prepayment or deferred income) arising from the advance consideration. As such, no exchange gain will arise from the transfer of non-monetary asset or liability recognised for advance consideration to the related asset, expense or income at initial recognition. The interpretation applies to annual periods beginning on or after 1 January 2018, which an entity may elect to apply either retrospectively or prospectively.

2. 主要会计政策 (续)

标准已颁布但尚未生效 (续)

IFRS 16 租赁

这套新准则取代 IAS 17，引进的新准则对会计处理租赁的方法将对承租人起着根本性的变化。IFRS 16 省去承租人目前的双会计模式，它将区分在资产负债表上的融资租赁和不在资产负债表上的经营租赁。取而代之的，是租赁将成为资产负债表上的负债，而资产负债表的另一边出现一个新资产。同时，租赁的年限也会有所变化。特别是公司将从此承认支出的前装模式来面对大多数租约，即便他们付出不变的年租金。IFRS 16 将在 2019年1月1日年度才生效，但可追溯应用。对提早应用此标准的 IFRS 15 从客户合同的收入的实体是允许的。本集团是在评估新的标准的未来冲击力的过程中。本集团预计将不会对本集团的合并财务报表中的报告金额及披露造成重大影响，因为本集团并没有重大的租赁安排。

IFRIC 22 外币交易及预付对价

IFRIC 22 要求于交易日期当天使用即期汇率记录外币交易。

这个解释说明，当一个实体支付或接收外币为预付对价时，该交易日期，以确定对相关资产、开支或收入（或其中部分）的初始确定之用途，是实体初始确定因预付对价产生的该非货币资产或负债（如预付款或递延收入）的日期，因此，概不因转让非货币资产或负债产生的外汇收益以相关资产、开支或收入以初始确认的预付对价将被确认。该解释应用于2018年1月1日之后的年度期间内，而实体可选择以追溯或前瞻方法应用。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Group accounting

Subsidiaries

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- had power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

2. 主要会计政策（续）

集团会计

子公司

(a) 合并基准

合并财务报表包括由本公司及其附属公司控制的公司和实体的财务报表（包括结构化的实体）。实现控制是 当公司：

- 对被投资者具有权力；
- 承担或有权获取来自向被投资者的投资之可变动收益；
- 有能力利用其权力来影响其收益。

本公司将会重新评估它是否仍然控制一个被投资的公司，如果事实和情况表明上述控制权里有一个或多个要素已经起了变化。

当公司对被投资者的投票权少于大多数，如果它仍然具有权力是因为其当时的投票权足以给予实践能力，单方面促使被投资执行相关的活动。在评估是否对被投资公司具有足够的投票权时本公司考虑所有相关事实和情况，包括：

- 本公司控股的投票权和其他分散持票人的相对大小规模；
- 由公司、个人或其他组织拥有的潜在的投票权；
- 从其他合同安排而产生的权利；和
- 考量所有额外的事实和情况，表明该公司有，或者没有，在需要作出决定的时候主导相关的活动的当前能力，包括之前的股东大会上的投票模式。

子公司的合并于本公司取得子公司的控制权时开始，并与本公司失去其控制权后终止。自本公司取得控制权日期直至本公司终止控制日期间，本年度收购或出售的子公司之收入及开支已包括于合并损益表及其他全面收入表。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Group accounting (Continued)

Subsidiaries (Continued)

(a) Basis of consolidation (Continued)

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and any non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(b) Acquisition of businesses

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement. Acquisition-related costs, other than those associated with the issue of debt or equity securities, are expensed as incurred.

2. 主要会计政策 (续)

集团会计 (续)

子公司 (续)

(a) 合并基准 (续)

有必要时，可以调整子公司的财务报表的会计政策到集团的会计政策里。

所有集团之间的资产和负债，股权、收入、支出和现金流等在集团成员之间有关的交易，全部被消除在合并报表里。

当任何子公司的变化不影响集团的控制权将视为股权的交易。

在集团所有者权益变动的子公司不会导致本集团失去控制在子公司的权益交易。账面价值的集团利益和任何非控制性权益进行调整，以反映本公司对子公司的相对利益的变化。通过该非控制性权益是价值之间的差额调整支付或收到的对价的公允价值直接计入股东权益，并归属于本公司的所有者。

当一个集团失去对一个子公司的控制权，它的得失是被认可为利润或损失并计算为以下两者的差异 (i) 合理收购价值和合理利益保留的总和 (ii) 过去拥有的资产 (包括信誉) 的数额和子公司的负债及任何非控制的利益。所有过去被认可的其他有关子公司的综合收入通通都要计入帐内，如同集团直接处理掉子公司的有关资产和负债。任何投资保留在前子公司当时的合理价值当失去控制权后，其当初的合理价值将在未来的IAS39被认可，在可行的情况下，也可认可将初始的成本认可为一项对关联其他的投资或一项合资。

(b) 企业收购

会计的收购方法是集团用于计算其生意的组合时应用的，购买子公司的考量和金额包括合理的资产转让、其负债和由集团发行的股权利益。考量的金额也必须包括任何突发情况的安排。收购的有关成本，除了有关发行债券和股票的费用，也将是会发生费用。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Group accounting (Continued)

Subsidiaries (Continued)

(b) Acquisition of businesses (Continued)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured until it is finally settled within equity.

(c) Disposals of subsidiaries or businesses

The assets and liabilities of the subsidiary, including any goodwill, are derecognised when a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss. Subsequently, the retained interest is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Currency translation

(i) Functional and presentation currency

The individual financial statements of each entity are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Chinese Renminbi ("RMB"), which is the functional currency of the Company.

2. 主要会计政策 (续)

集团会计 (续)

子公司 (续)

(b) 企业收购 (续)

欲收购的可证实资产和负债和特别状况负债，在生意组合里的假设是，除了少数例外，他们的价值通常在初始收购的日期估量。

任何特别情况的考量，收购者将按合理价值在收购日转让。以后价值的变化将视为资产或财务，也将被IAS39 认可为恶资产或负债或综合收入的变化。如果特别考量被分类为股权，它将不再重新估量直到其最后在股权结构里完成。

(c) 出让子公司或业务

当公司对子公司的拥有权有所变化，子公司的资产和负债，包括商誉，也将不被认可。其他综合收益也被重新分类为利润或亏损或者如果需要由特定的标准直接转入为未分配利润。

任何实体的保留权益都重新以公允价值来计量的。控股是保留投资在失去控股的当日的账面价值和保留权益的价差在损益表上是被认可的。随后，保留的权益应可作为权益法核算的投资或作为可供出售金融资产保留，视其影响程度而定。

子公司

对子公司投资，应以成本减去累计减值损失的财务状况。有关处置对子公司的投资，处置收益和投资的账面价值之间的差异的获利或损失都会被认可。

外币折算

(i) 记账本位币

每个实体的个别财务报表所使用的主要货币以实体运作的经济环境为主 ("功能货币")。合并财务报表是以中国人民币 ("人民币") 呈现，这也是本公司的功能货币。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Currency translation (Continued)

(ii) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity in the consolidated financial statements. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(iii) Translation of the Group's financial statements

The assets and liabilities of foreign operations are translated into Chinese Renminbi at the rate of exchange ruling at the reporting date and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss.

2. 主要会计政策（续）

外币折算（续）

（ii）交易及结余

除了功能性货币，使用其他货币（“外币”）的交易以本公司及其子公司的功能性货币为计量基础，并以交易日期功能性货币的预估汇率，记录初始确认。以外币列值的货币资产及负债以报告日期的汇率转换。以外汇率历史成本计量的非货币项目使用初始交易的汇率计量。以公允价值计量的非货币项目使用公允价值确认日期的汇率转换。

对货币性项目的结算或在兑换货币性项目产生的汇兑差额在报告日期计入当期损益，除了对货币产生的汇兑差异构成本集团的境外经营净投资，在初始确认部分项目的其他综合收益和权益下的外币折算储备合并财务报表。外币折算储备从权益重新分类为集团的盈利或损失，已在当时境外经营进行处置。

（iii）本集团的财务报表的折算

海外业务的资产和负债被在参考汇率兑后在报告日决定折算换成中国人民币，其变动计入当期损益的汇率折算以交易日期为准。对折算产生的汇兑差额，计入其他综合收益。在处置境外经营时，其他与该特定境外经营综合收益的组成部分被视为认可的损益。

在部分处置不包含境外经营的子公司失去控制的情况下，汇兑的差额累计金额的比例份额被重新归于非控制利息和当期损益不被认可。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of an item of property, plant and equipment including subsequent expenditure is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. When significant parts of property, plant and equipment is required to be replaced in intervals, the Group recognises such parts as individual assets with specific lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance expenses are recognised in profit or loss when incurred.

After initial recognition, property, plant and equipment except for leasehold buildings are stated at cost less accumulated depreciation and any accumulated impairment loss.

Construction in progress includes all cost of construction and other direct costs. Construction in progress is reclassified to the appropriate category of property, plant and equipment when complete and ready to use.

Construction in progress are not depreciated. All other items of property, plant and equipment are depreciated using the straight-line method to write-off the cost of the assets less estimated residual value over their estimated useful lives as follows: -

		<u>Useful lives (Years)</u> 使用年限 (年)	<u>Estimated residual value as a percentage of cost (%)</u> 预计残值 价值为成本的一个 百分比
Leasehold Buildings	租赁建筑	20	10
Plant and machinery	机器设备	10	10
Office equipment	办公设备	5	10
Motor vehicles	机动车	5	10
Renovation	装修改造	3	-

The residual value, estimated useful life and depreciation method are reviewed, and adjusted as appropriate, at each reporting date to ensure that the amount, method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. Fully depreciated assets are retained in the financial statements until they are no longer in use.

2. 主要会计政策 (续)

物业, 厂房及设备

物业, 厂房及设备的所有项目按取得时的成本入账。物业、厂房的项目的成本与初始入账装备包括购买价, 和任何管理层直接将资产带到其建设位置和使之得以运作的必要条件的资产、物业、厂房和设备的成本, 包括后续支出的费用是可确认为一项资产, 当且仅当, 未来的相关经济利益很可能流入本集团, 而该项目的成本能够可靠地计量。当物业, 厂房及设备有明显部分需要进行更换, 本集团确认个别资产有着不同和特定的试用期和折旧。同样地, 当需要对机械进行大的检查, 其费用在厂房和设备的账面价值确认为替代, 如果确认条件是满意的。所有其他维修及保养费用当发生时计入当期损益。

经过初步确认, 物业, 厂房及设备按成本减累计折旧和累计减值损失。

在建工程包括建筑及其他直接费用的所有费用。当完成并投入使用后, 在建工程重新分类至物业、厂房和设备的相应类别。

在建工程不计提折旧。物业、厂房及设备的所有其他项目的折旧年限采用直线法注销了资产扣除预计净残值的成本的预计可使用年限如下: -

残值, 预计使用年限和折旧方法在每个报告日期进行复核并作适当调整, 以保证金额、方法和折旧的周期与物业、厂房及设备项目的经济效益预期的模式相一致。已提足折旧的资产被保留在财务报表中, 直到它们不再使用。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on retirement or disposal is determined as the difference between any sales proceeds and the carrying amounts of the asset and is recognised in the profit or loss within "other operating income (expenses)".

Land use right

Land use right is initially measured at cost. Following initial recognition, land use right is measured at cost less accumulated amortisation and accumulated impairment losses. The land use right is amortised on a straight-line basis over the lease term of 50 years.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent on those from other assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. This increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit and loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2. 主要会计政策 (续)

物业, 机器及设备 (续)

物业、机器及设备处置时, 或不能产生经济利益时, 终止确认该资产。报废或出售的得利或损失被确定为任何销售收益和资产账面价值之差, 并在损益中确认为“其他业务收入(支出)”。

土地使用权

土地使用权按成本进行初始计量。继初始确认时, 土地使用权以成本计量, 减去累计摊销及累计减值损失。土地使用权以50年租期直线摊销法记账。

非金融资产减值

本集团在每个报告日评估一项资产是否发生减值。如果有任何这种现象存在, 或者当资产需要年度减值评估测试时, 集团对一个该资产的可收回金额作出估计。

资产的可收回金额是指资产或现金产生单位的最高公允价值减去处置费用后的净额和它的使用价值, 且为个别资产确定的, 除非该资产不会产生现金流入, 因为它在很大程度上依赖于其他资产的一起运作。如果一项资产或现金生产单位的账面价值单位超过其可收回金额, 此资产被认为受损, 并降低计入其可收回金额。在评估使用价值时, 预计未来现金流量预算将会采用反映当前市场的税前折现率来计算现值货币的时间价值和评估该资产特定的风险。在确定公允价值减去处置费用出售时也要考虑到近期市场交易情况, (如果有的话)。如果没有这样的交易可以被识别, 适当的估值模型应被使用。

减值损失计入当期损益在与用途一致的受损的资产费用科目里。

对于资产, 在每个报告日公司作出一项评估, 确认是否有迹象表明之前认可的任何减值损失可能不再存在或已减少。如果这种迹象存在, 集团估计该资产或现金产生单位的可收回金额。一个原确认的减值损失予以转回只有当评估出现变化, 如果是这样的情况下, 该资产的账面量增加到其可收回金额。这种增长不能超过将已确定的账面价值, 净折旧, 且之前无减值损失被认可。这样的逆转可在损益上认可, 除非资产以重新估值金额计量, 而逆转会被视为重新估值增值。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets

(i) Initial recognition and measurement

Financial assets are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition. Financial assets are initially recognised at fair value plus, in the case of financial assets classified as held-to-maturity, directly attributable transaction costs.

(ii) Subsequent measurement

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. As at the reporting date, the Group did not have any financial assets in the categories of financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the reporting date which are classified as non-current assets. Loans and receivables comprise cash and cash equivalents as well as trade and other receivables, including amounts due from related companies, but exclude advances to suppliers, prepayments and VAT receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(iii) Derecognition

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2. 主要会计政策（续）

金融资产

(i) 初始确认和计量

金融资产在财务状况报表中被确认当，只有当，集团成为金融工具合同条款的一方的时候。该集团决定在初始确认金融资产的分类。金融资产在初始确认时以公允价值，在分类为持有至到期的情况下，加上可直接归属交易性金融资产的成本。

(ii) 后续计量

本集团将其金融类资产作下列的分类：在通过公允损益价值的金融资产、贷款和应收款项，持至期满的投资和可供出售的金融资产。分类取决于资产的性质和收购资产的目的。管理层在初始确认时决定其金融资产的分类。截至报告日，本集团没有任何在通过公允损益价值的金融资产、持至期满的投资和可供出售的金融资产。

贷款和应收款项是具有固定或可确定支付的非衍生金融资产，它在活跃市场中没有报价。他们被视为流动资产，除了那些预计在报告日期后12个月后才实现的资产，它将被列为非流动资产。贷款和应收账款包括现金和现金等价物以及贸易及其他应收款项，包括应收关联公司款项，但不包括付给供应商的预付款、预付款及应收增值税款。

初始确认后，贷款和应收款项以摊余成本使用测量实际利率法，并扣除减值准备。公司的收益和损失，可计入损益当贷款和应收款项终止被确认或减值，并通过摊销程序。

(iii) 终止确认

金融资产被终止确认是当金融资产收取现金流的合同权利已过期或已转移，且本集团已转让几乎所有的风险和报酬的拥有权。在全部金融资产终止确认时，账面价值与收到的对价的总和之间的价差和任何累计收益或亏损，在其他综合收益被认可同时计入当期损益。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

(iii) Derecognition (Continued)

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of the assets within the period generally established by regulation or convention in the marketplace concerned.

Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(i) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amount charged to the allowance account is written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

2. 主要会计政策 (续)

金融资产 (续)

(iii) 终止确认 (续)

所有以常规方式购买和出售的金融资产的确认和终止确认在交易日计入, 即本集团承诺购买或出售资产的日期。常规购买或出售是需要规定的期限内交付使用, 一般上是通过有关市场建立起来的规则或惯例。

金融资产减值

本集团在每个报告日评估是否有客观证据表明其金融资产或金融资产组有所减值。

(i) 以摊余成本计量的金融资产

对于以摊余成本计量的金融资产, 本集团首先评价客观证据单项金融资产是否有显著的减值, 或单独金融资产在集体金融资产里的并不个别显著。如果集团确定没有客观证据减值存在一个单独评估的金融资产, 无论显著与否, 它被计入一组具有类似信用风险特征的金融资产里, 同时集体被评估他们减值情况。一个资产如果被单独评估并且已减值或继续被确认, 将不被包括在集体减值评估。

一项减值损失, 当存在客观证据表明该金融资产受损计入当期损益, 并按照该资产的账面金额与现值之间的差额在该金融资产原实际利率折现来预计未来现金流量。如果贷款有一个浮动利率, 计量任何减值损失的折现率是当前有效利率。该资产的账面金额通过采用备抵账户减少。该减值损失在计入当期损益。

当资产无法收回, 受损的金融资产的账面价值直接减记或如果一笔金额算入到津贴帐户, 所述加入到津贴帐户的金额会在金融资产的账面价值上注销。

要确定是否有客观证据表明该金融资产发生减值损失是否发生, 本集团考虑的因素, 如债务人破产的可能性或具有显著的财务困难、违约或有显著延迟付款的现象。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

(i) Financial assets carried at amortised cost (Continued)

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Inventories

Inventories are stated at the lower of cost or net realisable value. Raw materials comprise purchase cost accounted for on a weighted average basis. Work-in-progress and finished goods comprise cost of direct materials, direct labour and an attributable proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to be incurred for selling and distribution.

Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs. As at the reporting date, the Group did not have any financial liabilities in the category of financial liabilities at fair value through profit or loss.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when liabilities are derecognised, and through the amortisation process.

2. 主要会计政策 (续)

金融资产 (续)

(i) 以摊余成本计量的金融资产

如果在后续期间,减值损失的金额减少,而该减少可以客观地与某发生的事件被减值的确认联系起来,原确认减值损失可以转回到该资产的账面价值不超过其在转回日的摊余成本的范围内。转回的金额计入当期损益。

存货

存货可按成本或可变现净值,较低值者作为估计值。原材料包括采购成本以加权平均法记账。在造产品和成品包括直接材料成本,直接人工和按正常生产费用的归因比例入账。这些成本都分配了个别加权平均的基础。

可变现的净值是在日常业务过程中售价的估计,减去完成后的估计费用和估计将要发生的销售及分销所需的费用。

金融负债

(i) 初始确认和计量

金融负债被认可时,也只有当,本集团成为金融工具合同的一方时。本集团对金融负债的分类在初始确认。金融负债,按照公允价值进行初始确认,并加上,如果金融负债不是计入当期损益的公允价值计量,直接的相关交易费用。截至报告日,本集团没有任何以公允金融负债分类计入当期损益价值的金融负债。

(ii) 后续计量

金融负债采用实际利率摊余成本进行后续计量方法。当一项负债被终止和通过摊销过程,其收益和损失是被计入当期损益。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (Continued)

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Provisions

A provision is recognised when the Group has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Share capital

Proceeds from issuance of ordinary shares are classified as share capital in equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue and the associated costs can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and sales taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognised:

2. 主要会计政策 (续)

金融资产 (续)

(iii) 终止确认

一项金融负债被确认终止时当它的负债已经完成、取消或期满。当现有金融负债被另一个同一债权人取代实质上不同的条款，或现有负债的条款被大幅修改，这样的交换或修改被视为原负债终止确认和新负债的认可，并在各自账面价值的差额计入当期损益。

租赁

一项安排是否，或包含租赁是根据安排于成立日期的内容；该安排的实现是否取决于特定资产的使用或资产或安排传送到使用该资产的权利，即使未明确指定该权利在一种安排。

拨备

当本集团因过去事件并可能导致须含有经济利益的资源外流来解决义务，不论属法律义务或推定义务，且义务金额可可靠估值时，拨备江北确认。拨备会在每个报告日期被检讨及调整，以反映当下最佳的估值。若不再须经济资源外流来解决义务时，拨备可拨回。当货币的时间价值影响重大时，折扣拨备会采用当前税前率，以反映，在适当情况下，具体负债的风险。当使用折扣时，因时间流逝产生拨备上升将被确认为金融成本。

股本

从发行的普通股收益被列为权益股本。增加的费用直接归属于发行新普通股是股本扣除。

收入确认

收入确认的程度是看经济利益可否流入本集团，且收入和相关费用能够可靠地计量，何时付款。收入以已收或应收的公允价值计算，不含折扣，回扣和销售税或关税。本集团评估其收入安排，以确定它是否是作为主事人或代理人。本集团结论全部收入为主事人拥有。以下的特别确认标准也必须满足才能确认收入：

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

Revenue from sale of goods is recognised upon the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Revenue from subcontracting services is recognised over the period in which the services are rendered.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the effective interest rates applicable. Dividend income is recognised when the Group's right to receive payment is established.

Employees' benefits

(i) Retirement benefits

The subsidiary, incorporated and operating in the PRC, is required to provide certain retirement plan contribution to their employees under the existing PRC regulations. Contributions are provided at rates stipulated by the PRC regulations and are managed by government agencies, which are responsible for administering these amounts for the subsidiary's employees.

Obligations for contributions to defined contribution retirement plans are recognised as an expense in the period in which the related service is performed.

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees.

Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings are initially recorded at fair value, net of transaction costs and subsequently carried for at amortised costs using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings which are due to be settled within twelve months after the reporting date are included in current borrowings in the statement of financial position even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue.

2. 主要会计政策 (续)

收入确认 (续)

商品销售收入在所有权上的风险和报酬转移是公认的，一般上当在货物和权利交付给客户就已经完成。收入不能确认是当所付的款项、有关的成本和商品被退回有着明显的不确定性。

从过去一段时间所提供的服务，分包服务的收入是可确认的。

利息收入在时间比例的基础上是被认可的，同时考虑到其对本金和有效的利用实际利率。

员工福利

(i) 退休福利

该于中国注册及运营的子公司须在现有中国规定下提供若干退休金计划供款予其员工。给予的供款率由中国规定，并由政府机构管理，负责对子公司员工支配该金额。

对固定缴款退休金计划供款的义务是被确认为一项与员工服务期间有关的费用。

(ii) 职工休假权利

当他们归于企业员工，应有权享有的年假。

借贷

借贷是以流动负债呈现，除非集团拥有权无条件将偿还负债期限延长至报告日期后的少12个月，才可以非流动负债呈现。

借贷以公允价值，扣除交易成本及随后使用有效利息方法进行摊销，被初始记录。任何收益（扣除交易成本）及赎回价值的差异以有效利息方式确认于期内之收益或亏。于报告日期后的十二个月内须偿还的借贷以流动借贷入账财务报表，即使原本期限为超过十二个月，但再融资或重新安排以长期方式偿还的协议已于报告日期后及财务报表授权发行前达成。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs consist of interest that an entity incurs in connection with the borrowing of funds.

Income tax

(i) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been substantively enacted by the reporting date in the countries where the Group operates and generates taxable income. Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax assets to be recovered.

2. 主要会计政策（续）

借贷成本

借贷成本包括实体所承担有关借贷资金的利息。

所得税

(i) 所得税

所得税费用表示当前应付账款和递延所得税税款的总和。

当前所得税是指对当期和之前的预期应交确认的税金额或从税务机关回收，集团经营时在报税国使用税率和税法已经产生并交付应纳税所得所。当前所得税计入当期损益，除了税收涉及到项目外的损益，无论是在其他综合收益或直接在权益。管理层定期评估在纳税申报方面采取的立场，其中适用税收法规适当的地方需要进一步解释和准备措施。

递延税是对资产和负债的账面价值之间差额，确认财务报表和应纳税所得额的计算使用的相应税基。递延所得税负债一般确认所有应纳税暂时性差异和递延所得税资产的确认，以很可能取得用来抵扣利润将可对抗的程度可抵扣暂时性差异。上述资产及负债，如果不认可暂时性差异产生于初始确认的其他（除企业合并等）资产和负债在既不影响应纳税所得额也不影响会计利润的交易。

对子公司的递延所得税负债的应纳税暂时性差异是可确认的，除非本集团能够控制暂时性差异的转回，而该暂时性差异大概不会在可预见的未来转回。

递延所得税资产的账面价值在每个报告日进行复核，并减少到它不再可能获得足够的应纳税所得额可允许的全部或部分要利用的资产的程度。未确认递延所得税资产在每个报告日重新评估，并认可到它有可能在未来应纳税所得将允许递延所得税的资产得以恢复的程度。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

(i) Income tax (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Deferred tax assets or liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(ii) Value-added-tax ("VAT")

The Group's sales of goods and service income in the PRC are subject to VAT at the applicable tax rate of 17% for PRC domestic sales. Input tax on purchases can be deducted from output VAT. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of "Other receivables" or "Other payables" in the statement of financial position. The Group's export sales are not subject to VAT.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all terms and conditions relating to the grants have been complied with. When the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Dividends

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and the Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or the Company or of a parent of the Company.

2. 主要会计政策 (续)

所得税 (续)

(i) 所得税 (续)

递延税项是在负债已结清和资产实现时按税率,以有关的税率和税法中报告日提出申请的。递延所得税将被扣除或记入当期损益,除非它直接计入其他综合收益或股权项目,在这种情况下,递延所得税也会在其他综合收益或权益事项中处理。

当有合法的执法权执行流动税务资产时,递延所得税的资产或负债得以抵销当期所得税负债资产,但他们必须是同一个税务征收单位,而且集团也打算以净额结算的办法来处理当期的所得税资产和负债。

(ii) 增值税 ("VAT")

本集团于中国的商品和服务收入的销售都受到适用的国内销售增值税17%的税率。采购进项税可以从销项税额中抵扣。净额增值税可向税务机关取回,或支付,该项目在在财务状况的声明作为"其他应收款"或"其他应付款"。本集团的出口销售不被征收增值税。

政府补助

政府补助金以公允价值被认可,但是在公司能合理保证有关该补助金的所有条款和条件都得到遵守的情况。当政府补助金关系的一项资产,其公允价值确在财务状况的声明计为递延资本拨款,同时,是分摊到相等该资产的可使用年限计入当期损益。

股息

被宣布支付的中期股息需记录在财政年度声明里。最终股息经股东大会批准后同样记录在财政年度中。

关联方

关联方的定义如下:

- (a) 任何个人或关系密切的家庭成员被视为与集团及本公司有联系,如果:
 - (i) 对公司有控制权或联合控制权;
 - (ii) 对公司具有显著的影响力;或
 - (iii) 是本集团或本公司的一名关键管理人员或其中一间公司的母公司。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

- (b) An entity is related to the Group and the Company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions, excluding cash deposits pledged for a period of more than three months. Cash and cash equivalents are short term, highly liquid investments readily convertible to known amounts of cash and subjected to an insignificant risk of changes in value.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker responsible for allocating resources and assessing performance of the operating segments.

Critical accounting estimates, assumptions and judgements

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. 主要会计政策 (续)

关联方 (续)

- (b) 一个实体将被视为与本集团及本公司有关联，如果具有以下任何情况或条件：
- (i) 该实体和本公司是同一组成员这意味着每个别的母公司、有关联的附属公司及同系附属公司。
 - (ii) 一个实体的其他实体的联营企业和合营企业（或联营企业和合营企业的成员是另一实体是一个成员。
 - (iii) 这两个实体同属于一个第三方合资企业。
 - (iv) 一个实体是第三个实体的合资企业和其他企业为第三个实体的联系人。
 - (v) 实体是本公司为前雇员设计的离职后福利计划或实体相关的公司。
 - (vi) 实体被 (a) 项一人控制或联合控制；
 - (vii) 一个人在 (a) (i) 项中被确认为具有显著的影响在实体或者是该实体的一名关键管理人员（或实体的母公司）。

现金及现金等价物

作为现金流的合并报表，现金及现金等价物包括在手现金和在金融机构的存款，但不包括质押期限三个月的现金存款。现金及现金等价物是短期的、流动性强、易于转换为已知现金金额和经受得起价值变动风险很小的投资。

分部报告

操作分部报告与内部报告的方式是一致的，主要是提供给营决策者分配资源和评估该部分报告的经营业绩。

重要的会计估计，假设和判断

估计和假设是持续性作评估的，它是根据历史经验和其他因素的影响，包括被相信对未来事件的预期在某种情况下是合理的。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Critical accounting estimates, assumptions and judgements (Continued)

(i) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least annually. Significant financial difficulties of the debtor, and default or significant delay in payments resulting in receivables with excessively long turnover days as compared to credit term and normal business practice are considered objective evidence that a receivable is impaired. In determining this, management makes judgement by assessing the loans and receivables individually from historical trend whether there has been a significant change in the payment ability of the debtor, or whether the significant delay in payment which extends beyond one year results in impairment loss.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical trend and assumptions on the expected timing of collection based on specific receivables turnover days, taking into account also macro-economic industry factors.

The carrying amount of trade receivables as at 31 December 2016 and the relevant credit risk information are disclosed in Note 12 and Note 31(iii) respectively.

As disclosed in Note 31(iii), allowance for impairment amounting to RMB 4,550,000 (2015: Nil) has been recognised on a major customer with receivables turnover days more than one year representing significant delay in payment, which is determined by discounting the expected collection to present value. Actual collection which is faster or slower than expected may result in reversal or additional impairment losses within the next financial year.

2. 主要会计政策 (续)

重要的会计估计, 假设和判断 (续)

(i) 关键的会计估计和假设

本集团对未来作出估算和假设。由此产生的会计估计将按照定义, 很少是会与实际结果相一致。这些评估和假设对下一财政年度的账面价值资产和负债造成显著风险而需要调整的将在下面讨论。

(a) 贷款和应收款项的减值

管理层每年对其贷款和应收款项进行审查至少两次, 以获取减值的客观证据。贷方的重大财务困难, 及违约或重大付款拖欠而导致应收款项与信贷器及正常商业实践相比出现周转期过长的情况, 都属应收款项已减值的客观证据。为确定此点, 管理层是以历史趋势评估个别贷款和应收款项, 以判断到底贷方的支付能力有否重大变动, 或是否有超过一年的重大付款拖欠。

当存在减值的客观证据时管理层作为判断是否将减值损失计为费用。在确定这一点, 管理使用基于根据历史损失经验及根据特定影后款项周转期的偿还期假设进行估计。在使用该方法假设来估计未来现金流的数量和时间时会定期检讨以减少预估损失和实际损失之间的差异经验。

于2016年12月31日的贷款和应收款项账面金额及相关信贷风险资料都分别于附注12及31(iii)披露。

于附注31(iii)所披露, 总值人民币4,550,000元(2015年: 无)的减值拨备已被确认为拥有应收账款周转期超过一年的一位主要客户所提供, 该重大拖欠是以预期收回款项对现值进行的折扣确定。确切的收回可能更需要更长或更短的时间, 并可能导致下一个财政年出现减值亏损拨回或增加的情况。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Critical accounting estimates and assumptions (Continued)

(i) Critical accounting estimates and assumptions (Continued)

(a) Impairment of loans and receivables (continued)

No allowance for impairment has been made for customers whose balance was past due as at reporting dates with turnover days within one year, as there has not been significant change in credit quality in view of the established trading pattern and steady collection record. If the financial condition of the customers were to deteriorate, resulting in an impairment of its ability to make payments or delay in its payments, allowances may be required. If 10% of such balances could only be collected in 2018, the Group's allowance for impairment loss on trade receivables for the year would increase by RMB 411,238 (2015: RMB 929,567).

(b) Net realisable values of inventory

An assessment of net realisable values is made periodically on inventory for excess inventory, obsolescence and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. These reviews require management to estimate future demand for the products and assessed the inventories obsolescence by taking into consideration the status of the completed or on-going sales contracts, the ageing and condition of the inventories by categories and by projects and the historical trend of replacement sales. This process is complex and subject to estimation uncertainty as it involves estimation of future events.

Possible changes in these estimates could result in revisions to the valuation of inventory. As disclosed in Note 11, the net carrying amount of inventories of the Group as at 31 December 2016 is RMB 33,582,000 (2015: RMB 30,218,000), which is stated after a total allowance for inventory obsolescence of approximately RMB 3,341,000 (2015: RMB 9,842,000). If the expected demand for the Group's finished goods aged above 1 year and stated at cost is 10% lower than expected, the Group's allowances for inventory obsolescence for the year would increase by RMB 536,583 (2015: RMB 467,264).

2. 主要会计政策 (续)

重要的会计估计, 假设和判断 (续)

(i) 关键的会计估计和假设 (续)

(a) 贷款和应收款项的减值 (续)

于报告日期, 该拥有账款逾期且周转期少于一年的客户, 本集团并未提供减值拨备, 因为鉴于既定的买卖模式, 客户一直以来保持稳定的信用质量并没有显著变化收集记录。如果客户的财务状况发生恶化, 从而导致它的支付能力的损害或拖延付款, 额外的措施可能是必需的。若客户所亏欠的10%结余仅能于2018年收回, 本集团的贸易应收账款的减值亏损拨备将增加人民币411,238元(2015年: 人民币929,567元)。

(b) 存货的可变现净值

多余存货的净现化值、陈旧贬值及下跌至成本以下的净现化值会被定期评估, 并对任何该类下跌的存货结余记录拨备。该检讨须管理层预估产品的未来需求, 并通过完成或正在进行的销售合同状态、各类别和项目存货的库龄和状况及替代销售的历史趋势, 以评估存货陈旧贬值。此过程复杂, 且会因不确定性的预估而变动, 因为这涉及对未来活动的预估。

该类预估的可能变动将导致存货估值的修整。于附注11所披露, 本集团于2016年12月31日的存货净账面金额为人民币33,582,000元(2015年: 人民币30,218,000元), 其中已提供约为人民币3,341,000元(2015年: 人民币9,842,000元)的存货陈旧贬值拨备。若对本集团库龄超过一年的完成品成本价预期需求是比预期低10%, 本集团本年度的存货陈旧贬值将增加人民币536,583元(2015年: 人民币467,264元)。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Critical accounting estimates and assumptions (Continued)

(i) Critical accounting estimates and assumptions (Continued)

(c) Income tax

The Group is subject to income taxes in PRC. Significant judgement is required in determining the group-wide provision for income taxes. In determining the income tax liability other than undistributed earnings, the management has estimated the amount of capital allowances and the deductibility of certain expenses. In determining the tax rate applied to the deferred tax assets and liabilities, the management has estimated that the concessionary tax rate under "High Technology Enterprise" status will be successfully renewed. Where the final tax outcome of these matters is different from the estimates, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made. The carrying amount of the income tax payable and deferred tax liability of Group as at 31 December 2016 are RMB 91,000 and RMB 2,765,000 (2015: RMB 2,104,000 and RMB 2,143,000) respectively.

Deferred tax liability on undistributed profits

In determining the amount of deferred tax liabilities on the undistributed earnings of the subsidiary, the management considers the dividend policy and cash flows needs for the corporate and treasury functions at the holding company level for the foreseeable future. Such deferred tax liabilities stood at RMB 3,546,000 (2015: RMB 3,001,000) as at 31 December 2016 (Note 18), which arose from retained earnings of the subsidiary totalling RMB 35,459,000 (2015: 60,011,000). Deferred tax liabilities are not recognised on the remaining undistributed earnings amounting to RMB 107,629,000 (2015: RMB 90,017,000) as it is probable that such undistributed earnings will be reinvested for the foreseeable future as part of the Company's continuing investment in the subsidiary. Had the Group increased its expected dividend pay-out for the foreseeable future by 10%, the deferred tax liabilities would have increased by 10%.

2. 主要会计政策 (续)

重要的会计估计, 假设和判断 (续)

(i) 关键的会计估计和假设 (续)

(c) 所得税

本集团须在中华人民共和国支付所得税。在决定整个集团的的税务是需要作出重大的判断。在确定所得税负债时,除了未分配盈余外,管理层有预计资本豁免/津贴额和某些扣减的费用。在确定税率适用于递延所得税资产和负债时,管理层估计拥有的“高新技术企业”身份的优惠税率会成功续约。如果这些事项的最终税务结果不同估计,这种差异将影响在这段期间所预计的所得税和递延所得税减值措施。本集团于2016年12月31日的应付所得税款项及递延税项负债的账面价值分别为人民币91,000元及人民币2,765,000元(2015年:人民币2,104,000元及人民币2,143,000元)。

未分配利润递延所得税负债

在确定子公司未分配收益的递延所得税负债的金额时,控股公司管理层考虑在未来可预见的情况下,企业和财政职能对股利政策和现金流量的需求。于2016年12月31日,该递延所得税负债为人民币3,546,000元(2015年:人民币3,001,000元)(附注18),主要因子公司总值人民币35,459,000元的保留盈余所产生(2015年:60,011,000元)。递延所得税负债在剩余的未分配利润金额里不被承认,总数为人民币107,629,000元人民币(2015年:90,017,000元人民币),因为它是可能的,随着公司在持续投资的一部分,这些的未分配利润,在可预见的未来,将再投资于子公司。假如本集团在可预见的未来,增加其预期派息10%,递延所得税负债将增加10%。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Critical accounting estimates and assumptions (Continued)

(i) Critical accounting estimates and assumptions (Continued)

(d) Useful lives of plant and machinery

The cost of plant and machinery for the manufacture of precision vane products are depreciated on a straight-line basis over the plant and machinery's estimated economic useful lives. Management estimates the useful lives of these plant and machinery to be 10 years and the residual values to be 10% of the cost of these assets. These are common life expectancies and residual values applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and machinery at 31 December 2016 was approximately RMB 106,026,000 (2015: RMB 81,510,000) (Note 8). If the remaining useful lives of these assets as at 31 December 2016 increase / decrease by 10% from the management's estimate, the Group's depreciation expense for the next financial year would have decreased / increased by RMB1,123,000 / RMB 1,362,000 respectively (2015: decreased / increased by RMB RMB1,501,000 / RMB 1,279,000 respectively).

(ii) Critical judgements in applying the entity's accounting policies

There are no critical judgements made by management in the process of applying the Group's accounting policies that have significant effect on the amounts recognised in the financial statements.

2. 主要会计政策 (续)

重要的会计估计, 假设和判断 (续)

(i) 关键的会计估计和假设 (续)

(d) 机器设备使用年限

生产精密叶片的机械设备的成本是 以其估计经济使用年限作直线法 贬值。管理层估计这些工厂和机 械的使用寿命是10年, 而其残余价 值是这些资产的成本的10%。这些 是在行业常见的预期寿命和应用残 余值。在使用中的预期水平的变化 和技术的发展可以影响这些资产 的经济使用年限和剩余价值, 因 此, 未来的折旧费是可以修改。于 2016年12月31日, 本集团的物业、 机械设备的账面价值为约人民币 106,026,000元(2015年: 人民币 81,510,000元)(附注8)。若于 2016年12月31日, 该资产的残余 使用寿命以管理层的预估增加/下 降10%, 本集团于下个财政年度的 折旧开支将分别下降/增加人民币 1,123,000元/人民币1,362,000元 (2015年: 分别下降/增加人民币 1,501,000元/人民币 1,279,000 元)。

(ii) 申请实体的会计政策的关键判断 (续)

管理层在应用财务政策的过程中没 有对集团的财务报表作出关键性的 判断因而显著影响了金额的认可。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

3. SHARE CAPITAL

3. 股本

		Group and Company 集团和公司			
		2016	2015	2016	2015
		Number of ordinary shares at US\$0.25 each 普通股数量(每股0.25美元)		US\$'000 千美元	
Authorised	批准股本	200,000,000	200,000,000	50,000	50,000
Issued and fully paid	发行并缴足				
At beginning and end of the year	年初与年末结余	27,468,473	27,468,473	6,867	6,867
Equivalent to (RMB'000)	相等于(人民币'000)			55,409	55,409

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

普通股持有人有权收取公司在任何时间派发的股息。所有普通股具有每一股一票的权利，不受任何限制。

4. SHARE PREMIUM

4. 股本溢价

		Group and Company 集团和公司	
		2016	2015
		RMB'000 人民币千元	RMB'000 人民币千元
At beginning of the year	年初结余	81,527	81,527
Dividend paid (Note 26)	已支付股息(附注 26)	(3,057)	-
At end of the year	年末结余	78,470	81,527

Under The Companies Law (revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which a dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

根据开曼群岛公司法(修订)，公司在股份溢价账的资金可以在建议派息后就分配给公司的股东，只要公司在一般的经营上能付清债务。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

5. STATUTORY RESERVE

5. 法定盈余储备金

		Percentage of contribution from profit after tax 税后利润的贡献百分比	Group 集团	
			2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
Statutory reserve fund	法定储备金	10%	30,526	29,696

In accordance with the Foreign Enterprise Law of the PRC, the subsidiary, being a wholly foreign-owned enterprise is required to make contributions to a statutory reserve fund. At least 10 per cent of the statutory after-tax profits as determined in accordance with the applicable PRC accounting standards and regulations is required to be allocated to the statutory reserve fund. If the cumulative total of the statutory reserve fund reaches 50% of the subsidiary's registered capital, the enterprise will not be required to make any additional contribution.

按照中国的外国企业法，作为一个外商独资企业的中国子公司须交付法定储备金。至少 10% 的法定所得税后利润，根据适用中国会计准则及法规确定需要，分配给法定储备金。如果累计的法定储备金达到该子公司的 注册资本的 50%，企业将不需要做任何额外的贡献。

The statutory reserve fund may be used to offset accumulated losses or increase the registered capital of the subsidiary, subject to approval from the relevant PRC authorities and is not available for dividend distribution to the shareholders. The PRC enterprise is prohibited from distributing dividends unless the losses (if any) of previous years have been made up.

提取法定储备金可用于弥补亏损或增加子公司的注册资本，但须得到中国有关部门的批准，不可用于股利分配给股东。中国企业是禁止分配股利的，除非往年的亏损（如有）已经付清。

6. TRANSLATION DEFICIT

6. 外币折算亏损

		Group 集团	
		2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
At beginning of the year	年初结余	(3,372)	(3,331)
Currency translation differences arising from consolidation	因报表合并所产生的外汇转换价差	165	(41)
At end of the year	年末结余	(3,207)	(3,372)

7. RETAINED EARNINGS

7. 未分配利润

		Company 公司	
		2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
At beginning of the year	年初结余	1,810	(1,634)
Profit for the year	本年度利润	2,000	10,311
Dividend paid (Note 26)	已支付股息 (附注 26)	(3,810)	(6,867)
At end of the year	年末结余	-	1,810

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

8. PROPERTY, PLANT AND EQUIPMENT

8. 物业，机器和设备

Group 集团		Leasehold buildings 租赁建筑 RMB'000 人民币千元	Plant and machinery 机器设备 RMB'000 人民币千元	Office equipment 办公用品 RMB'000 人民币千元	Motor vehicles 机动车 RMB'000 人民币千元	Renovation 装修改造 RMB'000 人民币千元	Construction in progress 在建工程 RMB'000 人民币千元	Total 总计 RMB'000 人民币千元
Cost	成本							
As at 1.1.2015	于2015年1月1日	32,580	204,009	3,818	4,561	1,731	1,934	248,633
Additions	增加	-	2,388	621	-	-	-	3,009
Disposals	报废/处置	-	(2,883)	(23)	-	-	-	(2,906)
Transfer to / (from)	转入/转出	-	1,934	-	-	-	(1,934)	-
As at 31.12.2015	于2015年12月31日	32,580	205,448	4,416	4,561	1,731	-	248,736
As at 1.1.2016	于2016年1月1日	32,580	205,448	4,416	4,561	1,731	-	248,736
Additions	增加	-	38,384	73	-	3,066	-	41,523
Disposals	报废/处置	-	(907)	(94)	(149)	-	-	(1,150)
As at 31.12.2016	于2016年12月31日	32,580	242,925	4,395	4,412	4,797	-	289,109
Accumulated depreciation	累计折旧							
As at 1.1.2015	于2015年1月1日	13,977	113,443	2,852	2,507	662	-	133,441
Charge for the year	当年提取	1,454	13,043	340	682	499	-	16,018
Disposals	报废/处置	-	(2,548)	(21)	-	-	-	(2,569)
As at 31.12.2015	于2015年12月31日	15,431	123,938	3,171	3,189	1,161	-	146,890
As at 1.1.2016	于2016年1月1日	15,431	123,938	3,171	3,189	1,161	-	146,890
Charge for the year	当年提取	1,454	13,777	376	415	900	-	16,922
Disposals	报废/处置	-	(816)	(85)	(134)	-	-	(1,035)
As at 31.12.2016	于2016年12月31日	16,885	136,899	3,462	3,470	2,061	-	162,777
Net carrying amount	账面净值							
As at 31.12.2016	于2016年12月31日	15,695	106,026	933	942	2,736	-	126,332
As at 31.12.2015	于2015年12月31日	17,149	81,510	1,245	1,372	570	-	101,846

Machinery with net carrying amount of RMB 17,683,000 (2015: Nil) that is included in plant and machinery is pledged in connection with bill payable facilities (Note 14).

包括在厂房及机械中总值人民币17,683,000元(2015年:零)的机械账面金额已作为相关银行应付票据的抵押。(附注14)。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

9. SUBSIDIARIES

9. 子公司

	Company 公司	
	2016	2015
	RMB'000 人民币千元	RMB'000 人民币千元
Unquoted equity shares, at cost 非上市股本证券, 成本价	156,236	156,236

The details of the subsidiaries are as follows:

子公司的详细情况:

Name of subsidiaries 子公司名称	Principal activities 主要业务	Country of incorporation and place of business 注册营业地区	Proportion (%) of ownership interest 控股比例	
			2016 %	2015 %
Held by the Company 公司持有				
Best Success (Hong Kong) Limited ⁽¹⁾ ("Best Success") 百昇(香港)有限公司 ⁽¹⁾ ("百昇")	Investment holding 投资控股	Hong Kong 香港	100	100
Held by Best Success 百昇持有				
Changzhou 3D Technological Complete Set Equipment Co., Limited ⁽²⁾ ("Changzhou 3D") 常州市三维技术成套设备有限公司 ⁽²⁾ ("常州三维")	Manufacturing of vane products and relating subcontracting services 生产发电机叶片和有关的承包服务	PRC 中国	100	100

(1) Audited by S. W. Chan & Co, Hong Kong and reviewed by Crowe Horwath First Trust LLP for consolidation purpose.

(1) 由香港S.W. 陈有限公司审核和由国富浩华第一信托律师事务所进行整合报表。

(2) Audited by Changzhou Xinhuarui CPAs (常州新华瑞联合会计师事务所), a firm of Certified Public Accountants registered in the PRC for statutory purpose and by Crowe Horwath First Trust LLP for consolidation purpose.

(2) 由常州新华瑞联合会计师事务所审计, 它是一家在中华人民共和国境内注册会计师的事务所, 作为审计法定用途, 而国富浩华第一信托律师事务所作为报表整合的目的。

10. LAND USE RIGHT

10. 土地使用权

		Group 集团	
		2016	2015
		RMB'000 人民币千元	RMB'000 人民币千元
Cost	成本		
At beginning and end of the year	年初与年末结余	12,547	12,547
Accumulated amortisation	累计分摊		
At beginning of the year	年初	2,258	2,007
Charge for the year	当年分摊	251	251
At end of the year	年末结余	2,509	2,258
Net carrying amount	账面净值		
At beginning of the year	年初结余	10,289	10,540
At end of the year	年末结余	10,038	10,289

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

10. LAND USE RIGHT (Continued)

10. 土地使用权(续)

		Group 集团	
		2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
Presentation on statement of financial position, based on amount to be amortised:	呈现在资产负债表的是基于分摊的数字		
- Not later than one year, current portion	- 少于一年, 流动部分	251	251
- Later than one year but not later than five years	- 多过一年但少于五年	1,004	1,004
- Later than five years	- 多过五年	8,783	9,034
Non-current portion	非流动部分	9,787	10,038

The Group has land use right over a plot of state-owned land in the PRC where the Group's manufacturing and storage facilities reside. The land use right is not transferable and has a remaining tenure of 40 years (2015: 41 years).

本集团在中国拥有一块的国有土地的使用权作为集团的制造和储存设施驻留。土地使用权不得转让, 并有 40年的剩余租期(2015年: 41年)。

The land use right with net carrying amount of RMB 10,038,000 (2015: RMB 10,289,000) are pledged in connection with bank loan (Note 16) for the year, and bills payable facilities in 2015.

土地使用权的净账面价值为10,038,000元人民币(2015年: 人民币10,289,000万)目前作为2016年银行贷款抵押(附注16)与及2015年的应付银行融通款款项业务。

11. INVENTORIES

11. 存货

		Group 集团	
		2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
Statements of Financial Position:	资产负债表		
Raw materials	原材料	2,052	2,646
Work-in-progress	在制品	13,697	13,963
Finished goods	成品	17,833	13,609
		33,582	30,218
Consolidated Statement of Profit or Loss and Other Comprehensive Income:	综合损益表和其他综合收入		
Inventories recognised as expense in cost of sales	被认可为销售费用的存货	35,074	44,087
Inclusive of following charge:	包括下列		
- Inventories written-down	- 存货报销	2,700	643

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

11. INVENTORIES (Continued)

The movement in allowance for inventory obsolescence is as follows:

At beginning of the year	年初结余
Allowance written off	拨备注销
Additional allowance provided	额外提供拨备
At end of the year	年末结余

11. 存货(续)

存货陈旧贬值的变动如下:

		Group 集团	
		2016	2015
		RMB'000	RMB'000
		人民币千元	人民币千元
At beginning of the year	年初结余	9,842	9,881
Allowance written off	拨备注销	(9,201)	(682)
Additional allowance provided	额外提供拨备	2,700	643
At end of the year	年末结余	3,341	9,842

12. TRADE RECEIVABLES

Trade receivables (Note A) 应收帐款(附注A)
Allowance for impairment of trade receivables (Note 31 (iii))
应收账款减值准备(附注 31 (iii))

Bills receivable 应收票据

Note A

Included in the Group's trade receivables are unbilled trade receivables amounting to approximately RMB 11,244,000 (2015: RMB 745,000) arising from revenue recognised on sales of goods amounting to RMB 3,731,000 (2015: RMB 745,000) and subcontracting services amounting to RMB 7,513,000 (2015: Nil) but not invoiced to customers as at 31 December 2016. Unbilled receivable will normally be billed within 3 months from the time of revenue recognition. The directors are of the view that all unbilled receivable as at the reporting date are billable and collectible eventually. Out of the unbilled receivables as at 31 December 2016, an amount of RMB 7,587,000 has been subsequently billed up to the date of this report.

12. 应收账款

		Group 集团	
		2016	2015
		RMB'000	RMB'000
		人民币千元	人民币千元
Trade receivables (Note A)	应收帐款(附注A)	135,402	146,822
Allowance for impairment of trade receivables (Note 31 (iii))	应收账款减值准备(附注 31 (iii))	(9,245)	(4,731)
Bills receivable	应收票据	126,157	142,091
		37,888	26,223
		164,045	168,314

附注A

本集团的贸易应收账款包括总值约人民币11,244,000元(2015年:人民币745,000元)的未发单贸易应收款项,主要由总值人民币3,731,000元的产品销售(2015年:人民币745,000元)及总值人民币7,513,000元(2015年:无)的分包服务所产生,但于2016年12月31日仍未向客户发单。未发单应收账款一般从确认收入时间的3个月内发单。董事会认为,于报告日期的所有未发单应收账款将会逐渐发单及被收取。于2016年12月31日,总值人民币7,587,000元的未开账单应收款项,随后至报告日期已发出账单。

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Advances to suppliers 付给供应商的预付款
Deposits for plant and equipment 购买机械设备的定金
Prepayments 预付款
Other receivables 其他应收款
VAT receivables 应收增值税款

13. 其他应收款, 定金和预付款

		Group 集团		Company 公司	
		2016	2015	2016	2015
		RMB'000	RMB'000	RMB'000	RMB'000
		人民币千元	人民币千元	人民币千元	人民币千元
Advances to suppliers	付给供应商的预付款	473	373	-	-
Deposits for plant and equipment	购买机械设备的定金	-	9,180	-	-
Prepayments	预付款	601	224	96	-
Other receivables	其他应收款	378	430	-	-
VAT receivables	应收增值税款	3,261	-	-	-
		4,713	10,207	96	-

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

14. TRADE PAYABLES

Trade payables 应付款项
Bills payable (Note A) 应付票据 (附注A)

Note A

Machinery with net carrying amount of RMB 17,683,000 (Note 8) that included in the plant and machinery and cash deposits of RMB 4,741,000 (Note 27) are pledged in connection with bills payable facilities granted by banks for the year ended 31 December 2016.

The land use right with net carrying amount of RMB 10,289,000 (Note 10) and cash deposits of RMB 8,782,000 (Note 27) are pledged in connection with bills payable facilities granted by banks for the year ended 31 December 2015.

15. OTHER PAYABLES AND ACCRUALS

	Group 集团		Company 公司	
	2016 RMB'000 人民币千元	2015 RMB'000 人民币千元	2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
Accrued operating expenses (Note A) 计提运营费用 (附注A)	3,912	6,643	543	1,051
Advance from customer 客户预付款	259	-	-	-
Other payables 其他应付款	346	268	-	-
VAT payable 应付增值税	-	3,739	-	-
Other taxes payable 其他应付税款	248	519	-	-
	4,765	11,169	543	1,051

Note A

Included in the accrued operating expenses is director's incentive payable for the current year of RMB 49,000 (2015: RMB 2,203,000), in accordance with an incentive award scheme approved by the Remuneration Committee. The director's incentive is computed based on the Group's net profit for the year.

16. BANK LOAN

Secured borrowings 担保贷款

The secured term loan is repayable on 10 April 2017 and bears interest at 4.57% per annum, which is classified as current liabilities as at reporting date. This term loan is secured by land use right (Note 10).

14. 应付账款

Group 集团	
2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
15,822	13,506
36,587	32,748
52,409	46,254

附注A

包括于机械及设备的总值人民币17,683,000元的机械净账面价值 (附注8), 及总值人民币4,741,000元的现金存款, 都于截至2016年12月31日止的有关应付银行票据融通作为抵押。

截至2015年12月31日, 净账面价值为人民币10,289,000元的土地使用权 (附注10) 及总值人民币8,782,000元的现金存款 (2015年: 人民币8,782,000元) (附注27), 都作为相关应付银行融通款项的抵押品。

15. 其他应付款和应计项目

附注 A

应计运营开支包括根据由薪酬委员会批准的奖励计划, 总值人民币49,000元 (2015年: 人民币2,203,000元) 的年度董事应付奖励。董事奖励是根据本集团的年度净利润计算的。

16. 银行贷款

Group 集团	
2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
7,000	-

担保期限贷款须于2017年4月10日偿还, 并承担每年4.57%的利率。该项目于报告日期被分类为流动负债。期限贷款是以土地使用权的法律抵押作为担保的 (附注10)

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

17. DUE TO SUBSIDIARIES (NON-TRADE)

These non-trade balances are unsecured, interest-free and repayable on demand.

17. 应付子公司（非贸易）

这些非贸易结存是无抵押，免息及即时可要求偿还。

18. DEFERRED TAX LIABILITY

18. 递延所得税

		Group 集团	
		2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
At beginning of the year	年初结余	2,413	1,999
Recognised in the profit or loss (Note 24)	认可的损益帐目（附注 24）	352	414
At end of the year	年末结余	2,765	2,413
Presented after appropriate offsetting as follows:	适当抵消下列事项后呈报如下		
Deferred tax assets	递延所得税资产	(2,467)	(699)
Deferred tax liabilities	递延所得税负债	5,232	3,112
Deferred tax liabilities, net	净是递延所得税负债	2,765	2,413

The components and movement of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

在本财政年度递延所得税负债和资产的组成部分，尚未相互抵消之前的情况如下：

Deferred tax liabilities of the Group		Unbilled revenue	Provision for withholding tax	Total
本集团递延税务负债		未开票收入	扣缴税款预计	总计
		RMB'000 人民币千元	RMB'000 人民币千元	RMB'000 人民币千元
2016				
At beginning of year	年初结余	111	3,001	3,112
Recognised in the profit or loss	确认为损益	1,575	545	2,120
At end of year	年末结余	1,686	3,546	5,232
2015				
At beginning of year	年初结余	2,512	-	2,512
Recognised in the profit or loss	确认为损益	(2,401)	3,001	600
At end of year	年末结余	111	3,001	3,112

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

18. DEFERRED TAX LIABILITY (Continued)

18. 递延所得税(续)

Deferred tax assets of the Group	本集团递延税务资产	Accrued bonus 应计花红	Accrued outsourcing charges and purchases RMB '000 应收账款减值拨备	Accrued outsourcing charges 应计外包费用	Allowance for inventories obsolescence 存货陈旧贬值拨备	Others 其他	Total 总计
		\$	\$	\$	\$	\$	\$
2016							
At beginning of year	年初结余	(246)	(164)	(202)	–	(87)	(699)
Recognised in the profit or loss	确认为损益	(2)	(746)	(677)	(405)	62	(1,768)
At end of year	年末结余	(248)	(910)	(879)	(405)	(25)	(2,467)
2015							
At beginning of year	年初结余	(205)	–	(285)	–	(23)	(513)
Recognised in the profit or loss	确认为损益	(41)	(164)	83	–	(64)	(186)
At end of year	年末结余	(246)	(164)	(202)	–	(87)	(699)

Others pertain to cost of sales related to unbilled revenue.

其他包括未发账单收入相关销售成本

No deferred tax liabilities has been recognised on the remaining undistributed earnings of the subsidiary amounting to RMB 107,629,000 (2015: RMB 90,017,000) as it is probable that such undistributed earnings will be reinvested for the foreseeable future as part of the Company's continuing investment in the subsidiary.

子公司总值人民币107,629,000元(2015年:人民币90,017,000元)的剩余未分配收益并无确认递延税项负债,因为该类未分配收益可能将于可预见的未来,作为本公司重新投资于子公司的持续投资资金。

19. REVENUE

19. 营业收入

	Group 集团	
	2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
Sale of goods 产品销售	76,705	101,409
Subcontracting services 分包服务	60,272	40,066
	136,977	141,475

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

20. OTHER OPERATING INCOME

20. 其他运营收入

		Group 集团	
		2016	2015
		RMB'000	RMB'000
		人民币千元	人民币千元
Impairment loss on trade receivables written back (Note 31(iii))	应收款减值准备回冲 (附注31(iii))	94	552
Gain on sale of scrap materials	出售废料收益	214	532
Government grants	政府补助	323	170
Interest income	利息收入	107	516
Foreign exchange gain, net	净外汇收益	2,041	1,412
Others	其他	4	-
		2,783	3,182

21. OTHER OPERATING EXPENSES

21. 其他运营费用

		Group 集团	
		2016	2015
		RMB'000	RMB'000
		人民币千元	人民币千元
Impairment of trade receivables (Note 31 (iii))	应收账款减值准备 (附注: 31 (iii))	4,608	-
Loss on disposal of property, plant and equipment	处置厂房、机械设备亏损	26	137
Penalty charges	罚款	-	81
Others	其他	30	4
		4,664	222

22. PERSONNEL EXPENSES

22. 员工开支

		Group 集团	
		2016	2015
		RMB'000	RMB'000
		人民币千元	人民币千元
Wages, salaries and bonuses *	工资、薪金及花红 *	25,611	24,191
Other personnel expenses	其他员工开支	1,526	1,539
Short-term employees' benefits	短期员工福利	27,137	25,730
Contributions to defined contribution plans	退休金计划供款	3,781	3,641
		30,918	29,371

* This includes directors' remuneration as disclosed in Note 23 and 28.

* 其包括已于附注23及28披露的董事薪酬。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

23. PROFIT BEFORE INCOME TAX

This is determined after charging / (crediting) the following:

Impairment loss on trade receivables written back (Note 31 (iii))	应收账款减值准备回冲 (附注31 (iii))
Allowance for inventory obsolescence	存货陈旧贬值
Amortisation of land use right	土地使用权分摊
Audit fees	审计费用
- auditors of the Company	- 本公司审计师
- other auditors	- 其他审计师
Depreciation of property, plant and equipment	厂房及机器设备折旧
Directors' fees	董事费
- directors of holding company	- 控股公司董事
- directors of subsidiaries	- 子公司董事
Directors' remuneration	董事薪酬
- directors of the Company	- 本公司董事
- directors of subsidiaries	- 子公司董事
Foreign exchange gain, net	净外汇收益
Impairment loss on trade receivables	应收账款减值准备
Personnel expenses (Note 22) *	员工开支 (附注22) *

* Includes directors' remuneration as disclosed in this note.

24. INCOME TAX EXPENSE

Major components of income tax expense for the year ended 31 December were:

Current tax	本期税金
- Current year	- 本年度
- Under provision in prior year	- 上年度不足拨备
- Withholding tax on dividend income	- 股息收入预扣税
Deferred tax (Note 18)	递延税 (附注18)
- Origination and reversal of temporary differences	- 暂时差异的产生及拨回

23. 税前利润

利润是经扣除/ (计入) 下列项目后确定的:

		Group 集团	
		2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
		(94)	(552)
		2,700	643
		251	251
		1,061	1,120
		60	174
		16,922	16,018
		1,458	1,340
		160	27
		440	-
		409	1,303
		(2,041)	(1,142)
		4,608	-
		30,918	29,371

* 包括披露于本附注的董事薪酬。

24. 所得税

于12月31日的主要所得税开支组成部分如下:

		Group 集团	
		2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
		1,137	5,636
		116	174
		1,089	849
		2,342	6,659
		352	414
		2,694	7,073

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

24. INCOME TAX EXPENSE (Continued)

The reconciliation of the tax expense and the product of accounting profit multiplied by the applicable rate is as follows:

		Group 集团	
		2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
Profit before income tax	所得税前利润	4,987	18,097
Tax at the PRC statutory tax rate of 25% (2015: 25%)	中国法定税率25%之税项 (2015年: 25%)	1,247	4,524
Tax effects of:	来自以下的税务影响:		
- expenses not deductible for tax purpose	- 不可在税务用途上扣除之费用	331	774
- expenses incurred in tax-free jurisdictions	- 于免税管辖区的费用	1,216	1,368
- undistributed profit of PRC subsidiary	- 中国子公司未分配利润之影响	(187)	3,001
- tax incentive	- 税务奖励	(1,118)	(3,617)
		1,489	6,050
Over provision of tax in prior years	上年度税务超额拨备	116	174
Withholding tax on dividend income	股息收入预扣税	1,089	849
Income tax expense	所得税费用	2,694	7,073

The Company:

The Company is operating in a tax-free jurisdiction. The dividend received which is eliminated has no tax consequences; and the corporate expenses incurred are included in the "expenses incurred in tax-free jurisdiction" line item in the tax reconciliation above.

Subsidiaries:

- (i) Best Success, which is subject to Hong Kong tax rate of 16.5% (2015: 16.5%), does not have taxable profit since its incorporation on 23 April 2005.
- (ii) In accordance with the Income Tax Law of the PRC for High Technology Enterprises and various approval documents issued by the PRC Tax Bureau, Changzhou 3D being awarded the "High Technology Enterprise" status, enjoys a concessionary tax rate of 15%, as compared to the statutory tax rate for PRC companies of 25%. The concessionary income tax status is valid for 3 years and is subjected to renewal when it expires in August 2018. This benefit was disclosed under the tax incentive in the tax reconciliation during the year.

24. 所得税

税务开支和会计利润乘于相关税率的乘积对账如下:

		Group 集团	
		2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
Profit before income tax	所得税前利润	4,987	18,097
Tax at the PRC statutory tax rate of 25% (2015: 25%)	中国法定税率25%之税项 (2015年: 25%)	1,247	4,524
Tax effects of:	来自以下的税务影响:		
- expenses not deductible for tax purpose	- 不可在税务用途上扣除之费用	331	774
- expenses incurred in tax-free jurisdictions	- 于免税管辖区的费用	1,216	1,368
- undistributed profit of PRC subsidiary	- 中国子公司未分配利润之影响	(187)	3,001
- tax incentive	- 税务奖励	(1,118)	(3,617)
		1,489	6,050
Over provision of tax in prior years	上年度税务超额拨备	116	174
Withholding tax on dividend income	股息收入预扣税	1,089	849
Income tax expense	所得税费用	2,694	7,073

本公司:

本公司运营于免税管辖区内。抵消所获取股息并没有税务影响,且企业开支被包括在上述税项对账中“免税管辖区内的费用”项目中。

子公司:

- (i) 百昇有限公司是处在16.5% (2015年: 16.5%) 的香港的税率管辖,自2005年4月23日注册成立以来没有交纳过任何所得税。
- (ii) 根据中国由中国税务局颁发的高新技术企业和各类批准文件的所得税法,常州三维被授予“高新技术企业”资格,享受15%的优惠税率,相比25%的中国公司的法定税率。其优惠所得税身份有效期为3年至2018年8月期满时须再申请。这些利益在年内的税收激励的税务协调会已经披露。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

25. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Net profit attributable to equity holders of the Company (RMB'000)	本公司股东应占净利润 (人民币千元)
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share	每股基本收益之加权平均 普通股数量
Basic and diluted earnings per share (RMB cents per share)	每股基本收益 (每股人民币分)

Diluted earnings per share is the same as the basic earnings per share as no share options, warrants or other compound financial instruments with dilutive effect were granted during the financial year or outstanding at the end of the financial year.

25. 每股收益

每股基本收益除是以本公司股东应占净利润除以本财政年度加权平均普通股数量计算。

Group 集团	
2016	2015
2,293	11,024
27,468,473	27,468,473
8.35	40.13

每股摊薄收益与每股基本收益相同，因为于本年度内或本财政年度末，并无认股权、购股权证或其他有摊薄影响的复合金融工具被授出或尚未行使。

26. DIVIDENDS

Interim exempt (one-tier) paid in respect of current financial year of RMB 0.25 per ordinary share (2015: RMB 0.25 per ordinary share)	在当前财政年度支付中期豁免 (单一制) 每普通股0.25元人民币 (2015年: 每普通股0.25元人民币)
--	--

Dividend above is distributed from balance of retained earnings of RMB 3,810,000 (Note 7) with the remaining amount of RMB 3,057,000 from the Share Premium account (Note 4).

26. 股息

Group and Company 集团和公司	
2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
6,867	6,867

上述股息是从总值人民币3,810,000元的保留盈余结余(附注7)及来自股本溢价总值人民币3,057,000元的剩余金额(附注4)中进行分配的。

27. CASH AND CASH EQUIVALENTS

Cash in hand	现金
Bank balances	银行结存
Fixed deposits (Note A)	固定存款(附注 A)
Cash and bank balances as stated in the statement of financial position	在资产负债表中的 现金与银行结存
Less: Pledged deposits (Note B)	减去: 抵押的存款(附注 B)
Cash and cash equivalents as stated in the consolidated statement of cash flows	合并现金流量表中的 现金和其等价物

27. 现金和其等价物

Group 集团	
2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
55	117
50,347	56,760
-	10,680
50,402	67,557
(4,741)	(8,782)
45,661	58,775

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

27. CASH AND CASH EQUIVALENTS (Continued)

As at 31 December 2016, the Group has bank balances placed with banks in the PRC denominated in Chinese Renminbi ("RMB") amounting to RMB 31,047,000 (2015: RMB 50,890,000). The RMB is not freely convertible to foreign currencies. Under the People's Republic of China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorized to conduct foreign exchange business.

Note A

The fixed deposit of the Group has maturity period of 1 year, and yields interest income at effective rate of 3.39% per annum in year 2015. The Group has terminated the fixed deposit in May 2016.

Note B

Bank balances of RMB 4,741,000 (2015: RMB 8,782,000) are pledged in connection with bills payable facilities (Note 14).

The movement in pledged deposits:

27. 现金和其等价物 (续)

截至2016年12月31日，本集团存放于位于中国的银行款项以人民币计价，存款余额为人民币31,047,000元（2015年：人民币50,890,000元）。人民币不能自由兑换成外币。在中国外汇管制条例和结算行政、销售和支付外汇管理条例下，本集团是获准通过被授权开展外汇业务的银行，将人民币兑换为外币的。

附注A

本集团有为期1年满期的定期存款，并于2015年获取以每年3.39%的有效利息收益。本集团在2016年5月终止了定期存款。

附注 B

银行结余4,741,000元人民币（2015年：人民币8,782,000元）这笔存款与应付票据的信贷措施挂钩（附注14）。

抵押存款的动向：

		Group 集团	
		2016	2015
		RMB'000	RMB'000
		人民币千元	人民币千元
At beginning of the year	年初结余	8,782	13,245
Placement of pledged deposits	放置抵押存款	9,894	-
Withdrawal of pledged deposits	提取抵押存款	(13,935)	(4,463)
At end of the year	年末结余	4,741	8,782

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

28. RELATED PARTY INFORMATION

Some of the arrangements with related parties (as defined in Note 2) and the effects of these bases determined between the parties are reflected elsewhere in this report. Transactions between the Company and its subsidiaries, which are related companies of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below:

28. 关联方信息

与关联方的部分协议（如附注2中定义）以及各方之间基本影响的断定都在这份年报中的某些部分反映出来。本公司及其附属公司，其相关公司的公司之间的交易，已在合并报告中被排除，不再此附注披露。本集团及其他关联方之间的交易细节讨论如下：

		Group 集团	
		2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
<u>Key management personnel compensation</u>	<u>主要管理人员费用</u>		
Directors of the Group:	集团董事:		
- Salaries and bonus (i)	- 现金和花红 (i)	489	1,274
- Contributions to defined contribution plans	- 交付固定公积金计划	18	29
- Over provision of director's incentives in prior years	- 上年度超额应计	(625)	-
- Directors' fee (Note 23)	- 董事费 (附注 23)	1,618	1,367
		1,500	2,670
Other key management personnel	其他主要管理人员		
- Salaries and bonus	- 薪金和花红	1,015	926
- Contributions to defined contribution plans	- 交付固定公积金计划	11	11
		2,526	3,607
Total compensation comprise:	总费用包括		
Short-term employee benefits	短期员工利益	2,497	3,567
Contributions to defined contributions plans	- 交付固定公积金计划	29	40
		2,526	3,607

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors, Financial Controller and General Manager are considered key management personnel.

关键管理人员是指有权力和职责作计划、指导和控制的实体活动的人士。董事、财务总监及总经理被认为是主要管理人员。

(i) The remuneration of directors includes the director's incentive for the year amounting to RMB 49,000 (2015: RMB 840,000) which is determined by the Remuneration Committee having regard to the performance of Group's profit.

(i) 董事的薪酬包括了董事奖励的全年金额49,000元人民币（2015年：人民币840,000元），这些奖励是薪酬委员会在考虑到集团的盈利状况后作出的决定。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

29. FUTURE CAPITAL COMMITMENTS

Capital expenditure as at 31 December but not recognised in the financial statements are as follows:

In respect of acquisition of plant and equipment	有关机器设备的购置
Contracted	已定合约
Not contracted	尚未签约

29. 未来资本承担

资本开支在2016年12月31日，并没有在财务报表中确认的如下：

		Group 集团	
		2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
		-	21,386
		-	13,849

30. SEGMENT INFORMATION

The Group operates in only one operating segment, i.e. the manufacture and sale of vane products and related subcontracting services. Subcontracting services are not separately reported to the CEO and the management, as it is considered as the same business with manufacturing activities due to shared technology and production processes. The products for which the Group provided subcontracting services are similar to the products that the Group manufactures. The subcontracting services arose due to five customer's arrangement to source for its own raw material.

The operating segment has been identified on the basis of internal management reports that are regularly reviewed by management of the Group. Management of the Group reviews the overall results of the Group as a whole to make decisions about resource allocation. Accordingly, no further analysis of this single reporting segment has been prepared.

Revenue of approximately RMB 26,046,000 (2015: RMB 13,367,000) and RMB 3,804,000 (2015: RMB 9,206,000) are derived from overseas customers in Japan and Korea respectively. The major customers in the PRC contributing 10% or more to the Group's revenue is disclosed in Note 31 (iii). The entire of the Group's entire non-current assets are located in PRC.

31. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The main risks arising from the Group's financial instruments are market risk (including foreign exchange risk and interest rate risk), liquidity risk and credit risk. The Group does not have a formal risk management policies and guidelines. However, the Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below. It is the Group's policy not to trade in derivative contracts.

30. 分部信息

本集团仅有一项业务分部，即叶片产品的制造与销售及相关的分包服务。分包服务的业务并没有分别向首席执行官及管理层报告，因为其与制造活动分享技术生产流程，因此被视为与制造活动相同的业务。本集团所提供的产品外包服务与本集团所制造的产品相同。外包服务的产生是因与五名客户的安排寻找其原材料而产生。

业务分部是根据内部管理层报告以予识别，并由本集团管理层定期检讨。本集团管理层检讨本集团整体的业务，以对资源分配进行决策，因此，并没编制此单一报告分部的进一步分析。

来自日本客户及韩国客户的收入分别约为人民币26,046,000元（2015年：人民币13,367,000元）及人民币3,804,000元（2015年9,206,000元）。占本集团收入总额10%或以上的中国主要客户信息，已披露于附注31(iii)。本集团的全部非控股资产都位于中国。

31. 金融工具

金融风险管理目标和政策

本集团来自金融工具产生的主要风险是市场风险（包括外汇风险和利率风险），资金流动性风险和信用风险。本集团并没有正式的风险管理政策和指导方针。然而，董事会检讨并同意为每个风险的提出管理政策总结如下。本集团的一个政策是不进行衍生品合约的交易。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

31. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk

(a) Foreign exchange risk

Currently, the PRC government imposes control over foreign currencies, RMB. The official currency in the PRC, is not freely convertible. Enterprises operating in the PRC can enter into exchange transactions through the People's Bank of China or other authorised financial institutions. The Group has not entered into any derivative instruments for hedging or trading purposes. The Group's currency exposure is as follows:

31. 金融工具 (续)

金融风险管理目标和政策 (续)

(i) 市场风险

(a) 外汇风险

目前，中国政府对在外国货币和人民币进行控制，在中国的官方货币，是不能自由兑换成外币的。中国经营的企业可以通过中国人民银行或其他授权的金融机构进入外汇交易。本集团并无参与任何对冲或交易目的的衍生工具的活动。本集团的货币风险如下：

Group 集团 2016		Singapore dollars 新加坡元 RMB'000 人民币千元	Chinese Renminbi 人民币 RMB'000 人民币千元	United States dollars 美元 RMB'000 人民币千元	Hong Kong dollars 港元 RMB'000 人民币千元	Total 总额 RMB'000 人民币千元
Financial assets	金融资产					
Cash and bank balances	现金及银行存款	2,294	31,102	16,659	347	50,402
Trade receivables	应收账款	-	157,673	6,372	-	164,045
Other receivables	其他应收款项	-	378	-	-	378
		2,294	189,153	23,031	347	214,825
Financial liabilities	金融负债					
Trade payables	应付账款	-	(52,409)	-	-	(52,409)
Other payables and accruals	其他应付及应计款项	(543)	(3,963)	-	-	(4,506)
Bank loan	银行贷款	-	(7,000)	-	-	(7,000)
		(543)	(63,372)	-	-	(63,915)
Net financial assets	净金融资产	1,751	125,781	23,031	347	150,910
Less: Net financial assets denominated in the respective entities' functional currencies	减：按个别实体功能性货币 计值的净资产	-	(125,781)	-	(347)	(126,128)
Foreign currency exposure	外币风险	1,751	-	23,031	-	24,782

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

31. FINANCIAL INSTRUMENTS (Continued)

31. 金融工具 (续)

Financial risk management objectives and policies (Continued)

金融风险管理目标和政策 (续)

(i) Market risk (Continued)

(i) 市场风险 (续)

(a) Foreign exchange risk (Continued)

(a) 外汇风险 (续)

Group 集团 2016		Singapore dollars 新加坡元 RMB'000 人民币千元	Chinese Renminbi 人民币 RMB'000 人民币千元	United States dollars 美元 RMB'000 人民币千元	Hong Kong dollars 港元 RMB'000 人民币千元	Total 总计 RMB'000 人民币千元
Financial assets	金融资产					
Cash and bank balances	现金及银行存款	6,328	51,007	9,908	314	67,557
Trade receivables	应收账款	-	155,359	12,955	-	168,314
Other receivables	其他应收款项	-	430	-	-	430
		6,328	206,796	22,863	314	236,301
Financial liabilities	金融负债					
Trade payables	应付账款	-	46,254	-	-	46,254
Other payables and accruals	其他应付及应计款项	1,003	10,166	-	-	11,169
		1,003	56,420	-	-	57,423
Net financial assets	净金融资产	5,325	150,376	22,863	314	178,878
Less: Net financial assets denominated in the respective entities' functional currencies	减: 按个别实体功能性货币 计值的净资产	-	(150,376)	-	(314)	(150,690)
Foreign currency exposure	外币风险	5,325	-	22,863	-	28,188

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

31. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

Company公司
2016

Financial assets

Cash and bank balances 现金及银行存款

Financial liabilities

Other payables and accruals 其他应付及应计账款

Due to subsidiaries (non-trade) 应付子公司款项 (非贸易)

Net financial assets / (liabilities) 净金融资产/负债

Less: Net financial liabilities denominated in the Company's functional currency 减去: 公司功能性货币计值净财务负债

Foreign currency exposure 外币风险

Company公司
2015

Financial assets

Cash and bank balances 现金及银行存款

Financial liabilities

Other payables and accruals 其他应付及应计账款

Due to subsidiaries (non-trade) 应付子公司款项 (非贸易)

Net financial assets / (liabilities) 净金融资产/(负债)

Less: Net financial liabilities denominated in the Company's functional currency 减去: 净财务负债按个别企业功能货币显示

Foreign currency exposure 外币风险

31. 金融工具 (续)

金融风险管理目标和政策 (续)

(i) 市场风险

(a) 外汇风险 (续)

Singapore dollars 新加坡元 RMB'000 人民币千元	Chinese Renminbi 人民币 RMB'000 人民币千元	Total 总计 RMB'000 人民币千元
---	---	---------------------------------

2,294	—	2,294
-------	---	-------

—	543	543
---	-----	-----

—	24,204	24,204
---	--------	--------

—	24,747	24,747
---	--------	--------

2,294	(24,747)	(22,453)
-------	----------	----------

—	24,747	24,747
---	--------	--------

2,294	—	2,294
-------	---	-------

6,328	—	6,328
-------	---	-------

1,003	48	1,051
-------	----	-------

—	22,767	22,767
---	--------	--------

1,003	22,815	23,818
-------	--------	--------

5,325	(22,815)	(17,490)
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—	22,815	22,815
---	--------	--------

5,325	—	5,325
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NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

31. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

Foreign exchange risk sensitivity

The following table details the sensitivity to a 5% (2015: 5%) increase and decrease in the Chinese Renminbi against the relevant foreign currencies. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

If the Chinese Renminbi strengthens by 5% (2015: 5%) against the relevant foreign currencies with all the other variables held constant, profit for the year will (decrease)/increase by:

		Singapore dollars 新加坡元 RMB'000 人民币千元	United States dollars 美元 RMB'000 人民币千元	Total 总计 RMB'000 人民币千元
Group 集团				
2016				
Profit for the year	本年度净利润	74	979	1,053
2015				
Profit for the year	本年度净利润	226	972	1,198
Company 公司				
2016				
Profit for the year	本年度净利润	115	-	115
2015				
Profit for the year	本年度净利润	226	-	226

A weakening of Chinese Renminbi against above foreign currencies at 31 December would have had the equal but opposite effect on the above foreign currencies to the amounts shown above, on the basis that all other variables remain constant.

The Group is also exposed to currency translation risk arising from its net investment in its foreign operation in Hong Kong including intragroup balances. The Group's net investment in Hong Kong is not hedged as currency position in Hong Kong Dollar is considered to be long-term in nature.

31. 金融工具 (续)

金融风险管理目标和政策 (续)

(i) 市场风险

(a) 外汇风险 (续)

外汇风险敏感度

下表详细说明相关外币对中国人民币5%增幅与跌幅的敏感度。此分析是根据本集团认为于报告期末可能合理出现的外币汇率变动。

若中国人民币兑相关外币汇率升值5% (2015年: 5%)，在其他参数不变的情况下，年度利润将 (下跌) / 增长:

于12月31日兑人民币贬值的上述外币应有相同，但相反的影响，并在其他参数不变的情况下，影响外币的金额如上。

本集团亦面临因香港的海外经营净投资产生的货币转换风险，包括集团内部的结余。本集团在香港的净投资并没有对冲安排，因为持有港币在本质上被视为是长期投资。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

31. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(b) Interest rate risk

The Group's exposure to interest rate risk arises primarily from its fixed deposits included in cash and cash equivalents and bank term loan. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure.

The impact of changes in interest rate on the Group's financial assets and liabilities is minimal. As such, the effect of a sensitivity analysis on the Group's profit for the year would be negligible.

(ii) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations.

All the financial liabilities of the Group as at 31 December 2016 and 2015 are repayable on demand or due within 1 year from the reporting date. The carrying amount recorded represents the contractual cash flows of these financial liabilities except for interest bearing bank term loan (Note 16) with a carrying amount and contractual cash flows within 1 year of RMB 7,000,000 and RMB 7,087,000 respectively.

(iii) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's major class of financial assets are cash and cash equivalents, and trade and other receivables. Bank balances and fixed deposits are placed with regulated national or provincial financial institutions in the PRC and a Singapore-based multinational bank. Bills receivables (Note 12) are mainly redeemable from state-owned or listed commercial banks in the PRC. Therefore, credit risk arises mainly from the inability of its customers to make payments when due.

31. 金融工具 (续)

金融风险管理目标和政策 (续)

(i) 市场风险

(b) 利率风险

本集团所面临的利率风险主要来自包括现金及现金等价物的定期存款。本集团的政策是获得最优惠利率而不增加其外汇风险。

变动利率对本集团的金融资产和负债的影响是最小的。因此，对本集团的年度利润敏感性分析的影响可以忽略不计。

(ii) 流动性风险

本集团监控其流动性风险并保持管理层认为足够的现金及现金等价物的水平，以降低现金流量波动的影响。通常情况下，该集团将确保有足够的现金来满足预期的业务费用，包括承担债务的金融义务。

本集团于2016年12月31日和2015年的全部金融负债的还款需求或从报告日期起一年内到期。所记录的账面价值代表了这些金融负债的合同现金流量，除了账面价值及合同现金流量于一年内到期的银行计息限期贷款（附注16），金额分别为人民币7,000,000,000元及人民币7,087,000元。

(iii) 信贷风险

信贷风险指的是订约方因不履行其合同义务而产生本集团财务亏损的风险。本集团的主要金融资产分类为现金及现金等价物、贸易及其他应收款项、银行存款及定期存款，并放置于中国受监管的国家或省级财务机构以及一家总部在新加坡的跨国银行。应收票据（附注12）主要可从中国国营或上市商业银行赎回。因此，信贷风险主要来自其客户无法及时偿还其应付账款。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

31. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(iii) Credit risk (Continued)

For trade receivables, the Group adopts the policy of dealing only with long time customers of appropriate credit history to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the Board of Directors. The average credit period on sales of goods and subcontracting services is 90 days (2015: 90 days). No interest is imposed on overdue trade receivables.

As the Group and Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position. The amounts presented in the statement of financial position are net of allowances for impairment of trade receivables, estimated by management based on prior experience and the current economic environment.

The age analysis of trade receivables is as follows:

31. 金融工具 (续)

金融风险管理目标和政策 (续)

(iii) 信贷风险 (续)

有关应收账款，集团只接受拥有长期良好信用记录客户，以减轻信贷风险的政策。对于其他金融资产，本集团采用只与高信用质量方合作的政策。交易对手的付款资料和信贷风险，不断由各自的管理和集团层面由董事会在实体层面进行监测。在销售商品，提供分包服务的信用期限平均为90天（2015年：90天）。不对逾期应收账款征收利息。

由于本集团与公司并无持有任何抵押品，最大信用风险敞口为每一类金融工具是该类呈现在财务状况表金融工具的账面价值。在财务状况的声明提出的数额是津贴应收账款减值准备，根据以往的经验 and 当前的经济环境下管理 层预计净。

应收账款的账龄分析如下：

		Group 集团	
		2016	2015
		RMB'000	RMB'000
		人民币千元	人民币千元
<u>Not Impaired</u>	<u>未减值</u>		
Neither past due nor impaired	未减值逾期或并无减值	34,134	56,930
Past due but not impaired	逾期但未减值		
- Past due less than 3 months	- 逾期少于 3 个月	23,231	34,041
- Past due over 3 months	- 逾期超过 3 个月	5,496	51,120
		28,727	85,161
<u>Impaired</u>	<u>减值</u>		
Impaired trade receivables	减值应收账款	72,541	4,731
Less: Allowance for impairment loss	扣除：减值损失准备	(9,245)	(4,731)
		63,296	-
Net trade receivables (Note 12)	净应收账款 (附注 12)	126,157	142,091

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

31. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(iii) Credit risk (Continued)

Neither past due nor impaired

The amounts that are neither past due nor impaired mainly represents the balances only from the Group's major customers in PRC, Japan and Korea, with active or established trading records with the Group and steady collection pattern.

Past due but not impaired

Trade receivables that are past due but not impaired are substantially companies who are customers with long trading history with the Group and have steady collection record. Based on past experience, the management believes that no impairment allowance is necessary in respect of these balances as there has not been significant change in credit quality and the amount are still considered fully recoverable.

Out of the balances which were past due over 3 months but not impaired as at 31 December 2016, an amount of RMB 5,251,000 has been subsequently collected either in cash or bills receivables up to the date of this report.

Impaired trade receivables

The Group has recognised impairment losses on trade receivables which are individually determined as follows:

- (a) Impairment loss on receivables with default in payments and has minimal transactions and/or no collection during the year and up to the date of this report:

Cumulative impairment allowance recognised on such overdue balances as at 31 December 2016 amounted to RMB 4,695,000 (2015: RMB 4,731,000).

- (b) Impairment loss on an active major customer but with significant delay in payment:

Cumulative impairment allowance recognised on such debtor as at 31 December 2016 is as follows:

31. 金融工具 (续)

金融风险管理目标和政策 (续)

(iii) 信贷风险 (续)

未逾期未减值

既不逾期未减值的金额主要仅代表本集团于中国, 日本和韩国的主要客户的结存, 他们与本集团有着活跃往来并建立起稳定的付款交易记录。

逾期但未减值

逾期但未减值的贸易应收账款来自与本集团拥有长期交易往来的大公司客户, 并一直有稳定的收取记录。本集团过往经验, 管理层相信, 无需对该款项设减值拨备, 因为信贷质量并没有出现重大改变, 且金额仍被视为可全数取回。

于2016年12月31日, 在逾期超过3个月但未减值的款项中, 一笔金额为人民币5,251,000元的款项已随后在本财务报告日期以现金或应收票据的方式取回。

减值应收账款

本集团以个别确定的已确认应收账款减值亏损如下:

- (a) 违约以及在本年度和至报告日期拥有极少交易和/或没有收回的应收款项减值亏损;

于2016年12月31日, 该类逾期结余的累计已确认减值拨备为人民币4,695,000元(2015年: 人民币4,731,000元)。

- (b) 活跃但拥有重大拖欠的主要客户的减值亏损;

于2016年12月31日, 该类贷方的累计已确认减值亏损如下:

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

31. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(iii) Credit risk (Continued)

Impaired trade receivables (Continued)

Representing balances which are:	余额呈现为:
Not past due	没有逾期
Past due	逾期

The Group does not hold any collateral over the amounts outstanding as at reporting date, and the management is of the view that from the past historical experience, such balances are not recoverable.

The ageing analysis of the trade receivables individually determined to be impaired and the movement in the related allowance for impairment loss are as follows:

31. 金融工具 (续)

金融风险管理目标和政策 (续)

(iii) 信贷风险 (续)

减值应收账款 (续)

		Group 集团	
		2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
		1,485	—
		3,065	—
		4,550	—

本集团于报告日期并没有对未收回款项持有任何抵押品，而管理层认为，根据过往历史经验，该类结余是无法收回的。

个别的应收账款的认定，发生减值及减值准备相关的津贴措施分析如下：

		Group 集团	
		2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
Allowance for impairment loss are made on debts which are:	减值损失从以下欠款中拨备:		
Not past due	没有逾期	1,485	—
Past due less than 1 year	逾期少于 1 年	3,231	120
Past due over 1 year	逾期超过 1 年	4,529	4,611
		9,245	4,731

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

31. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(iii) Credit risk (Continued)

Impaired trade receivables (Continued)

The movement in allowance for impairment loss is as follows:

		Group 集团	
		2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
Balance at beginning of the year	年初结余	4,731	5,283
Allowance made during the year	减值亏损	4,608	-
Allowance written back during the year	减值亏损回冲	(94)	(552)
Balance at end of the year	年末结余	9,245	4,731

Credit risk concentration

Included in the Group's trade receivables are 2 customers (2015: 2 customers) located in the PRC and principally engaged in development and manufacture of power equipment representing 85% (2015: 90%) of the net trade receivables balance (excluding bills receivables) as at 31 December 2016. Approximately RMB 41,572,000 and RMB 50,274,000 (2015: RMB 89,061,000 and RMB 25,616,000), representing 30% and 37% (2015: 63% and 18%) respectively of the Group's revenue are generated from these 2 customers (2015: 2 customers) during the financial year.

The remaining net trade receivables balance (excluding bill receivables) were due from (a) various small domestic customers and (b) overseas customers in Japan and Korea, which are part of listed entities in the respective countries.

Bills receivables (Note 12)

Bills receivables of the Group received as a settlement for trade debts are issued by state-owned or listed commercial banks in the PRC. The remaining maturity period is ranging from 22 days to 12 months from the reporting date. As of the date of this report, those bills receivables with maturity period within 3 months from the reporting date amounting to RMB 10,839,398 (2015: RMB 17,206,000) had been fully recovered and balance is not due for redemption.

31. 金融工具 (续)

金融风险管理目标和政策 (续)

(iii) 信贷风险 (续)

减值应收账款 (续)

减值准备的变动情况如下:

		Group 集团	
		2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
Balance at beginning of the year	年初结余	4,731	5,283
Allowance made during the year	减值亏损	4,608	-
Allowance written back during the year	减值亏损回冲	(94)	(552)
Balance at end of the year	年末结余	9,245	4,731

信贷风险集中

本集团的应收账款包括位于中国的两名客户 (2015年: 两名客户), 并主要商业活动为发电设备的发展及制造。于2016年12月31日, 此占净贸易应收款项的85% (2015年: 90%) (不包括应收票据)。在本财政年内, 分别占本集团收入总额的30%及37% (约人民币41,572,000元及人民币50,274,000元 (2015年: 人民币89,061,000元及人民币25,616,000元) 来自该两名客户 (2015年: 两名客户)。

其余的净应收账款 (不包括应收票据) 都来自各中国小型客户及分别于日本与韩国上市的海外客户。

应收票据 (附注 12)

本集团所收取作为偿还贸易债务的应收票据是中国国营或上市商业银行所发行。其余的到期期限介于距离报告日期22天至12个月。于报告日期, 该到期期限介于3个月的应收票据金额为人民币10,839,398 (2015年: 人民币17,206,000元), 而且已全数取回, 款项未到赎回期。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

31. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(iv) Financial instruments by category

The carrying amounts of the different categories of financial instruments are as follows:

		Group 集团		Company 公司	
		2016 RMB'000 人民币千元	2015 RMB'000 人民币千元	2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
Financial assets	金融资产				
Loans and receivables (including cash and bank balances)	贷款和应收款 (包括现金和其等价物)	214,826	236,301	2,294	6,328
Financial liabilities	金融负债				
Financial liabilities at amortised cost	金融负债的分摊成本	63,915	57,423	24,747	23,818

Capital risk management policies and objectives

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, net of cash and cash equivalents, and the equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Notes 3 to 7.

The Board of Directors reviews the capital structure on an annual basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. Based on guidance of the Board, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt. The Group's overall strategy remains unchanged from 2015.

As disclosed in Note 5, the PRC incorporated subsidiary of the Group is required by the Foreign Enterprise Law of PRC to contribute to and to maintain a non-distributable statutory reserve fund, the utilisation of which is subject to approval of the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiary for the financial years ended 31 December 2016 and 2015.

31. 金融工具 (续)

金融风险管理目标和政策 (续)

(iv) 金融工具分类

有不同类别的金融工具的账面金额如下: 如下:

		Group 集团		Company 公司	
		2016 RMB'000 人民币千元	2015 RMB'000 人民币千元	2016 RMB'000 人民币千元	2015 RMB'000 人民币千元
Financial assets	金融资产				
Loans and receivables (including cash and bank balances)	贷款和应收款 (包括现金和其等价物)	214,826	236,301	2,294	6,328
Financial liabilities	金融负债				
Financial liabilities at amortised cost	金融负债的分摊成本	63,915	57,423	24,747	23,818

资本风险管理政策和目标

本集团管理其资本, 以确保集团内的实体将能够继续作为一个持续经营的, 同时最大限度地通过债务和股权制衡的优化来回报利益相关者。

本集团的资本结构由债务, 净现金及现金等价物和权益归属于母公司股东, 其中包含如披露的附注3-7的已发行股本, 储备金和未分配利润。

董事会每年审查的资本结构。作为这项审查的一部分, 董事会考虑资本成本以及与各类资本相关的风险。根据董事会的指导下, 集团将通过支付股息, 新股发行, 以及新债发行平衡其整体资本结构。本集团的整体策略自2015年以来保持不变。

如附注5披露, 由中华人民共和国外资企业法规定, 本集团的中国注册成立的子公司以促进并维持非分配法定公积金, 当使用时将其受中国有关主管部门的批准。这种来自外部的资本要求已被上述子公司遵守, 并在分别在2016年和2015年12月31日执行。

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

32. FAIR VALUES OF FINANCIAL INSTRUMENTS

(i) Fair value of financial instruments that are carried at fair value

The Group and the Company had no financial assets or liabilities carried at fair value on a recurring or non-recurring basis in 2016 and 2015.

(ii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of cash and bank balances, trade and other receivables, trade and other payables (including amounts due to subsidiaries), and bank term loan are reasonable approximation of fair values due to the relatively short-term maturity of these financial instruments.

(iii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

As at reporting date, there are no financial instruments in this category.

32. 金融工具的公允价值

(i) 持有具有公允价值计量的金融工具

在2016年和2015年，本集团及本公司无金融资产或以公允价值在经常性或非经常性的基础上进行的资产或负债。

(ii) 不以公允价值计量达的金融工具，其账面价值与公允价值差异不大，是公允价值的合理估值。

现金及银行存款、贸易及其他应收款项、贸易及其他应付款项（包括子公司应占款项）、银行贷款的账面价值都是合理的公允价值估值，因为该金融工具的到期期限较短。这些金融工具的相对在短期内到期。

(iii) 不以公允价值计量的金融类工具为估值又不可用账面值来做估值。

截至报告日，没有此类别的金融工具。

SHAREHOLDINGS STATISTICS

股权统计资料

As at 17 March 2017 于2017年3月17日
Amounts in Chinese Renminbi ("RMB") 货币为人民币

Class of equity securities 权证分类	Number of equity securities 权证数额	Voting rights 投票权
Ordinary 普通	27,468,473	One vote per share 每股一票

There are no treasury shares in the issued share capital of the Company.
本公司已发行股本并无库存股。

DISTRIBUTION OF SHAREHOLDINGS AS AT 17 MARCH 2017

截至2017年3月17日股东分布情况

SIZE OF SHAREHOLDINGS 持股规模	NO. OF SHAREHOLDERS 股东人数	%	NO. OF SHARES 股份数量	%
1 - 99	17	2.02	900	0.00
100 - 1,000	298	35.43	195,143	0.71
1,001 - 10,000	455	54.10	1,711,064	6.23
10,001 - 1,000,000	67	7.97	4,384,102	15.96
1,000,001 AND ABOVE	4	0.48	21,177,264	77.10
TOTAL 总计	841	100.00	27,468,473	100.00

SUBSTANTIAL SHAREHOLDERS 主要股东

(as recorded in the Register of Substantial Shareholders as at 17 March 2017)

(截至2017年3月17日记载于主要股东名册)

	NUMBER OF ORDINARY SHARES 股份数量			
	DIRECT INTEREST 直接权益	%	DEEMED INTEREST 间接权益	%
LIU MING 刘明先生	8,240,000	29.98	0	0
ALLPORT LIMITED	6,264,340	22.81	0	0
ASUKA DBJ INVESTMENT LPS ¹	1,200,000	4.37	6,264,340	22.81
MERCURIA INVESTMENTS CO., LTD. ²	0	0	7,464,340	27.18
ITOCHU CORPORATION ³	0	0	7,464,340	27.18
YUGEN KAISHA SIMON MURRAY AND COMPANY JAPAN	3,300,000	12.01	0	0
YONEHARA SHINICHI ⁴	0	0	3,300,000	12.01

Notes 附注:

- Asuka DBJ Investment LPS is the registered holder of all the issued shares of Allport Limited.
Asuka DBJ Investment LPS是Allport Limited所有已发行股份的注册持有机构。
- Mercuria Investments Co., Ltd., formerly known as AD Capital Co., Ltd. is the sole general partner of Asuka DBJ Investment LPS
Mercuria Investments Co., Ltd., 以前称AD Capital Co., Ltd.是Asuka DBJ Investment LPS的唯一普通合伙人。
- ITOCHU Corporation is a large shareholder of Mercuria Investments Co., Ltd. and is therefore deemed to have an interest in the shares held by Mercuria Investments Co., Ltd.
ITOCHU Corporation是Mercuria Investments Co., Ltd.的大股东, 因此被视为拥有Mercuria Investments Co., Ltd.持有股份的权益。
- Yugen Kaisha Simon Murray And Company Japan is wholly-owned by Yonehara Shinichi.
Yugen Kaisha Simon Murray And Company Japan是Yonehara Shinichi的全资子公司。

SHAREHOLDINGS STATISTICS

股权统计资料

As at 17 March 2017 于2017年3月17日
Amounts in Chinese Renminbi ("RMB") 货币为人民币

TWENTY LARGEST SHAREHOLDERS 首二十大股东

NO. 序号	NAME 姓名	NO. OF SHARES 股份数量	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	10,092,000	36.74
2	ALLPORT LIMITED	6,264,340	22.81
3	YUGEN KAISHA SIMON MURRAY AND COMPANY JAPAN	3,300,000	12.01
4	CIMB SECURITIES (SINGAPORE) PTE. LTD.	1,520,924	5.54
5	HONG LEONG FINANCE NOMINEES PTE LTD	711,000	2.59
6	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	393,360	1.43
7	TAN YEOW MENG	357,200	1.30
8	DB NOMINEES (SINGAPORE) PTE LTD	300,000	1.09
9	MAYBANK KIM ENG SECURITIES PTE. LTD.	250,200	0.91
10	DBS NOMINEES (PRIVATE) LIMITED	234,522	0.85
11	WANG YU LONG DENIS	200,400	0.73
12	LIM SIAN KOK	151,700	0.55
13	ONG KANG CHIM	125,000	0.46
14	TAN TIEN SENG	124,300	0.45
15	XIA ZHIFU	120,000	0.44
16	OCBC SECURITIES PRIVATE LIMITED	72,690	0.26
17	ENG CHIAW KOON	70,200	0.26
18	LIM POH LEE	70,000	0.25
19	BOON KIA IN VINCENT(WEN JIAYIN)	65,000	0.24
20	ONG SOO YONG	53,700	0.20
	TOTAL 总计	24,476,536	89.11

PERCENTAGE OF SHAREHOLDING IN HANDS OF PUBLIC 公众人士所持有股份百分比

Based on the information available to the Company as at 17 March 2017, approximately 30.83% of the issued ordinary shares of the Company were held by the public and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

根据本公司所获截至2017年3月17日的资料，大约30.83%的本公司已发行普通股被公众持有，因此遵守了《新加坡证券交易有限公司上市手册》的规定。

NOTICE OF ANNUAL GENERAL MEETING

年度股东大会通知

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of SHANGHAI TURBO ENTERPRISES LTD (the "Company") will be held at 4 Robinson Road, #04-01 The House of Eden, Singapore 048543 on Saturday, 15 April 2017 at 9.30 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2016 together with the Independent Auditors' Report thereon. **(Resolution 1)**
2. To declare a final dividend of RMB 0.125 per ordinary share (tax not applicable) for the financial year ended 31 December 2016 (FY2015: RMB 0.25 per ordinary share). **(Resolution 2)**

3. To re-elect Mr Liu Ming as Director of the Company retiring pursuant to Article 86(1) of the Company's Articles of Association. **(Resolution 3)**

Mr Liu Ming will, upon re-election as Director of the Company, remain as a member of the Nominating Committee and will be considered non-independent.

4. To re-elect the following Directors of the Company retiring pursuant to Article 85(6) of the Company's Articles of Association:

Dr Daniel Liu Danjun **(Resolution 4)**
Mr Tan Wee Peng Kelvin **(Resolution 5)**
Mr Raymond Lim Sian Heong **(Resolution 6)**

Dr Daniel Liu Danjun will, upon re-election as Director of the Company, remain as a member of the Audit Committee, Nominating Committee and Remuneration Committee and will be considered non-independent.

Mr Tan Wee Peng Kelvin will, upon re-election as Director of the Company, remain as Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee and will be considered independent.

Mr Raymond Lim Sian Heong will, upon re-election as Director of the Company, remain as a member of the Audit Committee and Remuneration Committee will be considered independent.

5. To approve the payment of Directors' Fees of RMB1,800,000 for the financial year ending 31 December 2017 (FY2016: RMB1,420,000) **(Resolution 7)**
6. To re-appoint Messrs. Crowe Horwath First Trust LLP as the Independent Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 8)**

兹通知, 上海动力发展有限公司将于2017年4月15日星期六上午9时30分于4 Robinson Road, #04-01 The House of Eden, Singapore 048543 召开年度股东大会, 以讨论通过以下事项:

普通事项:

1. 接纳并通过董事会声明、截至2016年12月31日之财政年度已审核财务报表及其独立审计师报告。

第一项决议

2. 宣布派发截至2016年12月31日之财政年度的每普通股0.125元人民币的一次性最终股息。(2015财政年总计: 每普通股0.25元人民币)

第二项决议

3. 重新委任依据本公司《章程》第86(1)条规定即将卸任的本公司董事刘明先生。

第三项决议

刘明先生一旦重新受委任为本公司董事, 将继续担任提名委员会成员。他将被视为不具独立能力。

4. 重新委任依据本公司《章程》第85(6)条规定即将卸任的以下本公司董事:

刘丹军博士 **第四项决议**
陈伟平先生 **第五项决议**
林酰淞先生 **第六项决议**

刘丹军博士一旦重新受委任为本公司董事, 将继续担任审计委员会成员、提名委员会成员及薪酬委员会成员。他将被视为不具有独立能力。

陈伟平先生一旦重新受委任为本公司董事, 将继续担任审计委员会主席、提名委员会成员及薪酬委员会成员。他将被视为具有独立能力。

林酰淞先生一旦重新受委任为本公司董事, 将继续担任审计委员会成员及薪酬委员会成员。他将被视为具有独立能力。

5. 通过截至2017年12月31日止之财政年度总值180万元人民币的董事费支付。(2016财政年: 142万元人民币)

第七项决议

6. 通过重新委任国富浩华合信会计事务所为本公司独立审计师并授权本公司董事会确定其薪酬。

第八项决议

NOTICE OF ANNUAL GENERAL MEETING

年度股东大会通知

For the financial year ended 31 December 2016 截至2016年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

By Order of the Board

Wong Yoen Har
Company Secretary
Singapore, 31 March 2017

奉董事会之命

黄婉霞女士
公司秘书
新加坡, 2017年3月31日

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a Member of the Company.
2. If a Shareholder being a Depositor whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act) wishes to attend and vote at the Meeting, then he/she/it must be shown to have shares entered against his name in the Depository Register, as certified by the CDP, at least forty-eight (48) hours before the time of the Meeting. If he wishes to appoint a proxy to attend the Meeting, he must complete and deposit the CDP Proxy Form at the office of the Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 at least forty-eight (48) hours before the time of the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company or a Depositor, as the case may be (i) consents to the collection, use and disclosure of the member or Depositor's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member or a Depositor discloses the personal data of the member or Depositor's proxy(ies) and/or representative(s) to the Company (or its agents), the member or Depositor has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member or Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member or Depositor's breach of warranty.

附注:

- (i) 有权出席年度股东大会（下称“会议”）并投票表决的本公司股东，可委托一名代理人，代为出席会议和表决。代理人无需是本公司股东。
- (ii) 一名列为寄存登记册（定义见证券与期货法第81SF段）的股东，有意出席会议并投票表决，必须在会议指定时间前的至少四十八（48）小时以自己的名义在寄存登记册中登记拥有股份，并由中央托收公司证明。若此人有意委托一名代理人出席会议，他必须填妥寄存人代理委托表格，并在会议指定时间前的四十八（48）小时投入送交新加坡股份过户登记办事处 Boardroom Corporate & Advisory Services Pte. Ltd., 地址为50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623。

个人资料隐私权:

通过提交文件以委托一名或多名代理人以及/或代表出席年度股东大会，并进行代言和投票，以及/或任何休会，本公司股东将同意让本公司（或其代理公司）收取、使用及分享股东的个人资料，以让本公司（或其代理公司）能够为年度股东大会事宜（包括任何休会）受委托代理人 and 代表进行处理和行政，并准备和汇集出席名单、会议记录和其他年度股东大会的相关文件（包括任何休会），让本公司（或其他代理公司）能够遵循适用法律、上市规则、规定以及/或指导原则（统称“用途”），(ii) 授权让本公司股东与本公司（或其代理公司）分享其代理人以及/或代表的个人资料，股东已获取代理人以及/或代表的同意，让本公司（或其代理公司）收取、使用和分享此代理人以及/或代表的个人资料，以达到上述用途。

In the event of any conflict between the English and Chinese versions in this Annual Report, the English version shall prevail
若此年报的中英文版本出现不一致时，以英文版本为准



SHANGHAI TURBO ENTERPRISES LTD
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