



Shanghai Turbo

SHANGHAI TURBO ENTERPRISES LTD.

No.9 Yinghua Road, Zhonglou Economic Development Zone
Changzhou, Jiangsu Province, 213016, the PRC

**SHANGHAI TURBO ENTERPRISES LTD.
Registration No. CT-151624
(Incorporated in the Cayman Islands)
AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021**



Table of Contents

A	Condensed consolidated statement of profit or loss and other comprehensive income	3
B	Condensed statements of financial position	4
C	Condensed statements of changes in equity	5
D	Condensed consolidated statements of cash flows	6-7
E	Notes to the condensed consolidated financial statements	8-20
F	Other information required by Listing Rule Appendix 7.2	21-27
G	Part II - Additional information required for full year announcement	28-29



A. Condensed consolidated statement of profit or loss and other comprehensive income

		The Group		
		12 months ended 31 Dec 2021	12 months ended 31 Dec 2020	Change + / (-)
	Note	RMB'000	RMB'000	%
Revenue	4	62,556	34,273	83%
Cost of sales		(47,780)	(38,174)	25%
Gross profit / (loss)		14,776	(3,901)	NM
Other income / (expenses)		2,732	2,760	-1%
Distribution and marketing expenses		(3,544)	(2,641)	34%
General and administrative expenses		(25,093)	(23,839)	5%
Finance expenses		(1,633)	(1,561)	5%
Loss before income tax	6	(12,762)	(29,182)	56%
Tax expenses	7	-	-	NM
Loss for the financial period, net of tax		(12,762)	(29,182)	56%
Other comprehensive (expenses) / income				
Items that may be reclassified to profit or loss in subsequent period (net of tax)				
Currency translation differences on consolidation of foreign entities (net)		(166)	(101)	NM
Total other comprehensive loss for the period		(166)	(101)	NM
Total comprehensive loss for the period		(12,928)	(29,283)	56%
Profit / (Loss) attributable to				
- Owners of the Company		(10,184)	(22,634)	55%
- Non-controlling interest		(2,578)	(6,548)	61%
Total comprehensive loss attributable to :				
- Owners of the Company		(10,317)	(22,712)	55%
- Non-controlling interest		(2,611)	(6,571)	60%
Earnings per share for profit / (loss) for the period attributable to the owners of the Company during the year :				
Basic (RMB in cent)		(41.815)	(106.238)	61%
Diluted (RMB in cent)		(41.815)	(106.238)	61%
Basic (SGD in cent)		(8.869)	(21.503)	59%
Diluted (SGD in cent)		(8.869)	(21.503)	59%
NM - Not meaningful				



B. Condensed statements of financial position

		The Group		The Company	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Note	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Current assets					
Cash and bank balances	15	552	3,811	10	1,392
Trade and other receivables	14	40,224	23,777	-	-
Inventories	13	10,600	7,773	-	-
Total current assets		51,376	35,361	10	1,392
Non-current assets					
Subsidiaries	12	-	-	161,889	156,236
Property, plant and equipment	10	53,199	61,400	-	-
Right-of-use assets	11	8,814	9,055	-	-
Financial assets at fair value through other comprehensive income		-	-	-	-
Total non-current assets		62,013	70,455	161,889	156,236
Total assets		113,389	105,816	161,899	157,628
LIABILITIES					
Current liabilities					
Trade and other payables	16	32,593	26,104	2,100	1,681
Provision	17	4,373	4,373	-	-
Borrowings	18	17,490	9,497	-	-
Due to subsidiaries (non-trade)		-	-	28,179	28,180
Total current liabilities		54,456	39,974	30,279	29,861
Non-current liabilities					
Deferred government grants		1,112	1,335	-	-
Total liabilities		55,568	41,309	30,279	29,861
NET ASSETS	9	57,821	64,507	131,620	127,767
EQUITY					
Equity attributable to equity holders of the Company					
Share capital	19	60,318	55,409	60,318	55,409
Share premium	20	79,803	78,470	79,803	78,470
Retained losses		(109,204)	(96,442)	(8,171)	(6,000)
Other Reserves					
Statutory reserve		30,526	30,526	-	-
Foreign exchange translation reserve		(3,622)	(3,456)	(330)	(112)
		26,904	27,070	(330)	(112)
Total equity		57,821	64,507	131,620	127,767



C. Condensed statements of changes in equity

The Group							
		Share capital	Share premium	Statutory reserve	Foreign exchnage	Retained losses	Total equity
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2021							
Balance at 1 January 2021		55,409	78,470	30,526	(3,456)	(96,442)	64,507
Issue of share capital		4,909	1,333	-	-	-	6,242
Total Comprehensive loss for the financial period		-	-	-	(166)	(12,762)	(12,928)
Balance at 31 December 2021		60,318	79,803	30,526	(3,622)	(109,204)	57,821
2020							
Balance at 1 January 2020		55,409	78,470	30,526	(3,355)	(67,214)	93,836
Total Comprehensive loss for the financial period		-	-	-	(101)	(29,228)	(29,329)
Balance at 31 December 2020		55,409	78,470	30,526	(3,456)	(96,442)	64,507
The Company							
		Share capital	Share premium	Statutory reserve	Foreign exchnage	Retained losses	Total equity
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2021							
Balance at 1 January 2021		55,409	78,470	-	(112)	(6,000)	127,767
Issue of share capital		4,909	1,333	-	-	-	6,242
Total Comprehensive loss for the financial period		-	-	-	(218)	(2,171)	(2,389)
Balance at 31 December 2021		60,318	79,803	-	(330)	(8,171)	131,620
2020							
Balance at 1 January 2020		55,409	78,470	-	-	(4,792)	129,087
Total Comprehensive loss for the financial period		-	-	-	- 112.00	(1,208)	(1,320)
Balance at 31 December 2020		55,409	78,470	-	- 112.00	(6,000)	127,767



D. Condensed consolidated statements of cash flows

	Note	The Group		
		12 months ended 31 Dec 2021	12 months ended 31 Dec 2020	Change +/(-)
		RMB'000	RMB'000	%
Cash flows from operating activities				
Loss before tax		(12,762)	(29,228)	56%
Adjustment for :				
Interest Income 利息收入		-	(53)	NM
Depreciation of property, plant and equipment		10,886	12,864	-15%
Amortisation of intangible assets		-	372	NM
Amortisation of right of use of assets		241	241	NM
Interest Expense		1,633	1,143	43%
Loss / (gain) on disposal of property, plant &		42	(26)	NM
Transfer from deferred capital grant		(223)	(223)	NM
Foreign Exchange loss/(gain), net		-	217	NM
Operating loss before working capital changes		(183)	(14,693)	-99%
Decrease / (increase) in inventories		(2,827)	(4,923)	-43%
Decrease / (increase) in trade & other Receivables		(16,447)	6,438	NM
(Decrease) / increase in trade & other Payables		6,489	12,751	-49%
Cash generated from / (used in) operations		(12,968)	(427)	2937%
Net taxation paid		-	-	NM
Net Cash from operating activities		(12,968)	(427)	2937%
Cash flow from investing activities				
Purchase of property, plant and equipment		(2,787)	(57)	4789%
Proceeds from disposal of property, plant and		60	292	-79%
Increase in share capital paid through special		4,909	-	NM
Increase in share premium paid through special		1,333	-	NM
Net cash generated from / (used in) investing activities		3,515	235	1396%
Cash flow from financing activities				
Withdrawal of pledged deposits		-	440	NM
Loan from banks		7,993	9,500	-16%
Repayment to banks		-	(13,303)	NM
Interest Expense		(1,633)	(1,143)	43%
Net cash generated from / used in financing activities		6,360	(4,506)	NM
Net (decrease) / increase in cash and cash equivalents		(3,093)	(4,698)	-34%
Cash and cash equivalents at beginning of the period		3,811	6,304	-40%
Effects of exchange rate changes in cash and cash equivalents		(166)	(125)	33%
Cash and cash equivalents at end of the period		552	1,481	-63%
Effects of exchange rate changes in cash and cash equivalent				
NM - Not meaningful				



Cash and bank balances comprise the following:

		The Group		
		12 months ended 31 Dec 2021	12 months ended 31 Dec 2020	Change + / (-)
	Note	RMB'000	RMB'000	%
Cash and cash equivalent		552	3,811	-86%
Pledged cash placed with bank		-	(589)	NM
		552	3,222	-83%
<i>NM - Not meaningful</i>				



E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Shanghai Turbo Enterprises Ltd. (the “Company”) is a limited liability company domiciled and incorporated in the Cayman Islands and listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). 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 Company has invested in Best Success (Hong Kong) Limited in Hong Kong as investment holding company and Best Success (Hong Kong) Limited has further invested in Changzhou 3D Technological Complete Set Equipment Co., Ltd (“CZ3D”) as manufacturing of vane products and relating subcontracting services.

The Group is a precision engineering group that specializes in the production of precision vane products, mainly 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 maximize the efficiency of steam flow in the generation of electricity.

2. Basic of preparation

The condensed financial statements for the year ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore and International Financial Reporting Standards (“IFRSs”). All references to SFRS(I)s and IFRSs are referred to as SFRS(I)s in these condensed interim financial statements unless otherwise specified. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Chinese Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB'000) as indicated, unless otherwise stated which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

On 1 January 2020, the Group adopted the new or amended SFRS and IFRS, the Interpretations of IFRS (“IFRIC”) 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 IFRIC. The adoption of these new or amended SFRS, IFRS and IFRIC 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.



2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

3. Seasonal operation

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.



4. Segment and revenue information

The Group is organised into one main business segment only.

4.1 Reportable Segment

	Note	Segment 1 RMB'000	Consolidation RMB'000
1 January 2021 to 31 December 2021			
Total segment revenue		62,556	62,556
Miscellaneous income		2,732	2,732
Total other income		2,732	2,732
Total revenue and other income		65,288	65,288
Depreciation		(11,127)	(11,127)
Finance expense		(1,633)	(1,633)
Segment profit		52,528	52,528
Unallocated expenses		(65,290)	(65,290)
Loss before taxation		(12,762)	(12,762)
Taxation		-	-
Earnings / (loss) for the interim period		(12,762)	(12,762)
Segment assets		113,389	113,389
Total assets per statement of financial position		113,389	113,389
Expenditures for segment non-current assets			
- Additions to PPE		(2,787)	(2,787)
Segment liabilities		54,456	54,456
Deferred government grants		1,112	1,112
Total liabilities per statement of financial position		55,568	55,568
1 January 2020 to 30 December 2020			
Total segment revenue		34,273	34,273
Miscellaneous income		2,760	2,760
Total other income		2,760	2,760
Total revenue and other income		37,033	37,033
Depreciation		(13,477)	(13,477)
Finance expense		(1,561)	(1,561)
Segment profit		21,995	21,995
Unallocated expenses		(51,177)	(51,177)
Loss before taxation		(29,182)	(29,182)
Taxation		-	-
Earnings / (loss) for the interim period		(29,182)	(29,182)
Segment assets		105,816	105,816
Total assets per statement of financial position		105,816	105,816
Expenditures for segment non-current assets			
- Additions to PPE		57	57
Segment liabilities		39,974	39,974
Deferred government grants		1,335	1,335
Total liabilities per statement of financial position		41,309	41,309



4.2 Reportable Segment

	Note	The Group	
		12 months ended 31 Dec 2021	
		Segment 1	Total
		RMB'000	RMB'000
Types of goods or services			
Sale of goods		62,556	62,556
Total revenue		62,556	62,556
Geographical information :			
China		58,112	58,112
Korea		3,149	3,149
Japan		1,295	1,295
Total revenue		62,556	62,556

	Note	The Group	
		12 months ended 31 Dec 2020	
		Segment 1	Total
		RMB'000	RMB'000
Types of goods or services			
Sale of goods		34,273	34,273
Total revenue		34,273	34,273
Geographical information :			
China		28,128	28,128
Korea		3,113	3,113
Japan		3,032	3,032
Total revenue		34,273	34,273

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 31 December 2020.

	Note	The Group		The Company	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		RMB'000	RMB'000	RMB'000	RMB'000
Financial Assets					
Cash and bank balances and trade and other receivables (Amortised cost)		40,776	27,588	10	1,392
Financial Liabilities					
Trade and other payables and borrowings (Amortised cost)		54,456	39,974	2,100	1,681



6. Profit before taxation

6.1 Significant items

		The Group		
		12 months ended 31 Dec 2021	12 months ended 31 Dec 2020	Change +/(-)
	Note	RMB'000	RMB'000	%
Income				
Miscellaneous income		2,732	2,760	-1%
Expenses				
Interest on borrowings		(1,633)	(1,143)	43%
Depreciation of property, plant and equipment and amortisation on use of rights		(11,127)	(13,477)	-17%
Loss / (gain) on disposal of property, plant & equipment		(42)	26	NM

6.2 Related party transaction

There is no material related party transaction apart from those disclosed elsewhere in the financial statements.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

		The Group		
		12 months ended 31 Dec 2021	12 months ended 31 Dec 2020	Change +/(-)
	Note	RMB'000	RMB'000	%
Current income tax expense		-	-	NM
Deferred income tax expense relating to origination and reversal of temporary differences		-	-	NM
		-	-	NM

8. Dividends

		The Group		
		12 months ended 31 Dec 2021	12 months ended 31 Dec 2020	Change +/(-)
	Note	RMB'000	RMB'000	%
Ordinary dividends paid:		-	-	NM
Interim dividend		-	-	NM
Dividend per share (net of tax)		-	-	NM



9. Net Assets Value

	Note	The Group		The Company	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		RMB	RMB	RMB	RMB
Net assets value per ordinary share		1.895	2.348	4.313	4.651

10. Right-of-use assets

	Note	The Group		The Company	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		RMB'000	RMB'000	RMB'000	RMB'000
Cost					
Beginning of financial year		12,547	12,547	-	-
End of interim period		12,547	12,547	-	-
Accumulated depreciation and impairment losses					
Beginning of financial year		3,492	3,251	-	-
Depreciation charge for the interim period		241	241	-	-
End of interim period		3,733	3,492	-	-
Net book value		8,814	9,055	-	-

The Group has 50-year 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 has a remaining tenure of 35 years (2020: 36 years).

As at 31 December 2021, the entire land use right is pledged in connection with a bank facility including both bill payable facilities and bank loans.

Impairment testing of land use right

No impairment loss is recognised in 4Q FY2021 (2020: Nil), as the Group has estimated the recoverable amount of the land use rights to be higher than the net carrying amount. The recoverable amount of the land use rights was based on its fair value on 31 December 2019. Valuations are performed by Avista Group, an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the land use rights being valued. The valuations are based on comparable market transactions that consider the sales of similar assets that have been transacted in the open market.

11. Property, plant and equipment

Property, plant and equipment ("PPE"), right of use of assets and intangible assets as at YTD 4Q FY2021 was RMB62.01 million as compared to RMB70.46 million as at YTD 4Q FY2020. The decrease was mainly due to depreciation in YTD 4Q FY2021 amounting to RMB10.89 million and disposal of old plant and machineries with the loss on disposal for RMB0.42 million. During YTD 4Q 2021, the Group has purchased the new plant and machineries amounting to RMB2.70 million and a motor vehicle amounting to RMB0.09 million.



12. Subsidiaries

	Note	The Group		The Company	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		RMB'000	RMB'000	RMB'000	RMB'000
Unquoted equity shares at cost		-	-	161,889	156,236
Purchase consideration					
Cash paid		-	-	156,236	156,236
Additional as at 25 June 2021		-	-	5,653	-
Total		-	-	161,889	156,236

Name of subsidiaries	Note	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interest	
				31 December 2021	31 December 2020
				%	%
Held by the Company					
Best Success (Hong Kong) Limited ("BS")	(1)	Investment holdings	Hong Kong	100	100
Held by BS					
Changzhou 3D Technological Complete Set Equipment Co., Ltd ("CZ3D")	(2)	Manufacturing of vane products and relating	China	100	100

(1) Audited by S. W. Chan & Co, Hong Kong and reviewed by RT LLP for consolidation purpose.

(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 RT LLP for consolidation purpose.

Impairment assessment of investment in subsidiaries

No impairment loss is recognized in 2021 and 2020, as the Group has estimated the recoverable amount of the investment in subsidiaries to be higher than the net carrying amount.

13. Inventories

	Note	The Group		The Company	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
		RMB'000	RMB'000	RMB'000	RMB'000
Statements of Financial Position :					
Inventories :					
Raw material		159	1,551	-	-
Work-in-progress		8,488	2,702	-	-
Finished goods		1,953	3,520	-	-
Total		10,600	7,773	-	-

As at YTD 4Q FY2021, inventories stood at RMB10.60 million (YTD 4Q FY2020: RMB7.77 million) mainly consist of WIP inventory amounting to RMB8.49 million (YTD 4Q FY2020: RMB2.70 million), newly purchased raw materials amounting to RMB0.02 million (YTD 4Q FY2020: RMB1.55 million) and finished goods amounting to RMB1.95 million (YTD 4Q FY2020: RMB3.52 million) to fulfill the sales orders.



14. Trade and other receivables

		The Group		The Company	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables					
Bill receivables		7,839	2,834	-	-
Trade receivables		27,084	20,119	-	-
Total trade receivables		34,923	22,953	-	-
Other receivables					
Advances to suppliers		479	367	-	-
Advances to employees		362	71	-	-
Prepayments		260	286	-	-
Tender deposits		200	100	-	-
Other receivables		4,000	-	-	-
Total other receivables		5,301	824	-	-
Total trade and other receivables		40,224	23,777	-	-

		The Group		The Group	
		31 December 2021	31 December 2021	31 December 2020	31 December 2020
	Note	RMB'000	%	RMB'000	%
Customer :					
A		19,215	55%	21,662	94%
B		828	2%	630	3%
Others		14,880	43%	661	3%
Total		34,923	100%	22,953	100%
Aged (Days)					
0-90		19,750	57%	10,689	47%
91-180		9,886	28%	7,051	31%
181-270		4,186	12%	2,934	13%
More Than 270		1,101	3%	2,279	10%
Total		34,923	100%	22,953	100%

Trade receivables :

Reflecting the current business turnover, trade receivables increased from RMB22.95 million in YTD 4Q FY2020 to RMB34.92 million in YTD 4Q FY2021 due to the Subsidiary's collection of debts amounting to RMB47.99 million during YTD 4Q FY2021. The Subsidiary currently has bill receivables on hand amounting to RMB7.84 million which will be due from 29 January 2022 till 30 November 2022.

These outstanding amounts are not owing to any related parties.

These debtors are not related to any directors, key executives, substantial shareholders or their respective associates.

These customers are still in operation.

Based on the assessment performed by the management on the current trade receivables, they are still recoverable although payment may be slow, barring any unforeseen circumstances or changes to the business environment and sluggish market conditions. The management is of the view that the Group has unconditional rights on trade receivables including unbilled trade receivables as at 31 December 2021.



The Board of Directors of the Company ("the Board") has assessed the recoverability of the Group's trade receivables based on the contracts signed with the customers and the acceptance of the goods by the customer. The Board will, together with management, closely monitor the recovery of the Group's trade receivables.

Other receivables :

Other receivables amounting to RMB5.30 million in YTD 4Q FY2021 as compared to RMB0.82 million in YTD 4Q FY2020 as the Subsidiary has provided loan to interested person transaction amounting to RMB4 million since 21 May 2021 to 31 December 2021 (YTD 4Q FY2021: RMB4 million, YTD 4Q FY2020: RMB0), an increase in cash advances to employees while the employees are visiting the customers at outstations during such period (YTD 4Q FY2021: RMB0.36 million; YTD 4Q FY2020: RMB0.07 million); increase in advances to suppliers (YTD 4Q FY2021: RMB0.48 million, YTD 4Q FY2020: RMB0.37 million) and increase in tender deposit (YTD 4Q FY2021: RMB0.2 million, YTD 4Q FY2020: RMB0.1 million).

15. Cash and bank balances

		The Group		The Company	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Cash in hand		124	5	-	-
Bank balances		428	3,806	10	1,392
Cash and bank balances as stated in the statement of financial		552	3,811	10	1,392
Less: Pledged deposits		-	(589)	-	-
Cash and cash equivalents as stated in the consolidated		552	3,222	10	1,392

16. Trade and other payables

		The Group		The Company	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables					
Bill payables		-	180	-	-
Trade payables		24,408	17,505	-	-
Total trade payables		24,408	17,685	-	-
Other payables					
Accrued operating expenses		3,232	2,488	1,678	1,681
Accrued employee benefits		2,165	2,450	-	-
Advance from customers		364	811	-	-
Shipping fee payable		5	5	-	-
Security fee payable		27	109	-	-
Legal and professional fee payable		1,076	1,076	-	-
Electricity bill payable		300	217	-	-
Labor union expenditure payable		55	44	-	-
Value-Added Tax payables		356	548	-	-
Other taxes payable		338	308	-	-
Other payables		267	363	-	-
Total other payables		8,185	8,419	2,100	1,681
Total trade and other payables		32,593	26,104	2,100	1,681



Trade payables

The trade payables increased by RMB6.72 million from RMB17.69 million in YTD 4Q FY2020 to RMB24.41 million in YTD 4Q FY2021 due to increase in procurement for trading activities during YTD 4Q FY2021.

Other payables :

Other payables and accruals decreased by RMB0.23 million from RMB8.42 million as at YTD 4Q FY2020 to RMB8.19 million in YTD 4Q FY2021. This was mainly due to accruals of staff costs amounting to RMB2.17 million in YTD 4Q 2021 (YTD 4Q FY2020: RMB2.45 million), security fee payables amounting to RMB0.03 million in YTD 4Q 2021 (YTD 4Q FY2020: RMB0.11 million) and VAT tax payables amounting to RMB0.36 million (YTD 4Q FY2020: RMB0.55 million).

17. Provisions

CZ3D was served with a notice dated 2017 by the local government agency which required the subsidiary to provide compliance documents relating to its leasehold buildings in accordance with relevant laws and regulations in PRC ("the Notice"). The buildings were constructed in 2003 without obtaining relevant permits from government.

Provision for government fine

As at 31 December 2017, the management estimated and provided for government fine of RMB4,373,000 which is 10% of the replacement cost estimated by a certified cost engineer. In accordance with relevant laws and regulations as advised by CZ3D's legal counsel, 10% is the upper limit of the fine prescribed, ranging from 5% to 10% of replacement cost.

Contingent liability on rectification cost

In addition to the fine, in order to apply for building permit of the relevant properties, it may be necessary to incur costs to improve or reinforce the properties to comply with relevant regulations ("rectification costs"), if any and as noted by government agency.

The management has obtained legal opinion from the subsidiary's legal counsel stating that the Notice indicates the local government has commenced administrative enforcement procedures for relevant properties. It is still at the stage of investigation and evidence collection, and has yet to reach the stage to file "letter of statement of averment", nor represents final administrative conclusive document. The legal counsel advised that CZ3D shall actively apply for and complete the necessary legal procedures for the relevant properties and, if the government agency continues to conduct investigations, the subsidiary can explain to the government on the progress of the legal procedures of the relevant properties and strive for understanding. Since 2017 and up to the date these financial statements are authorised for issue, the management confirms that CZ3D has received neither further information regarding the investigation nor notification of the specific necessary rectification from the government agency.

18. Borrowings

		The Group		The Company	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Borrowings		17,490	9,497	-	-
Amount repayables within one year or on					
Secured	*#	9,490	9,497	-	-
Unsecured	~	8,000	-	-	-
Total		17,490	9,497	-	-



Description	Note	RMB'000	Started Date	Expired Date	Interest Rate Per Annum
Secured Loan	*#	5,990	2 Nov 2021	14 Feb 2022	5.910%
Secured Loan	*#	3,500	2 Nov 2021	14 Feb 2022	5.910%
		9,490			
Secured Loan	*	10,000	14 Feb 2022	26 Jan 2023	4.200%
Secured Loan	*	10,000	14 Feb 2022	26 Jan 2023	4.200%
Secured Loan	*	10,000	16 Feb 2022	26 Jan 2023	4.200%
Unsecured Loan	~	4,400	31 Mar 2021	18 Mar 2022	4.350%
Unsecured Loan	~	1,600	31 Mar 2021	30 Mar 2022	4.350%
Unsecured Loan	~	2,000	30 Jul 2021	18 Jun 2022	4.350%
Total loans at 28 February 2022		38,000			
*# Secured by right-of-use assets and repaid at 14 Feb 2022.					
* Secured by right-of-use assets since February 2022.					

The bank borrowings and credit facilities of the Group are secured over certain right-of-use assets of the Group which the valuation amount is RMB32.05 million valued by Jiangsu Xin Da Lu Housing Property Valuation Company on 22 February 2019 which is appointed by Jiangnan Rural Commercial Bank ("the Bank").

Notes :

In 2Q FY2018, Changzhou 3D Technological Complete Set Equipment Co., Ltd ("the Subsidiary") had obtained 2 trade facilities totaling RMB16 million from Jiangnan Rural Commercial Bank ("the Bank"). The 1st trade facility arrangement of RMB6 million was made on 21 June 2018 and the 2nd trade facility arrangement of RMB10 million was made on 5 July 2018. The facilities were collateralized by assets (machineries) of the Group. The short term loans of RMB6 million were pledged with machineries and was paid off on 21 June 2019 while the other loan of RMB10 million was paid off on 4 July 2019.

The Subsidiary has subsequently obtained a loan facility of RMB10 million by pledging its right-of-use assets with the Bank on 4 July 2019. A 2nd loan of RMB6 million was secured from the Bank on 10 July 2019. Then, the Subsidiary has repaid loans amounts of RMB2.70 million during 4Q FY2019, RMB0.90 million in January 2020 and RMB0.90 million in February 2020. Subsequently, the Subsidiary has repaid loan of RMB5.50 million in May 2020 and fully repaid the short term loan of RMB6 million due on 19 June 2020.

The Bank has provided a new loan RMB6 million for one year tenure from 19 June 2020 to 18 June 2021. The Subsidiary has further obtained a new loan amounting to RMB3.50 million charged against its current right-of-use assets. The loan from the Bank has increased from RMB6 million on 19 June 2020 to RMB9.50 million on 12 August 2020. The Subsidiary has repaid the loan of RMB6 million to the Bank and the Bank has renewed a Loan for the period from 15 June 2021 to 8 November 2021 with interest rate of 5.21% per annum amounting to RMB5.99 million. Thereafter, the loan of RMB3.50 million was repaid on 26 July 2021 and subsequently renewed for the period up to 8 November 2021 with interest rate of 5.21% per annum. The secured loan in the Bank amounting to RMB9.49 million is charged against the current right-of-use assets

On 2 November 2021, the Subsidiary has fully repaid the loans of RMB5.99 million and RMB3.5 million and 2 new secured new loans have awarded by the Bank for the period from 2 November 2021 to 30 July 2022 amounting to RMB5.99 million and RMB3.5 million respectively with interest rate of 5.91% per annum.

On 14 February 2022 and 16 February 2022, the Bank has provided RMB30 million loan to the Subsidiary with interest rate of 4.2% per annum with loan expiry date on 26 January 2023.

The Subsidiary has further obtained a new non-secured loan amounting to RMB6 million with interest rate of 4.35% per annum on 31 March 2021 from Bank Of Communications Limited ,Wujin Branch in Changzhou, Jiangsu China ("BOC") which RMB4.4 million will be expiring on\ 18 March 2022 and RMB1.6 million will be expiring on 30 March 2022. BOC has further released a new non-secured loan amounting to RMB2 million on 30 July 2021 with interest rate of 4.35% per annum to the Subsidiary which will be expiring on 18 June 2022.



19. Share capital

		The Group		The Company	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Note	No. of shares	No. of shares	No. of shares	No. of shares
Authorized		200,000,000	200,000,000	200,000,000	200,000,000
Issued and fully paid					
At beginning		27,468,473	27,468,473	27,468,473	27,468,473
Additional : share capital paid at 24 May 2021		3,051,527	-	3,051,527	-
At end of the period		30,520,000	27,468,473	30,520,000	27,468,473

		The Group		The Company	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Note	USD'000	RMB'000	RMB'000	RMB'000
Issued and fully paid @ USD0.25 per share					
At beginning		6,867	6,867	6,867	6,867
Additional : share capital paid at 24 May 2021		763	-	763	-
At end of the period		7,630	6,867	7,630	6,867

		The Group		The Company	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Issued and fully paid					
At beginning		55,409	55,409	55,409	55,409
Additional : share capital paid at 24 May 2021		4,909	-	4,909	-
At end of the period		60,318	55,409	60,318	55,409

The Company did not hold any treasury shares as at 31 December 2021.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 31 December 2020.

20. Share premium

		The Group		The Company	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Issued and fully paid					
At beginning		78,470	78,470	78,470	78,470
Additional : share capital paid at 24 May 2021		1,333	-	1,333	-
At end of the period		79,803	78,470	79,803	78,470



21. Subsequent events

There are no known subsequent events which have led to adjustments to this set of financial statements.

The financial effects of the above transaction have not been included in this financial statements for the year ended 31 December 2021. The operating results and assets and liabilities of the company will be reflected in the YTD 4Q FY2021's financial statements and full year financial statements for 2021.

The Subsidiary has repaid the secured loan amounting to RMB9.49 million with the Bank on 14 February 2022.

The Subsidiary has obtained a new secured loan amounting to RMB10 million on 14 February 2022 and RMB20 million on 16 February 2022 with the Bank at interest rate of 4.2% per annum.



F. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of Shanghai Turbo Enterprises Ltd. and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the nine-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Overview

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

Revenue

4Q FY2021 vs 4Q FY2020

Revenue increased by 83% from RMB34.27 million in 4Q FY2020 to RMB62.56 million in 4Q FY2021 mainly due to the Subsidiary's prompt delivery of orders as requested by the 2 major local customers during 4Q FY2021. During 4Q FY2021, the Subsidiary has aggressively bided for tenders and the major customer has awarded the Subsidiary with a tender amounting to RMB50.51 million (4Q FY2020: RMB125.66 million). The Subsidiary has also signed a few contracts amounting to RMB31.23 million in 4Q FY2021 (4Q FY2020: RMB63.03 million) and delivered goods amounting to RMB35.19 million during 4Q FY2021 (4Q FY2020: RMB24.80 million).

Cost of Sales

4Q FY2021 vs 4Q FY2020

Cost of sales increased by 25% from RMB38.17 million in 4Q FY2020 to RMB47.78 million in 4Q FY2021 mainly due to the increase in revenue from RMB34.27 million in 4Q FY2020 to RMB62.56 million in 4Q FY2021. The cost of sales in 4Q FY2021 represented 76% as compared to revenue and the cost of sales in 4Q FY2020 represented 111% as compared to revenue.

Gross profit / (gross loss)

4Q FY2021 vs 4Q FY2020

The Group achieved a gross profit amounting to RMB14.78 million in 4Q FY2021 as compared to a gross loss of RMB3.90 million in 4Q FY2020. The gross profit was due to cost cutting measures on purchasing of certain raw material such as cutters and spare parts for production. In addition, the Subsidiary has closely monitored the direct and in-direct overheads during the year

Other operating income

4Q FY2021 vs 4Q FY2020

Other operating income decreased by 1% from RMB2.76 million in 4Q FY2020 to RMB2.73 million in 4Q FY2021. The other operating income consists mainly of sales of scraps and wastage iron (4Q FY2021: RMB2.05 million; 4Q FY2020: RMB1.74 million) including receipt of out of court settlement (4Q FY2021: RMB0.23 million; 4Q FY2020: RMB0.78). The Group has received out of court settlement amounting to RMB0.23 million on 5 February 2021 and 23 February 2021 through Mr. Liu Ming.

***Selling and distribution expenses***

4Q FY2021 vs 4Q FY2020

Selling and distribution expenses increased by 34% from RMB2.64 million in 4Q FY2020 to RMB3.54 million in 4Q FY2021 mainly due to increase in sales quality control expenses (4Q FY2021: RMB0.56 million; 4Q FY2020: RMB0.06 million), sales tender cost (4Q FY2021: RMB0.45 million; 4Q FY2020: RMB0), repair and maintenance expenses (4Q FY2021: RMB0.06 million; 4Q FY2020: RMB0.01 million), travelling expenses (4Q FY2021: RMB0.06 million; 4Q FY2020: RMB0.05 million), staff costs (4Q FY2021: RMB0.72 million; 4Q FY2020: RMB0.71 million) and decrease in entertainment expenses (4Q FY2021: RMB1.67 million; 4Q FY2020: RMB1.80 million).

Administrative expenses

4Q FY2021 vs 4Q FY2020

Administrative expenses increased by 5% from RMB23.84 million in 4Q FY2020 to RMB25.09 million in 4Q FY2021. The decrease was mainly due to decrease in depreciation cost (4Q FY2021: RMB6.43 million; 4Q FY2020: RMB6.78 million), staff cost (4Q FY2021: RMB5.42 million; 4Q FY2020: RMB5.63 million), legal fee (4Q FY2021: RMB0.09 million; 4Q FY2020: RMB1.16 million), audit fee (4Q FY2021: RMB0.77 million; 4Q FY2020: RMB0.78 million), staff welfare expenses (4Q FY2021: RMB0.84 million; 4Q FY2020: RMB0.9million), office expenses (4Q FY2021: RMB0.06 million; 4Q FY2020: RMB0.15 million), and increase in employee social benefit expense (4Q FY2021: RMB4.01 million; 4Q FY2020: RMB1.54 million), employee compensation costs (4Q FY2021: RMB1.27 million; 4Q FY2020: RMB0.21 million), motor vehicle expenses (4Q FY2021: RMB0.37 million; 4Q FY2020: RMB0.11 million) and water and electricity (4Q FY2021: RMB0.82 million; 4Q FY2020: RMB0.71 million).

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

4Q FY2021

The Group's net cash used in operating activities amounting to RMB12.97 million arising from loss before income tax adjusted for non-cash effects items of RMB12.76 million after accounting of negative changes in working capital amounting to RMB12.79 million.

The Group's has investing activities in 2Q FY2021. There was a private placement completed on 24 May 2021 with capital of RMB4.91 million and share premium of RMB1.33 million received. The Group has also received proceeds for the sale of plant and machinery amounting to RMB0.06 million during 4Q FY2021. The Group has purchased plant and machineries amounting to RMB2.70 million and a motor vehicle of RMB0.9 million in 4Q FY2021.

The Group's net cash generated from financing activities amounting to RMB6.36 million mainly due to the Group has obtained a new non-secured loan amounting to RMB8 million from BOC with interest payment for bank loan amounting to RMB1.63 million in 4Q FY2021.

In 4Q FY2021, the Group had a negative cash outflow of RMB3.09 million.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer opinion**(i) Updates on the efforts taken to resolve each outstanding audit issue**

In the Group's latest audited financial statements for the financial year ended 31 December 2020 ("FY2020"), RT LLP ("EA") has issued a disclaimer of opinion in respect of: (i) Going concern assumption; (ii) Impairment testing on property, plant and equipment; (iii) Impairment assessment of investment in subsidiaries; and (iv) Opening balances and comparative figures.

Going concern assumption

The Group has successfully renewed the secured loan facility with the Bank at interest rate of 5.21% per annum



on 15 June 2021. In 2021, the Group has further obtained an un-secured loan for RMB8 million from BOC with interest rate of 4.35% per annum. The Group has subsequently received non-secured loans of RMB6 million on 31 March 2021 and RMB2 million on 30 July 2021 respectively. The Group has fully repaid the loan of RMB9.49 million to the Bank on 14 February 2022. Subsequently, the Group has obtained a new secured loan amounting to RMB10 million on 14 February and RMB20 million on 16 February 2022 from the Bank at interest rate of 4.2% per annum. The Group is able to maintain and work on improving its liquidity position for the continuing operational existence of the Subsidiary, Changzhou 3D Technological Complete Set Equipment Co., Ltd. ("CZ3D").

The Group has addressed the immediate issue on the going concern issued by the EA. Based on the information available, the Board of the Directors ("the Board") is of the opinion that the Company should be able to operate as a going concern entity, barring any unforeseen circumstances.

The Board has taken efforts to resolve the audit issues raised by the EA under the disclaimer of opinion.

(ii) Confirmation from the Board that the impact of outstanding audit issues on the financial statements have been adequately disclosed

The Board confirms that all impact of outstanding audit issues on financial statements in relation to FY2020 have been adequately disclosed.

4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

China's economy expanded 8.1% last year, far exceeding the government's own targets. But weakening growth in the closing months of 2021 suggests that trouble is still on the horizon as the country contends with a deepening real estate crisis, renewed COVID-19 outbreaks ("the Pandemic") and Beijing's strict no-tolerance approach to controlling the virus. The Group is not directly involved in the sectors which are severely impacted by the Pandemic.

The Group has taken aggressive steps in bidding for the tender awards from the major customer since 2019 to 2021. The awarded contracts for years 2019 to 2021 amounted to RMB203.13 million, the contract to be signed on hand amounted to RMB109.69 million as at 31 December 2021. The goods delivered to the major customers for years 2019 to 2021 amounted to RMB65.32 million.

The Group has further improved the controls in procurement and production to reduce loss margin. CZ3D has gross profit amounting to RMB14.78 million for the period from 1 January 2021 to 31 December 2021 which has proved that the management team has been taking steps and efforts improving the production efficiency of the Group.

5. Dividends information

(a) Current Financial Period Reported On

None

(b) Corresponding Period of the Immediately Preceding Financial Year

None

(c) Date payable

Not applicable

(d) Record date

Not applicable

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

No dividend has been declared as the Group has been incurring losses since year 2017.



6. Interested person transaction

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

There is material related party transactions apart from those disclosed elsewhere in the financial statements.

The Group has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the Audit Committee ("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:-

IPT Transaction : Started by 21 May 2021 and ended at 31 December 2021

Name of Interested Person	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)	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)
Loan to major shareholder, holding 26.998%, Mr. Liu Ming	RMB4,106,784	Not Applicable

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.

There are no interested person transactions entered into by the Group with the Borrower and his associates (excluding transactions which are less than S\$100,000 and the Loan Agreement which is the subject of this announcement) for the current financial year commencing 1 January 2020 up to the date of this announcement on 27 May 2021.

Based on the latest audited consolidated financial statements of the Company for the financial year ended 31 December 2019, the Group's latest audited net tangible assets ("Group NTA") is approximately RM93.84 million as at 31 December 2019.

The Loan of RMB4 million provided to Mr. Liu Ming and the interest payable of RMB106,307 are approximately 4.376% of the Group NTA. Accordingly, no approval of the shareholders of the Company ("Shareholders") is required to be sought for the Loan pursuant to Rule 906(1)(b) of the Listing Manual of SGX-ST. This announcement is being made by the Company pursuant to Rule 905(2) of the Listing Manual of SGX-ST as the aforesaid percentage figure exceeded the relevant threshold of 3.0%.

For the financial year commencing 1 January 2020 up to the date of this announcement, the aggregate value of all transactions entered into by the Group with all interested persons (excluding transactions which are less than S\$100,000 and the Loan Agreement which is the subject of this announcement) is stated as above.



IPT Transaction : Started by 31 December 2021 and ended at 31 December 2022

Name of Interested Person	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)	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)
Loan to major shareholder, holding 26.998%, Mr. Liu Ming	RMB3,224,415	Not Applicable

Based on the latest audited consolidated financial statements of the Company for the financial year ended 31 December 2020 ("FY2020"), the Group's latest audited net tangible assets ("Group NTA") is approximately RM64.51 million.

A New Loan of RMB3.09 million granted to Mr Liu Ming and the interest payable of RMB134,415 are approximately 4.998% of the Group NTA for FY2020. Accordingly, no approval of the shareholders of the Company ("Shareholders") is required to be sought for the Loan pursuant to Rule 906(1)(b) of the Listing Manual of SGX-ST. This announcement is being made by the Company pursuant to Rule 905(2) of the Listing Manual of SGX-ST as the aforesaid percentage figure exceeded the relevant threshold of 3.0%.

For the financial year commencing 1 January 2021 up to the date of this announcement, the aggregate value of all transactions entered into by the Group with all interested persons (excluding transactions which are less than S\$100,000 and the Loan Agreement which is the subject of this announcement) is stated as above.

7. Update on use of net proceeds from placement

The Board refers to the previous announcements released on 25 June 2021 and 19 July 2021 in relation to the Use of Net Proceeds of approximately S\$1,235,420.92 raised from the Placement of 3,051,527 new ordinary shares at S\$0.423 each in the issued and paid-up share capital of the Company on 24 May 2021 (the "Net Proceeds") and wishes to provide an update on the use of Net Proceeds as of date of this announcement:

Description	SGD	RMB	HKD
Net Proceeds Raised as at 25 May 2021	1,235,420.92	*5,968,194.92	*7,224,741.54
Working Capital Required and Utilized on 25 June 2021	#1,206,703.83	5,653,548.77	6,903,340.00
Balance of Net Proceeds as at 30 June 2021	28,717.09	314,646.15	321,401.54
Working Capital Required and Utilized on 19 July 2021	28,717.09	314,646.15	321,401.54

Notes :

* The calculation is based on the Monetary Authority of Singapore's ("MAS") exchange rates as at 25 May 2021 with SGD1 = RMB4.8309 and SGD1 = HKD5.848.

The amount is extracted from the bank debit advice as at 25 June 2021.

The balance of the Net Proceeds as at 25 June 2021 amounting to SGD28,717.09 was placed in the escrow account maintained with The United Overseas Bank Limited in Singapore. The amount of SGD28,717.09 has been utilized to make the partial payment of Directors' Fees for the financial year ending 31 December 2021 which was approved at the Extraordinary General Meeting held on 31 March 2021 and due for payment on 30 June 2021. This amount has been deducted from the Company's bank account on 19 July 2021.

The above utilizations are in line with the intended uses of the Net Proceeds stated in the Company's



announcement released on 27 April 2021.

THE PLACEMENT

On 24 May 2021, the Company issued 3,051,527 new ordinary shares via share placement to one investor at an issue price of SGD0.423 per share, raising gross proceeds of approximately SGD1,290,795.92 ("the Placement"). The estimated Net Proceeds from the Placement (after deducting professional fees and related expenses of approximately S\$55,375) are approximately S\$1,235,420.92.

The Board of CZ3D has requested the Company to raise working capital for its daily operation amounting to RMB5,653,548.77 with the purpose of repayment of trade payables and procurement of machinery on 18 June 2021.

The Board of CZ3D has further commented that such working capital should be deposited to CZ3D through increasing of share capital by its foreign investor, Best Success (Hong Kong) Limited ("BS"). BS is holding 100% shareholdings of CZ3D and it is a company incorporated in Hong Kong.

On 31 May 2021, the Board of BS held a Board Meeting and a Board Minutes were recorded. 2 members of the Board of BS were present at the Board Meeting and 1 member was absent on 31 May 2021. The Board Minutes dated 31 May 2021 were notarized through the lawyer of Hong Kong, Liang Jin Ming, on 16 June 2021 and validated by The Ministry of Justice of The People's Republic of China entrusted Hong Kong lawyers with notarized documents used in the Mainland, China Legal Services (Hong Kong) Co., Ltd., Shenzhen No. 32951 «中华人民共和国司法部委托香港律师办理内地使用的公证文书，中国法律服务（香港）有限公司，深办第32951号» dated 17 June 2021.

On 18 June 2021, the Board of CZ3D held a Board Meeting and 2 Board Resolutions were signed by 2 out of 3 members of the Board of CZ3D. One resolution agreed that BS will increase the share capital of RMB5,653,548.77 of CZ3D and CZ3D will use the share capital of RMB5,653,548.77 to make the repayment to trade payables accounts as well as procurement of machineries.

On 25 June 2021, after reviewing the Board Resolutions of CZ3D, Board Minutes of BS and Notarized Documents of BS, the Board of the Company, 3 out of 4 have agreed to transfer the money of HKD6,903,340 equivalent to RMB5,653,548.80 to BS. The Board of the Company has agreed to use the Net Proceeds of HKD6,903,340 equivalent to RMB5,653,548.80 to increase the share capital of BS. Then, when BS received the Net Proceeds of HKD6,903,340, BS will transfer the sum to the bank account of CZ3D to increase the share capital of CZ3D to RMB5,653,548.80. Thereafter, CZ3D will use the money to pay the trade payables accounts and procurement of machineries.

The Company has utilized the Net Proceeds through injection of share capital of HKD6,903,340 (RMB5,653,548.77) from the Company to BS. Then, BS will further inject the share capital of RMB5,653,548.77 to CZ3D. Under China's Banking Rule and Regulations, as the Company does not have any direct relationship with CZ3D, the Net Proceeds could not transfer from the Company to CZ3D directly. Hence, the Net Proceeds has to be channeled through BS to CZ3D and CZ3D has lodged a report with Changzhou Municipal Bureau of Industry and Commerce (常州市工商局) to allow CZ3D to open a foreign investor injection fund bank account to receive the Net Proceeds amounting RMB5,653,548.77 from BS.

On 28 June 2021, Changzhou Municipal Bureau of Industry and Commerce (常州市工商局) has granted approval to approve CZ3D to update its share capital paid from RMB111,846,451.23 to 117,500,000 and the amount must deposit during July 2021. On 19 July 2021, CZ3D has received the share capital paid RMB5,653,548.77 from BS.

On 7 July 2021, CZ3D has successfully opened such foreign investor injection fund bank account with China Construction Bank and BS has transferred the amount of RMB5,653,548.77 to CZ3D at 4.16 pm on 13 July 2021 and this amount has been credited to CZ3D's foreign investor injection fund bank account on 19 July 2021.

On 13 July 2021, CZ3D has received the new purchased plant and machineries, namely 数控强力双头成形磨床 .MKLD7150 amounting to RMB1.72 million and it has completed fixed and used at 1 August 2021.

On 16 August 2021, CZ3D has received the new purchased plant and machineries, namely 数控机器人喷丸机 .KXS-3000P amounting to RMB0.94 million and it has completed fixed and used at 1 September 2021.



RATIONALE AND USE OF NET PROCEEDS

The Board of the Company is of the view that the Placement is beneficial to the Group as it has increased the resources and working capital available to the Company so as to pursue acquisition and/or business opportunities and improve cash flow, as part of management's strategy to achieve long-term growth and deliver shareholder value.

The estimated Net Proceeds from the Placement (after deducting professional fees and related expenses of approximately S\$55,375) are approximately S\$1,235,420.92 (the "Net Proceeds").

The Company intends to utilize the entire amount of the Net Proceeds for general working capital purposes to be used by the Company and CZ3D.

The Company has utilized the Net Proceeds through injection of share capital of HKD6,903,340 (RMB5,653,548.77) from the Company to BS. Then, BS will further inject the share capital of RMB5,653,548.77 to CZ3D. Under China's Banking Rule and Regulations, as the Company does not have any direct relationship with CZ3D, the Net Proceeds cannot be directly transferred from the Company to CZ3D. Therefore, the Net Proceeds must be channelled through BS. Thereafter, BS can then transfer it to CZ3D. CZ3D must lodge a report with Changzhou Municipal Bureau of Industry and Commerce (常州市工商局) and CZ3D has to open a foreign investor injection fund bank account to receive the Net Proceeds amount of RMB5,653,548.80 from BS.

The Company will comply with the rules and regulations of Cayman Islands, Singapore, Hong Kong and China on the utilization of the Net Proceeds.

The above utilization is in line with the intended uses of the Net Proceeds stated in the Company's announcement released on 27 April 2021.

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.



G. Part II - Additional information required for full year announcement

- 1. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year.**

By Geographical Segments

Revenue Country	Note	Group		Group	
		31 Dec 2021		31 Dec 2020	
		RMB'000	%	RMB'000	%
China		58,112	93%	28,128	82%
Korea		3,149	5%	3,113	9%
Japan		1,295	2%	3,032	9%
Total revenue		62,556	100%	34,273	100%

- 2. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

The factors relating to material changes in contributions to turnover and earnings are stated in Section F.

- 3. A breakdown of sales.**

	Note	Financial Year		Increase /
		31 Dec 2021	31 Dec 2020	Decrease
		RMB'000	RMB'000	%
(a) Sales reported for first half year		26,270	9,841	167%
(b) Operating profit/(loss) after tax before deducting non-controlling interests reported for the first half year		(9,552)	(16,963)	-44%
(c) Sales reported for second half year		36,286	24,432	49%
(d) Operating profit/(loss) after tax before deducting non-controlling interests reported for the second half year		(3,376)	(12,320)	-73%

- 4. A breakdown of sales of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	Note	31 Dec 2021	31 Dec 2021
		RMB'000	RMB'000
Ordinary		-	-
Preference		-	-
Total		-	-

- 5. Disclosure of person occupying a managerial position in the issuer or any or its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

There are no persons occupying managerial positions in the Company or any of its subsidiaries who are relatives of a director or chief executive office or substantial shareholder of the Company.



Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the year ended 31 December 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Hong Yong
Director

Simon Poh Siew Beng
Director

Singapore
28 February 2022