



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

**Full Year Financial Statement for the Year Ended  
31 December 2018 ("FY 2018")  
2018 年度财务报表公告**

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

第一部 - 公告季度 (1, 2 和 3)、半年和全年所需信息

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

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018  
2018 年度未审计年度合并利润表**

	Group 集团		
	12 months ended 12个月		+ / (-)
	Unaudited	Restated	
	1 Jan-31 Dec 2018 RMB'000	1 Jan-31 Dec 2017 RMB'000	
Revenue 销售	30,293	39,299	-23%
Cost of sales 销售成本	(47,936)	(38,206)	25%
Gross profit/(loss) 毛利/(毛亏)	(17,643)	1,093	1714%
Other income 其他收入	1	-	0%
Other operating income 其他运营收入	60,631	1,004	5939%
Selling and distribution expenses 营销费用	(6,838)	(5,011)	36%
Administrative expenses 行政费用	(45,221)	(40,711)	11%
Other operating expenses 其他运营费用	(5,396)	(114,272)	-95%
Finance cost 财务费用	(911)	(98)	830%
Profit/(loss) before income tax 税前利润/(亏损)	(15,377)	(157,995)	90%
Income tax 所得税	1,337	(58)	2405%
Net profit/(loss) after tax 税后利润/(亏损)	(14,040)	(158,053)	91%
Other comprehensive income/(expenses): 其它综合收入/(损失)			
Currency translation gain/(losses) 汇兑获得/(损失)	42	(207)	-120%
Total comprehensive income attributable to equity shareholders of the Company 总综合收益, 可归本公司收益持有人的利润	(13,998)	(158,260)	91%



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

备注：税前利润是扣除/(增加)以下项目后所得：

	Group 集团			+ / (-)
	12 months ended 12个月			
	1 Jan-31 Dec 2018 RMB'000	1 Jan-31 Dec 2017 RMB'000		
Depreciation expense 折旧费用	16,372	17,644	-7%	
Amortisation of land use right 土地使用权摊销	251	251	0%	
Amortisation of intangible assets 待摊费用无形资产	266	-	0%	
Interest Income 利息收入	(54)	(67)	-19%	
Interest Expense 利息费用	911	98	830%	
Impairment loss on land use right 土地使用权减值亏损	(369)	369	-200%	
Impairment on fixed assets 固定资产减值亏损	-	4,803	-100%	
Impairment loss on prepayment 预付款减值亏损	301	-	0%	
Impairment (write-back) / loss on trade receivables 应收账款(回冲)/减值亏损	(54,047)	69,604	-178%	
Net impairment (writeback)/loss for inventory 存货(回冲)/减值亏损	(3,904)	28,840	-114%	
Inventory /(writeback) write off 存货注销	2,204	1,548	42%	
Transfer from deferred capital grant 待摊股权资金费用	(222)	(223)	0%	
Foreign exchange loss/(gain) 汇兑损失/(收益)	247	282	-12%	
(Profit) / Loss on disposal of property, plant and equipment 产业厂房机器设备处置(利益)/损益	(291)	497	-159%	



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

(本公司及集团)的资产负债表连同上一财年的对比表报

	Group 集团		Company 公司	
	31 Dec 2018 RMB'000	31 Dec 2017 RMB'000	31 Dec 2018 RMB'000	31 Dec 2017 RMB'000
<b>EQUITY 股权</b>				
<b>Capital and reserves attributable to Equity holders of the Company 资本及储备归属于公司股权持有人</b>				
Share capital 股本	55,409	55,409	55,409	55,409
Share premium 股票溢价	78,470	78,470	78,470	78,470
	133,879	133,879	133,879	133,879
<b>Other Reserves 其他储备</b>				
Statutory reserve 法定储备	30,526	30,526	-	-
Foreign exchange reserve 外汇储备	(3,372)	(3,414)	-	-
	27,154	27,112	-	-
Retained earnings/(deficit) 留存收益/(亏损)	(14,643)	(603)	(2,471)	(453)
<b>TOTAL EQUITY 总股本</b>	<b>146,390</b>	<b>160,388</b>	<b>131,408</b>	<b>133,426</b>
<b>ASSETS 资产</b>				
<b>Non-current assets 非流动资产</b>				
Property, plant and equipment 产业, 厂房和机器设备	88,638	103,506	-	-
Subsidiaries 子公司	-	-	156,236	156,236
Land use right 土地使用权	9,285	9,167	-	-
	97,923	112,673	156,236	156,236
<b>Current assets 流动资产</b>				
Inventories 存货	1,961	1,629	-	-
Trade receivables 应收账款	82,217	56,831	-	-
Other receivables, deposits and prepayments	2,677	3,438	300	-
Land use right 土地使用权	251	251	-	-
Cash and cash equivalents 现金	14,285	28,612	1,149	2,858
	101,391	90,761	1,449	2,858
<b>TOTAL ASSETS 总资产</b>	<b>199,314</b>	<b>203,434</b>	<b>157,685</b>	<b>159,094</b>
<b>LIABILITIES 负债</b>				
<b>Current liabilities 流动负债</b>				
Trade payables 应付账款	17,660	27,247	-	-
Other payables and accruals 其他应付款和计提	17,483	11,784	1,493	1,190
Bank loan 银行贷款	16,000	-	-	-
Due to subsidiaries (non-trade) 应付子公司 (非贸易)	-	-	24,784	24,478
Income tax payable 应付所得税	-	602	-	-
	51,143	39,633	26,277	25,668
<b>Non-current liabilities 长期负债</b>				
Deferred tax liability 递延税款	-	1,410	-	-
Deferred capital grants 递延资本补助金	1,781	2,003	-	-
	1,781	3,413	-	-
<b>TOTAL LIABILITIES 总负债</b>	<b>52,924</b>	<b>43,046</b>	<b>26,277</b>	<b>25,668</b>
<b>NET ASSETS 净资产</b>	<b>146,390</b>	<b>160,388</b>	<b>131,408</b>	<b>133,426</b>



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

**集团贷款及抵押债务总额**

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

**一年内需还的金额**

Group 集团		Group 集团	
As at 31 December 2018		As at 31 December 2017	
Secured 担保 RMB'000	Unsecured 未担保 RMB'000	Secured 担保 RMB'000	Unsecured 未担保 RMB'000
16,000	NIL	NIL	NIL

**Amount repayable after 1 year**

**一年外需还的金额**

Group 集团		Group 集团	
As at 31 December 2018		As at 31 December 2017	
Secured 担保 RMB'000	Unsecured 未担保 RMB'000	Secured 担保 RMB'000	Unsecured 未担保 RMB'000
NIL	NIL	NIL	NIL

Note:

In 2018, the Group had obtained 2 trade facilities amounted to RMB16 million from Jiangnan Rural Commercial Bank. The 1st trade facility arrangement was made for RMB6 million on 21 June 2018 with an annualized interest rate of 6.6% and the 2nd trade facility arrangement was made for RMB10 million in 5 July 2018 with an annualized interest rate of 6.6%. The facilities are collateralized by assets (machineries) of the Group.



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

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2018  
2018 年 12 月 31 日未审计的合并现金流量报表

	Group 集团		
	12 months ended 截至12个月		+/(-)
	31 Dec 2018 RMB'000	31 Dec 2017 RMB'000	%
<b>OPERATING ACTIVITIES 营运活动</b>			
Loss before income tax 税前亏损	(15,377)	(157,995)	90%
Adjustments for: 调整			
Impairment (write-back) / loss on trade receivables / 应收账款(回冲)/减值亏损	(54,047)	69,604	-178%
Net impairment (writeback)/loss for inventory 存货(回冲)/减值亏损	(3,904)	28,840	-114%
Inventory written off 库存注销	2,204	1,548	42%
Impairment loss on land use right 土地使用权减值亏损	(369)	369	-200%
Impairment loss on PPE 固定资产减值亏损	-	4,803	-100%
Impairment loss on prepayment 预付款减值亏损	301	-	0%
Depreciation expense 折旧	16,372	17,644	-7%
Amortisation of intangible assets 待摊费用无形资产	266	-	0%
Amortisation of land use right 待摊费用土地使用权	251	251	0%
Interest Income 利息收入	(54)	(67)	-19%
Interest Expense 利息支出	911	98	830%
Gain / (loss) on disposal of property, plant & equipment 盈利/(亏损) 处置产业厂房, 机器设备	(291)	497	-159%
Exchange losses 汇兑亏损	247	282	-12%
Transfer from deferred capital grant 待摊股权资金费用	(222)	(223)	0%
Operating losses before working capital changes 计算流动资金变更前运营亏损	(53,712)	(34,349)	56%
Inventories 存货	1,368	1,565	-13%
Trade & other Receivables 应收	29,121	38,885	-25%
Trade & other Payables 应付	(3,891)	(18,143)	-79%
<b>Cash generated from/(used in) operations 营运所得/ (所使用)净现金</b>	<b>(27,114)</b>	<b>(12,042)</b>	<b>125%</b>
Interest received 利息收入	54	67	-19%
Income tax 所得税	(675)	(902)	-25%
<b>Net Cash generated from/(used in) operating activities 营运所得/(所使用)净现金</b>	<b>(27,735)</b>	<b>(12,877)</b>	<b>-115%</b>
<b>INVESTING ACTIVITIES 投资活动</b>			
Purchase of property, plant and equipment 购买产业厂房, 机器设备	(845)	(118)	616%
Purchase of intangible assets 购买无形资产	(1,276)	-	0%
Receipt of capital grant from government for purchase of plant & equipment	-	2,226	-100%
Proceeds from disposal of property, plant and equipment 产业厂房, 机器设备的处置收益	644	-	0%
<b>Net cash generated from/(used in) investing activities 投资活动所得/ (所使用)净现金</b>	<b>(1,477)</b>	<b>2,108</b>	<b>-170%</b>
<b>FINANCING ACTIVITIES 融资活动</b>			
Dividend paid	-	(3,434)	-100%
Net (Placement)/Withdrawal of Pledged deposits 净(安置)/撤回抵押存款	1,316	692	90%
Loan from/(repayment to) banks 银行贷款/(还款)	16,000	(7,000)	-329%
Interest Expense 利息支出	(911)	(98)	830%
<b>Net cash generated from/(used in) financing activities 融资活动所得/(所使用)的现金净额</b>	<b>16,405</b>	<b>(9,840)</b>	<b>-267%</b>
<b>Net increase/(decrease) in cash and cash equivalents 现金及现金等价物净增加/(减少)</b>	<b>(12,807)</b>	<b>(20,609)</b>	<b>-38%</b>
<b>Cash and cash equivalents at beginning of the year 期初的现金及现金等价物</b>	<b>24,563</b>	<b>45,661</b>	<b>-46%</b>
<b>Effects of exchange rate changes in cash and cash equivalents 汇率变动对现金及现金等价物的影响</b>	<b>(204)</b>	<b>(489)</b>	<b>-58%</b>
<b>Cash and cash equivalents at end of the year 期末的现金及现金等价物</b>	<b>11,552</b>	<b>24,563</b>	<b>-53%</b>
Effects of exchange rate changes in cash and cash equivalent 汇率变动对现金及现金等价物的影响			



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

	Group 集团	
	12 months ended 截至12个月	
	31 Dec 2018 RMB'000	31 Dec 2017 RMB'000
Cash and cash equivalent 现金及现金等价物	11,552	24,563
Pledged cash placed with bank 银行保证金	2,733	4,049
	14,285	28,612



1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

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

Group 集团	Share Capital 股本 RMB'000	Share Premium 股票溢价 RMB'000	Statutory Reserve 法定储备 RMB'000	Translation Reserve 外汇储备 RMB'000	Retained Earnings 留存收益 RMB'000	Total 合计 RMB'000
Balance as at 1 Jan 2017 2017年期初	55,409	78,470	30,526	(3,207)	160,884	322,082
Total comprehensive income/ (expenses) for the year 总综合收入/ (费用) 本期	-	-	-	(207)	(158,053)	(158,260)
Statutory reserves 法定储备	-	-	-	-	-	-
Dividend 股息	-	-	-	-	(3,434)	(3,434)
Balance as at 31 Dec 2017 2017年12月末	55,409	78,470	30,526	(3,414)	(603)	160,388
Group 集团	Share Capital 股本 RMB'000	Share Premium 股票溢价 RMB'000	Statutory Reserve 法定储备 RMB'000	Translation Reserve 外汇储备 RMB'000	Retained Earnings 留存收益 RMB'000	Total 合计 RMB'000
Balance as at 1 Jan 2018 2018年期初	55,409	78,470	30,526	(3,414)	(603)	160,388
Total comprehensive income/ (expenses) for the year 总综合收入/ (费用) 本期	-	-	-	42	(14,040)	(13,998)
Statutory reserves 法定储备	-	-	-	-	-	-
Dividend 股息	-	-	-	-	-	-
Balance as at 31 Dec 2018 2018年12月末	55,409	78,470	30,526	(3,372)	(14,643)	146,390
Company 公司	Share Capital 股本 RMB'000	Share Premium 股票溢价 RMB'000	Statutory Reserve 法定储备 RMB'000	Translation Reserve 外汇储备 RMB'000	Retained Earnings 留存收益 RMB'000	Total 合计 RMB'000
Balance as at 1 Jan 2017 2017年期初	55,409	78,470	-	-	-	133,879
Total comprehensive income/ (expenses) for the year 总综合收入/ (费用) 本期	-	-	-	-	2,980	2,980
Statutory reserves 法定储备	-	-	-	-	-	-
Dividend 股息	-	-	-	-	(3,433)	(3,433)
Balance as at 31 Dec 2018 2018年12月末	55,409	78,470	-	-	(453)	133,426
Company 公司	Share Capital 股本 RMB'000	Share Premium 股票溢价 RMB'000	Statutory Reserve 法定储备 RMB'000	Translation Reserve 外汇储备 RMB'000	Retained Earnings 留存收益 RMB'000	Total 合计 RMB'000
Balance as at 1 Jan 2018 2018年期初	55,409	78,470	-	-	(453)	133,426
Total comprehensive income/ (expenses) for the year 总综合收入/ (费用) 本期	-	-	-	-	(2,018)	(2,018)
Statutory reserves 法定储备	-	-	-	-	-	-
Dividend 股息	-	-	-	-	-	-
Balance as at 31 Dec 2018 2018年12月末	55,409	78,470	-	-	(2,471)	131,408



**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

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

	Number of shares 股份	Issued share capital USD 发行股本(美元)	Issued share capital RMB 发行股本(人民币)
Issued and paid Share Capital as at 31 Dec 2017 and 31 Dec 2018 发布和支付股本于2017年12月31日及2018年12月31日	27,468,473	6,867,119	55,409,257

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

显示上一财年和本财年的已发股份，不含库存股票

	Number of shares 股份	
	31 Dec 2018	31 Dec 2017
Issued and paid Share Capital 发布和支付股本	27,468,473	27,468,473

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

显示上一财年和本财年的股票出售、转让、处置、作废或使用库存股票的报告申明

Not applicable.

不适用





**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

显示上一财年和本财年的股票出售、转让、作废或使用子公司持股的报告申明

Not applicable.

不适用

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

有关数据是否已根据审计准则或惯例被审计或审阅

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

数据未被审计师审计或复查

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

如数据已被审计或审阅，需附上审计报告（包括对任何特殊事项的澄清或强调）

Not applicable. 不适用

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

公司是否应用上一期经审计的财务报表里相同的会计政策和计算方法

There are certain new International Financial Reporting Standards ("IFRSs") that are published and mandatory for accounting periods beginning on or after 1 January 2018. Where applicable, the adoption of these IFRSs does not have any material impact on the financial statements for the 12 months ending 31 December 2018. Apart from this, the same accounting policies and methods of computation have been consistently applied.

有一些新的国际财务报告准则（“国际财务报告准则”），将强制性的从2018年1月1日起使用。这些准则的采用不会对截至2018年12月31日的财务报表造成任何重大影响。除了这一点，同样的会计政策和计算方法一直被应用。

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

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

Not applicable.

不适用



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

扣除优先股股息准备后，集团在本财年期间及上一财年期间每股普通股的盈利

Earnings per ordinary share for the period based on total comprehensive income/(losses) attributable to shareholders 股东每普通股的净利润	Group 集团	
	12 months ended 截至12个月	
	31 Dec 2018	31 Dec 2017
<b>Basic losses per share (RMB) 基每股亏损 (RMB )</b>	0.51	5.75
<b>On a fully diluted basis (RMB) 在完全稀释的基础上</b>	0.51	5.75
<b>Weighted average number of ordinary shares in issue for basic earnings per share 股票的加权平均数</b>	27,468,473	27,468,473

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

股东每普通股的净利润是用年末的税后利润除以股票的加权平均数。

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

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

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

基于期末已发行股本(扣除库存股票)计算的公司每股普通股资产净值:-

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

于本财年期末

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

上一财年期末

	Group 集团		Company 公司	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
Net asset value per ordinary share based on the issued capital at the end of the financial year (RMB) 财年末的每普通股净资产价值 (人民币)	5.33	5.84	4.78	4.86
Number of shares in calculating net asset value 计算净资产价值的股份数	27,468,473	27,468,473	27,468,473	27,468,473



8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-  
回顾集团表现能对集团业务得到合理了解。此必须包括以下分析:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors;  
任何在本财年影响集团的营业额、成本和盈利的重要因素，包括（如适用）季节性或周期性因素；
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.  
**Review of the Group's Performance**  
影响本集团在本财年报告期间的现金流量、营运资金、资产或负债的任何重大因素。

**Statement of Comprehensive Income for the period ended 31 December 2018**  
**截止 2018 年 12 月 31 日的利润表**

***Revenue 销售***

Revenue decreased by 23% from RMB39.30 million in 2017 to RMB30.29 million in 2018. The effects of the instability in 2017 was perpetuated in 2018. In order to ensure that the production capacity continues to be utilized, the Management had reduced prices to meet the competition in the environment and to maintain the order for year 2018. As mentioned in our last quarter's announcement, the Group continues to face depletion of our order books. The Group was unable to tender for new orders for a major customer due to the disqualification of the Group as an approved vendor from 26 July 2018. The disqualification was mainly due the customer's dual concerns of the on-going legal suits and quality control issues arising in 2Q FY 2018. The Group had since been in the process of applying for re-qualifications as approved vendor. The customer has restored the Group as an approved vendor in January 2019. The Group had immediately bided in the latest round of tender. In the same month of January 2019, the Group had successfully won a tender for RMB0.55 million.

***Cost of Sales 销售成本***

Cost of sales increased by 25% from RMB38.21 million in 2017 to RMB47.94 million in 2018. Cost of sales exceeded revenue due to higher production costs arising from the higher volume being produced, abet with lower price due to intense competition.



## **Gross loss** 毛亏

The Group's gross loss increased by 1,714% amounting to RMB17.64 million in 2018 as compared to a profit of RMB1.09 million in 2017. The gross loss is due to a combination of factors such as extremely competitive prices caused by open bidding system from our major customer which awards contracts solely based on lowest pricing. The cost structure of the Group had also been consistently rigid due to competitive market conditions for both materials and skilled labour.

## **Other operating income** 其他运营收入

Other operating income increased by 5,939% from RMB1.00 million in 2017 to RMB60.63 million in 2018. This was primarily due to the reversal of provisions of RMB54.05 million pertaining to trade receivables. The provisions were made in 2017 and were written back as the Company had received payments on these trade receivables in 2018. In addition, there was a write back of impairment loss on inventory amounting RMB3.9 million in 2018.

## **Selling and distribution expenses** 营销费用

Selling and distribution expenses increased by 36% from RMB5.01 million in 2017 to RMB6.84 million in 2018 due to an increase in entertainment expenses incurred for intensified sales activities.

## **Administrative expenses** 行政费用

Administrative expenses increased by 11% from RMB40.71 million in 2017 as compared to RMB45.22 million in 2018. The increase was mainly due to the depreciation increased by RMB6.16 million which is reclassified from production cost.

Due to the depreciated of RMB against USD, the company's USD cash balances upon revaluation, yields an exchange gain of RMB42K for the year of 2018 as compared to the exchange loss of RMB207K in 2017.

## **Other operating expenses** 其他运营费用

Other operating expenses decreased by 95% from RMB114.27 million in 2017 to RMB5.40 million in 2018 mainly due to reversals in 2018 for both allowance for doubtful debt and impairment loss of inventory previously made in 2017

The impairment write-off in 2017 were as follows :

1. RMB 69.60 million made to the trade receivables;
2. RMB 28.84 million to inventories; and
3. RMB 4.80 million to fixed assets



**Statement of Financial Position as at 31 December 2018**

**截止 2018 年 12 月 31 日的资产负债表**

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

Property, plant and equipment (PPE) as at 31 December 2018 was RMB88.64million as compared to RMB103.506 million as at 31 December 2017. The decrease was mainly due to depreciation in 2018 amounting to RMB16 million, disposal of fixed assets with NBV for RMB380K, offset by the acquisition of new plant and machinery amounting to RMB845K and software amounting to RMB1.28 million.

***Inventories 存货***

Inventories stood at RMB1.96 million mainly to fulfill the year end order.

***Trade receivables 应收账款***

Trade receivables increased from RMB56.83 million in 2017 to RMB82.22 million in 2018 due to due to the collection on long outstanding trade receivable accounts amounting to RMB24.05 million and reversal of impairment of trade receivables in 2017 amounting to RMB30 million which the management believes that the amount can be received in 2019. The bills receivables in the trade receivables increased from RMB10.75 million in 2017 to RMB11.39 million in 2018 due to increase in amount of bill receivables received from the customers.

In the 4<sup>th</sup> quarter of 2018, the Group had commenced legal action against a major customer for long outstanding accounts receivable, the amount overdue is RMB45.97 million.

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

Other receivables, deposits and prepayments amounting to RMB 2.68 million in 2018, a decrease from RMB3.44 million in 2017, mainly due to a reduction in net VAT of RMB0.17 million, prepayment of RMB0.51 million and advance for employee associates of RMB0.2 million.

***Trade payables 应付账款***

The trade payables decreased from RMB27.25 million in 2017 to RMB17.66 million in 2018 due to payments has made to various suppliers.

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

Other payables and accruals amounting to RMB17.48 million in 2018, an increase from RMB11.78 million in 2017, mainly due to accruals of professional fee for RMB4.94 million and accruals of entertainment expenses for RMB834K.



**Bank loans 银行贷款**

The bank loans as at 31 December 2018 refers to loans from Jiangnan Rural Commercial Bank totaling RMB16 million for trade facilities purposes.

**Statement of Cash Flows for the period ended 31 December 2018**

**截止2018年12月31日的现金流量表**

The Group's net cash outflow from operating activities amounted to RMB27.74 million arising from loss before income tax adjusted for non-cash effects items, RMB53.71 million offset by cash generated from working capital RMB26.60 million.

The Group's net cash used in investing activities amounting to RMB1.48 million mainly due to acquisition of new plant and machinery in factory for RMB845K and intangible assets for RMB1.28 million offset by proceeds from disposal of property, plant and equipment, RMB644k.

The Group's net cash inflow from financing activities amounted to RMB16.41 million arising from bank loans of RMB16.00 million and withdrawal of pledged deposit of RMB1.32 million, offset by payment of bank interest of RMB911K.

In 2018, the Group had a net cash outflow of RMB12.81 million.

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

如以前曾向股东披露预测或前景申明，列出它与实际业绩的差别

Not applicable. 不适用

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

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

The business environment continues to be challenging and highly competitive in the landscape that the Group is operating in. The uncertainty resulting from the "trade war" between United States and Peoples' Republic of China ("China") had also casted dark clouds ahead for the general economy in China.

In 2018, the Group had continued its efforts (i) to maintain the working relationships with its key customers and to assure customers on the stability of its business operations at Changzhou 3D Technological Complete Set Co., Limited ("CZ3D") caused by the events in 2017, (ii) to diversify its product offerings and reach new customers and (iii) to explore vertical integration with its suppliers.



In January 2019, CZ3D obtained re-certification status from a key customer and was invited to participate in new tenders. CZ3D had also ventured into new OEM markets and are working towards increasing its new customer base under this initiative. The Group will continue its efforts made in 2018 in the coming year.

The Group had explored various options to increase its cash holdings, which precludes the discounting of commercial bills receivables to realize cash, increased efforts on collections, legal avenues against delinquent debtors and reassessment of its operating assets. The efforts to enhance its cash position will also continue in the coming year.

There were several developments on the legal proceedings against Mr. Liu Ming and Extraordinary General Meeting held on 12 February 2019 that was requisitioned by Mr. Lin Chuan Jin and Ms Zhang Ping.

The Company had, until the adjourned hearing or any further Order of Court, obtained an interlocutory injunction against Mr. Liu restraining him from requisitioning or holding any extraordinary general meeting, or any other meetings to remove the current directors of the Board and appoint any new persons on the Board (the "Voting Injunction").

On 7 February 2019, the Singapore High Court made the following orders:

- (a) The Company's application vide HC/SUM 155/2018 to restrain Mr. Liu, pending the final resolution of the lawsuit against him, whether by himself, or by his servant(s), agent(s), nominee(s) or otherwise, from requisitioning, convening, holding or otherwise allowing to be held any Extraordinary General Meetings ("EGMs"), general meetings or any meeting whatsoever, or doing any acts or things whatsoever, including but not limited to voting for or proposing resolutions at the Company's EGMs, annual general meetings and/or any other meeting, that have or purport to have the effect of (a) removing any of the Company's directors from their offices as directors of the Company and/or curtailing or diminishing any of their powers, rights and/or privileges as directors of the Company; (b) appointing any person(s) as director(s) of the Company; (c) discontinuing and/or delaying the Suit herein against Mr. Liu; (d) failing and/or neglecting to prosecute the Suit herein against Mr. Liu; (e) taking over control and management of the Company be dismissed; and
- (b) The Voting Injunction be discharged.

On the same day, the Company's lawyers applied for leave to appeal to the Court of Appeal against the Orders, for such appeal to be expedited and for a stay of the Orders in the form of an adjournment of the EGM scheduled for 12 February 2019 (the "Company's Leave and Stay Application").

The Company's Leave and Stay Application was heard by the Singapore High Court on 8 February 2019. At the hearing, the Company and Mr. Liu agreed to provide the following undertakings:



- (a) Mr. Liu undertakes not to vote in relation to the appointment of Mr Lin Chuanjun and Mr Zhang Wenjun as directors of the Plaintiff at the EGMs to be held on 12 February 2019;
- (b) The Company undertakes not to issue any shares until 7 days after the conclusion of the Company's Leave and Stay Application or the appeal proper, should leave be granted or any further Order of Court.

At the EGM requisitioned by Mr. Lin Chuang Jun and Ms Zhang Ping which was held on 12 February 2019. The resolutions for the appointment of four new Directors, Mr. Lin Chuan Jin, Mr. Koh Wee Kiang, Mr. Zhang Wen Jun and Mr. Loh Kai Keong were not passed at the EGM and as a result there is no change to the board members of the Company.

The Company's application for leave to appeal to the Court of Appeal against the Orders made by the Singapore High Court on 7 February 2019 and for such appeal to be expedited has been fixed to be heard on 5 March 2019. The application for expedited appeal had been rejected by the Court.

After due deliberations and in an attempt to address concerns raised by stakeholders of the Company, the Board had on 19th February 2019, through the Company's lawyers, made the following proposal to Mr. Liu Ming through his lawyers, namely:-

- (1) subject to regulatory approvals, Mr. Liu Ming be permitted to nominate a Singapore acceptable to the current independent directors, to the Board of the Company as a non-executive, non-independent director to represent his interests in the Company;
- (2) Pending the final resolution of HC/S 571/2017 (the claim against Mr. Liu Ming for a breach of his Service Agreement and fiduciary duties – please see announcement dated 18 September 2017) that Mr. Liu:-
  - (i) be restrained from voting against the re-election of the four current independent directors to the Company at the upcoming annual meeting or any meetings thereafter;
  - (ii) to be restrained (whether by himself, his agents or nominees) from requisitioning, convening, holding any meeting to remove the four current independent directors from the Board of the company and; and
  - (iii) to be restrained from voting for the removal of the four current independent directors from the Board of the Company.
- (3) Only the four current independent directors shall have the authority to give instructions relating to and discuss with the Company's lawyers the proceedings commenced by the Company against Mr. Liu Ming, Mr. Lin Chuanjun and/or Ms Zhang Ping.

The proposal made had lapsed on 1st March 2019 and no response from received from Mr. Liu Ming or his lawyers.





**11. Dividend  
股息**

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

None 无

The Group is loss making and there is without any dividend to be declared and paid in 2018.

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

None 无

**(c) Date payable 付款期**

Not applicable 不适用

**(d) Book closure date 股息权截止日**

Not applicable 不适用

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

如果没有宣布/推荐股息，请此刻声明。

No dividend has been declared or recommended in 2018. 没有宣布建议派发股息。

It is due to the Group is loss making and without any dividend to be declared and / or recommended in 2018

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1) (a) (ii). If no IPT mandate has been obtained, a statement to that effect.**

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

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

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

根据规则第720（1）的上市手册确认

Shanghai Turbo Enterprises Ltd confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7

上海动力发展有限公司确认所有的董事和执行人员已遵守了上市规则第 720（1）。



Part II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

第二部 - 全年财务报表公告的附加信息

15. **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.**

在发行人的最新和前期审计过的财务报告的分段收入，业绩和地区分段（集团）  
By Geographical Segments 地区分段

Revenue 收入 Country 国家	Group 集团 31 Dec 2018		Group 集团 31 Dec 2017	
	RMB'000	%	RMB'000	%
China 中国	30,293	100%	31,983	91%
Japan 日本	-	0%	2,791	8%
Korea 韩国	-	0%	455	1%
Other 其它国家	-	-	-	-
<b>Total</b>	<b>30,293</b>	<b>100%</b>	<b>35,229</b>	<b>100%</b>

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

评价公司业绩时的任何导致营业额和利润发生重大变化的因素

The factors relating to material changes in contributions to turnover and earnings are stated in Item 8. 第 8 项目列出导致营业额和利润发生重大变化的因素。

17. **A breakdown of sales.**

销售分析

	Financial Year		Increase / Decrease
	31 Dec 2018	31 Dec 2017	
	RMB'000	RMB'000	%
(a) Sales reported for first half year 上半年销售	14,028	21,430	-35%
(b) Operating profit/(loss) after tax before deducting minority interests reported for the first half year 上半年营业利润税扣除少数权利	(1,445)	(4,239)	-66%
(c) Sales reported for second half year 下半年销售	16,265	17,869	-9%
(d) Operating profit/(loss) after tax before deducting minority interests reported for the second half year 下半年营业利润税扣除少数权利	(12,553)	(154,021)	-92%

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

公司今年和去年的股息金额（千人民币）

	31 Dec 2018	31 Dec 2017
	RMB'000	RMB'000
Ordinary 普通股	-	3,434
Preference 优先股	-	-
<b>Total 总计</b>	<b>-</b>	<b>3,434</b>



19. **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.**

根据规则 704 (13) 下, 董事或首席执行官或大股东的亲戚如在公司或主要子公司有担任经理职位的话, 需做披露。如果没有这样的人, 公司必须作出适当的负面声明。

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.

没有董事或首席执行官或大股东的亲戚有在公司或主要子公司担任经理的职位

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

**“若中英文版本出现不一致时, 以英文版本为准。”**

**BY ORDER OF THE BOARD 董事局命令**

Philip Leng Yew Chee  
Independent Director (AC Chairman) 独立董事(审计委员会主席)

14 March 2019  
2019年3月14日