



Incorporated in the Cayman Islands on 14 July 2005

**Full Year Financial Statement and Dividend Announcement for the  
Period Ended 31 December 2014**

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

- 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.

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2014**

	Group		
	12 months ended		+ / (-)
	31 Dec 2014 RMB'000	31 Dec 2013 RMB'000	
Revenue	161,495	166,400	-3%
Cost of sales	(98,407)	(98,361)	0%
Gross profit	63,088	68,039	-7%
Other income	1,729	2,614	-34%
Selling and distribution expenses	(2,415)	(2,375)	2%
Administrative expenses	(17,766)	(22,506)	-21%
Other operating expenses	(1,582)	(63)	NM
Profit before income tax	43,054	45,709	-6%
Income tax charge	(8,621)	(1,888)	NM
Net profit after tax	34,433	43,821	-21%
Other comprehensive income/(expenses):			
Currency translation gain/(losses)	193	(99)	NM
Total comprehensive income attributable to			
Equity shareholders of the Company	34,626	43,722	-21%
<i>Note *: There was a tax refund of RMB 6,360,000 in 2013</i>			
<i>NM - Not meaningful</i>			



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

	Group		
	12 months ended		+ / (-)
	31 Dec 2014 RMB'000	31 Dec 2013 RMB'000	
Depreciation expense	16,027	19,016	-16%
Amortisation of land use right	251	251	0%
Interest Income	(525)	(212)	148%
Foreign exchange loss/ (gain)	298	336	NM
(Gain)/ loss on disposal of property, plant and equipment	353	(34)	NM
<i>NM</i> - Not meaningful			

**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.**

	Group		Company	
	31 Dec 2014 RMB'000	31 Dec 2013 RMB'000	31 Dec 2014 RMB'000	31 Dec 2013 RMB'000
<b>EQUITY</b>				
<b>Capital and reserves attributable to</b>				
<b>Equity holders of the Company</b>				
Share capital	55,409	55,409	55,409	55,409
Share premium	81,527	81,527	81,527	81,527
	136,936	136,936	136,936	136,936
<b>Other Reserves</b>				
Statutory reserve	24,052	24,052	-	-
Foreign exchange reserve	(3,330)	(3,523)	-	-
	20,722	20,529	-	-
Retained earnings	164,717	137,151	(1,634)	2,143
<b>TOTAL EQUITY</b>	<b>322,375</b>	<b>294,616</b>	<b>135,302</b>	<b>139,079</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	116,720	114,079	-	-
Subsidiaries	-	-	156,236	156,236
Land use right	10,289	10,540	-	-
	127,009	124,619	156,236	156,236
<b>Current assets</b>				
Inventories	40,508	22,384	-	-
Trade receivables	166,580	121,569	-	-
Other receivables, deposits and prepayments	2,891	1,319	73	5
Land use right	251	251	-	-
Cash and cash equivalents	53,445	85,817	2,395	50
	263,675	231,340	2,468	55
<b>TOTAL ASSETS</b>	<b>390,684</b>	<b>355,959</b>	<b>158,704</b>	<b>156,291</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	61,084	41,748	-	-
Other payables and accruals	5,148	16,436	636	1,242
Due to subsidiaries (non-trade)	-	-	22,766	15,970
Income tax payable	78	2,631	-	-
	66,310	60,815	23,402	17,212
<b>Non-current liability</b>				
Deferred tax liability	1,999	528	-	-
<b>TOTAL LIABILITIES</b>	<b>68,309</b>	<b>61,343</b>	<b>23,402</b>	<b>17,212</b>
<b>NET ASSETS</b>	<b>322,375</b>	<b>294,616</b>	<b>135,302</b>	<b>139,079</b>



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

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

<b>Group</b>		<b>Group</b>	
<b>As at 31 Dec 2014</b>		<b>As at 31 Dec 2013</b>	
<b>Secured RMB'000</b>	<b>Unsecured RMB'000</b>	<b>Secured RMB'000</b>	<b>Unsecured RMB'000</b>
NIL	NIL	NIL	NIL

**Amount repayable after 1 year**

<b>Group</b>		<b>Group</b>	
<b>As at 31 Dec 2014</b>		<b>As at 31 Dec 2013</b>	
<b>Secured RMB'000</b>	<b>Unsecured RMB'000</b>	<b>Secured RMB'000</b>	<b>Unsecured RMB'000</b>
NIL	NIL	NIL	NIL



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.

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2014**

	Group	
	12 months ended	
	31 Dec 2014 RMB'000	31 Dec 2013 RMB'000
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	43,054	45,709
Adjustments for:		
Depreciation expense	16,027	19,016
Amortisation expense	251	251
Interest Income	(525)	(212)
Allowance for doubtful debts (written back)/ charge	404	(60)
Allowance for inventory obsolescence (written back)/ charge	-	(1,150)
(Gain)/ loss on disposal of property, plant & equipment	353	(34)
Translation (gains)/ loss	298	(45)
Operating profit before working capital changes	59,862	63,475
Inventories	(18,124)	(4,531)
Trade & other Receivables	(46,583)	(37,778)
Trade & other Payables	8,048	4,603
<b>Cash generated /(used) in operations</b>	<b>3,203</b>	<b>25,769</b>
Interest received	525	212
Income tax (charge)/ credit	(10,405)	(2,500)
<b>Net Cash generated /(used) in operating activities</b>	<b>(6,677)</b>	<b>23,481</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(19,450)	(6,536)
Proceeds from disposal of property, plant and equipment	429	66
<b>Net cash used in investing activities</b>	<b>(19,021)</b>	<b>(6,470)</b>
<b>FINANCING ACTIVITIES</b>		
<b>Pledged deposits</b>	<b>(6,796)</b>	<b>6,862</b>
<b>Dividend paid</b>	<b>(6,867)</b>	<b>(6,867)</b>
<b>Net cash used in financing activities</b>	<b>(13,663)</b>	<b>(5)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(39,361)</b>	<b>17,006</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>79,369</b>	<b>62,417</b>
<b>Effects of exchange rate changes in cash and cash equivalent</b>	<b>193</b>	<b>(54)</b>
<b>Cash and cash equivalents at end of period</b>	<b>40,201</b>	<b>79,369</b>

Effects of exchange rate changes in cash and cash equivalent

Cash and bank balances comprise the following:

	Group	
	12 months ended	
	31 Dec 2014 RMB'000	31 Dec 2013 RMB'000
<b>Cash and cash equivalent</b>	40,201	79,369
<b>Pledged cash placed with bank</b>	13,244	6,448
	53,445	85,817



**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.**

<u>Group</u>							
Group	Share	Share	Statutory	Translation	Dividend	Retained	Total
	Capital	Premium	Reserve	Reserve		Earnings	
	RMB'000	RMB'000	RMB'000	RMB'000		RMB'000	
Balance as at 1 Jan 2013	55,409	81,527	19,764	(3,424)	-	104,485	257,761
Total comprehensive income/ (expenses) for the period	-	-	-	(99)	-	43,821	43,722
Statutory reserves	-	-	4,288	-	-	(4,288)	-
Dividend	-	-	-	-	-	(6,867)	(6,867)
Balance as at 31 Dec 2013	55,409	81,527	24,052	(3,523)	-	137,151	294,616
<u>Group</u>							
Group	Share	Share	Statutory	Translation	Dividend	Retained	Total
	Capital	Premium	Reserve	Reserve		Earnings	
	RMB'000	RMB'000	RMB'000	RMB'000		RMB'000	
Balance as at 1 Jan 2014	55,409	81,527	24,052	(3,523)	-	137,151	294,616
Total comprehensive income/ (expenses) for the period	-	-	-	193	-	34,433	34,626
Statutory reserves	-	-	-	-	-	-	-
Dividend	-	-	-	-	(6,867)	-	(6,867)
Balance as at 31 Dec 2014	55,409	81,527	24,052	(3,330)	(6,867)	171,584	322,375
<u>Company</u>							
Company	Share	Share	Statutory	Translation	Dividend	Retained	Total
	Capital	Premium	Reserve	Reserve		Earnings	
	RMB'000	RMB'000	RMB'000	RMB'000		RMB'000	
Balance as at 1 Jan 2013	55,409	81,527	-	-	-	2,350	139,286
Total comprehensive income/ (expenses) for the period	-	-	-	-	-	6,660	6,660
Dividend	-	-	-	-	-	(6,867)	(6,867)
Balance as at 31 Dec 2013	55,409	81,527	-	-	-	2,143	139,079
<u>Company</u>							
Company	Share	Share	Statutory	Translation	Dividend	Retained	Total
	Capital	Premium	Reserve	Reserve		Earnings	
	RMB'000	RMB'000	RMB'000	RMB'000		RMB'000	
Balance as at 1 Jan 2014	55,409	81,527	-	-	-	9,010	145,946
Total comprehensive income/ (expenses) for the period	-	-	-	-	-	3,090	3,090
Dividend	-	-	-	-	(6,867)	(6,867)	(13,734)
Balance as at 31 Dec 2014	55,409	81,527	-	-	(6,867)	5,233	135,302



**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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.**

	Number of shares	Issued share capital USD	Issued share capital RMB
Issued and paid Share Capital as at 31 December 2014 and 31 December 2013	274,684,760	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.**

	Number of shares	
	31 December 2014	31 December 2013
Issued and paid Share Capital	274,684,760	274,684,760

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

Not applicable.

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

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

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

Not applicable.

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

There are certain new International Financial Reporting Standards ("IFRSs") that are published and mandatory for accounting periods beginning on or after 1 January 2014. Where applicable, the adoption of these IFRSs does not have any material impact on the financial statements for the 12 months ending 31 December 2014. Apart from this, the same accounting policies and methods of computation have been consistently applied.

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.**

Not applicable.

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.**

Earnings per ordinary share for the period based on net profit attributable to shareholders	Group	
	12 months ended	
	31 December 2014	31 December 2013
Basic earnings per share (RMB cents)	12.54	15.95
On a fully diluted basis (RMB cents)	12.54	15.95
Weighted average number of ordinary shares in issue for basic earnings per share	274,684,760	274,684,760

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.

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:-**  
 (a) **current financial period reported on; and**  
 (b) **immediately preceding financial year.**

	Group		Company	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Net asset value per ordinary share based on the issued capital at the end of the financial year (RMB cents)	117.36	107.26	49.26	50.63
Number of shares in calculating net asset value	274,684,760	274,684,760	274,684,760	274,684,760

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**  
 (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
 (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**



## **Review of the Group's Performance**

### **Statement of Comprehensive Income for the Year 2014**

Compared to previous year, revenue decreased 3% from RMB 166.4 million in FY2013 to RMB 161.5 million in FY2014 primarily due to weaker orders from local market, although the decrease was softened by increased orders from overseas market. Higher outsourcing costs incurred due to urgent reprioritising of orders by a local key customer coupled with lower prices for finished products contributed to weaker gross profit margins for orders in local market, partially offset by higher margins from overseas orders, contributed to an overall gross profit margin of 39.1% for FY2014, which was lower than the 40.9% margin for FY2013.

There was a decrease in other income from RMB 2.6 million in FY2013 to RMB 1.7 million in FY 2014 due to a RMB 1.1 million gain from inventory write-back in FY2013.

Selling and distribution expenses remained about the same at RMB 2.38 million in FY2013 and RMB 2.4 million in FY2014.

Administrative expenses decreased from RMB 22.5 million in FY2013 to RMB 17.8 million in FY2014 primarily due to lower CEO incentive and professional fees in the year.

Changzhou 3D Technological Complete Set Equipment Co., Ltd, the main operating company, was granted a concessionary corporate income tax rate of 15% for 3 years in mid- 2013 upon successful granting of High-Tech Status, applied retrospectively from Jan 2012. This led to a RMB 6.4 million tax refund in FY2013. In addition, there was a substantial unbilled revenue of RMB 16.8 million, giving rise to large deferred tax provision. The one-time 2013 tax refund and higher deferred tax contributed to tax expense of RMB 8.6 million for FY 2014 compared to only RMB 1.9 million for FY2013.

Depreciation expenses was reduced from RMB 19 million to RMB 16 million due to gradual retirement of machines from the depreciation schedule as a significant portion of the machines was bought 10 years ago. In addition, 6 units of CNC machines were disposed in the year, resulting in lower depreciation charges for the year.

As a result, net profit after tax for the period decreased 21% from RMB 43.8 million in FY2013 to RMB 34.6 million in FY2014. If the one-time tax refund of RMB 6.4 million was excluded the profit decline in FY2014 would have been 7.5%.

Currency translation gains amounted to RMB 193,000 in FY2014 compared to a loss of RMB 99,000 in FY2013.

Overall, the total comprehensive income attributable to equity shareholders of the company decreased 21% from RMB 43.7 million in FY2013 to RMB 34.6 million in FY2014. However, if the one-time tax refund of RMB 6.4 million in FY 2013 was excluded the decline in income in FY 2014 would have been 7.2%.



**Statement of Financial Position as at 31 December 2014**

Property, plant and equipment stood at RMB 116.7 million, up from RMB 114.1 million in FY2013, due to new acquisitions of machines offset partially by the effect of depreciation and disposal of 6 units of CNC machines in 2014. Cost of new machines and equipment acquired during the period was RMB 19.5 million, comprising the 6 CNC machines at a cost of RMB 13.9 million and 2 measuring instruments at a cost of RMB 1.9 million.

Inventories increased to RMB 40.5 million, up from RMB 22.4 million in FY 2013, mainly due to the buildup in finished goods, caused by urgent reprioritizing of production orders by a major customer.

Trade receivables increased to RMB 166.6 million [FY2013: RMB 121.6 million], caused by slower collection from a state-owned-enterprise (SOE) customer. In general, customers continue to experience very tight credit in the Chinese market. These trade receivables included bills receivables amounting to RMB 50.5 million (FY2013: RMB 22.3 million) received from customers for the settlement of outstanding balances. Of the RMB 50.5 million bills receivable, 55.4% are bank-guaranteed bills (31 Dec 2013 63.6%) with remaining notes from an SOE customer. Of the RMB 50.5 million bills receivable, about RMB 39.8 million is due for settlement by end of February 2015, the rest is due by end June 2015. The company sales team will continue the practice of visiting the SOE customer on a regular basis to press for faster settlement.

Other receivables, deposits and prepayments increased to RMB 2.9 million up from RMB 1.3 million, mainly due to a 1.7 million net input VAT which would be utilized in the following year.

Details of trade receivables aging as at 31 December 2014 are tabled as follows:

RMB'000	Balance	1-30 days	31-60 days	61-90 days	91-180 days	181-360 days	>1 year
Account Receivable	121,407	22,526	7,441	13,478	70,800	2,955	4,207
Provision for Doubtful Debts	(5,283)	-	-	-	-	(1,076)	(4,207)
Net Account Receivable	116,124	22,526	7,441	13,478	70,800	1,879	-
Bills Receivable	50,456	32,184	7,663	2,000	8,609	-	-
Total Trade Receivables @ Dec'14	166,580	54,710	15,104	15,478	79,409	1,879	-
	100%	33%	9%	9%	48%	1%	0%

In comparison with FY 2013, the ageing of the trade receivables as at 31 December 2014 has improved as only 58% of the receivables are aged 61 days and above, compared to 70% in FY 2013.

Trade payables also increased to RMB 61.1 million from FY2013 which was RMB 41.7 million. This also included bill payables of RMB 20.2 million [FY2013: RMB 12.7 million] issued to suppliers for the settlement of outstanding balances. Cash amounting to RMB 13.2 million was pledged with the bank for this facility. In addition, the land use rights of the subsidiary, Changzhou 3D Technological Complete Set Equipment Co., Ltd, was pledged to the bank as collateral for this facility.

Other payables and accruals decreased to RMB 5.1 million, from RMB 16.4 million in FY2013, mainly due to settlement of such payables and reclassification to trade payables.

#### **Statement of Cash Flows for FY2014**

Net cash used in operating activities was RMB 6.7 million in FY2014, compared to net cash generated of RMB 23.5 million in FY2013 due to slower collections from an SOE customer.

Net cash used in investing activities in FY2014 was RMB 19.0 million, reflecting higher purchases of new machines and equipment, compared to RMB 6.5 million used in FY2013.

Net cash used in financing activities was RMB 13.7 million in FY2014 compared to net cash used of RMB 5,000 in FY2013 due to RMB 6.9 million dividend paid in FY2014 as well as an increase in pledged deposits of RMB 6.8 Million in 2014 in relation to the bills payables facility.

As a result of the above, there was a net decrease in cash and cash equivalents of about RMB 39.4 million in FY2014, compared to a net increase of RMB 17.0 million for FY2013.

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

Not applicable.

**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.**

The industry business outlook continues to be challenging in China, which is the primary market for the Group. On a positive note, the Chinese government has been paying increasing attention to environmentally friendly means of power generation which may lead to the replacement of older turbine generators with new energy efficient generators. This bodes well for the Group's key customers, which may in turn translate into more orders for the Group in the longer run. For the overseas market, the Group continues its dialogues with potential new customers and business development.

Management is cognizant of the high level of trade receivables. The Group will also continue to review its operating capabilities, including the need for replacement of older machinery to upgrade technical efficiency to meet increasing customer requirements.

**11. Dividend**

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

Any dividend declared/recommended for the current financial period reported on? Yes

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	RMB 0.025 per ordinary share (to be paid in Singapore currency)
Par value of shares	USD 0.025 per share
Tax Rate	Tax not applicable

**(b) Corresponding Period of the Immediately Preceding Financial Year**

None.

**(c) Date payable**

To be announced later.

**(d) Books closure date**

To be announced later.

**12. If no dividend has been declared/recommended, a statement to that effect.**

Not applicable.

**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.**

No IPT mandate has been obtained.

**14. Confirmation of Full year Financial Statements for the period ended 31 December 2014 (FY2014)**

Pursuant to SGX-ST Listing Rule 705(5), the directors of Shanghai Turbo Enterprises Limited do hereby confirm that to the best of their knowledge, nothing has come to the attention of the board of directors which may render the FY2014 financial results to be materially false or misleading. This confirmation has been made without an audit of these financial statements.

Part II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

**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.**

By Geographical Segments

Revenue	Group			
	31-Dec-14		31-Dec-13	
Country	RMB'000	%	RMB'000	%
China	140,276	87%	149,129	90%
Japan	20,178	12%	13,013	8%
Korea	1,041	1%	4,258	3%
<b>Total</b>	<b>161,495</b>	<b>100%</b>	<b>166,400</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.**

The factors relating to material changes in contributions to turnover and earnings are stated in Item 8.

**17. A breakdown of sales.**

	Latest Financial Year 31-Dec-14 RMB'000	Latest Financial Year 31-Dec-13 RMB'000	% Increase/ (decrease)
	Group	Group	Group
(a) Sales reported for first half year	62,707	72,288	-13%
(b) Operating profit after tax before deducting minority interests reported for first half year	14,682	14,045	5%
(c) Sales reported for second half year	98,788	94,112	5%
(d) Operating profit after tax before deducting minority interests reported for second half year	19,944	29,677	-33%

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

	Year December 2014 RMB'000	Year December 2013 RMB'000
Ordinary	13,734	-
Preference	-	-
Total:	13,734	-

**19. Disclosure of person occupying a managerial position in the issuer or any of 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 officer or substantial shareholder of the Company.



**BY ORDER OF THE BOARD**

Liu Ming  
CEO cum Executive Director

26 February 2015