



2015 ANNUAL REPORT
2015 年度报告



笃志前行
TOWARDS
A GREENER
FUTURE

SHANGHAI TURBO ENTERPRISES LTD
上海动力发展有限公司

CORPORATE INFORMATION

企业信息

▶ BOARD OF DIRECTORS 董事局成员

Mr Huang Wooi Teik 黄伟德先生

(Non-Executive Chairman and
Lead Independent Director)

(非执行主席兼首席独立董事)

(Appointed as Non-Executive Chairman
on 7 February 2015)

(于2015年2月7日受委任为非执行主席)

(Retiring on 30 April 2016)

(于2016年4月30日卸任)

Mr Liu Ming 刘明先生

(Chief Executive Officer and Executive Director)

(首席执行官兼执行董事)

Mr Jack Chia Seng Hee 杰克谢先生

(Independent Director)

(独立董事)

Mr Aloysius Wee Meng Seng 黄明成先生

(Non-Executive and Non Independent Director)

(非执行兼非独立董事)

(Retiring on 30 April 2016)

(于2016年4月30日卸任)

▶ AUDIT COMMITTEE 审计委员会

Mr Jack Chia Seng Hee 杰克谢先生

(Chairman) (主席)

Mr Huang Wooi Teik 黄伟德先生

Mr Aloysius Wee Meng Seng 黄明成先生

▶ NOMINATING COMMITTEE 提名委员会

Mr Huang Wooi Teik 黄伟德先生

(Chairman) (主席)

Mr Jack Chia Seng Hee 杰克谢先生

Mr Liu Ming 刘明先生

▶ REMUNERATION COMMITTEE 薪酬委员会

Mr Huang Wooi Teik 黄伟德先生

(Chairman) (主席)

Mr Jack Chia Seng Hee 杰克谢先生

Mr Aloysius Wee Meng Seng 黄明成先生

▶ SECRETARY 公司秘书

Ms Busarakham Kohsikaporn 曾晓云女士

(Appointed on 1 January 2015)

(于2015年1月1日受委任)

▶ REGISTERED OFFICE 注册办事处

Cricket Square, Hutchins Drive

P.O. Box 2681, Grand Cayman KY1-1111

Cayman Islands

▶ BUSINESS OFFICE 商业办事处

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Zhonglou Economic Development Zone

Changzhou City, Jiangsu Province

The People's Republic of China

中国江苏省常州市钟楼开发区樱花路9号

Tel 电话: 86 519 8390 6629

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www.shanghaiturbo.com

▶ CAYMAN ISLANDS SHARE REGISTRAR 开曼群岛股份登记处

Codan Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

▶ SHARE TRANSFER AGENT 股份过户处

Boardroom Corporate & Advisory Services Pte. Ltd.

50 Raffles Place

#32-01 Singapore Land Tower

Singapore 048623

Tel 电话: 65 6536 5355

Fax 传真: 65 6536 1360

▶ EXTERNAL AUDITORS 外部审计师

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

#05-01 AXA Tower

Singapore 068811

Audit Partner-in-charge 主要审计合伙人

Mr Goh Sia 吴诚先生

Appointed with effect from financial year 2013

自2013财政年受委任

▶ INTERNAL AUDITORS 内部审计师

BDO China Shu Lun Pan Certified Public Accounts LLP

立信会计师事务所(特殊普通合伙)

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Financial Tower, 4th Floor 200002

上海市南京东路61号新黄浦金融大厦4楼 200002

Tel 电话: 86-21-63391116

Fax 传真: 86-21-63299117

Audit Partner-in-charge 主要审计合伙人

Mr Scott Gao 高飞先生

Appointed with effect from financial year 2013

自2013财政年受委任

▶ INVESTOR AND MEDIA CONTACT

投资者关系及媒体联系人

NRA Capital Pte. Ltd.

Mr Evan Ong

Tel 电话: 65 6236 6895

Email 邮件: evan.ong@nrcapital.com

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COMPANY PROFILE

公司简介

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

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



GROUP STRUCTURE

集团构架



Shanghai Turbo Enterprises Ltd⁽¹⁾

上海动力发展有限公司



Mr Huang Wooi Teik
黄伟德先生
Non-Executive Chairman and
Lead Independent Director
非执行主席兼首席独立董事



Mr Liu Ming
刘明先生
Chief Executive Officer
and Executive Director
首席执行官兼执行董事



Mr Jack Chia Seng Hee
杰克谢先生
Independent Director
独立董事



Mr Aloysius Wee Meng Seng
黄明成先生
Non-Independent Director
非独立董事

Best Success (Hong Kong) Limited⁽²⁾

百昇（香港）有限公司

Mr Huang Wooi Teik
黄伟德先生
Director
董事

Mr Liu Ming
刘明先生
Director
董事

Changzhou 3D Technological Complete Set Equipment Co., Limited⁽³⁾

常州市三维技术成套设备有限公司



Mr Liu Ming
刘明先生
Executive Director
执行董事



Mr Raymond Lim
林毓淞先生
Independent Director
独立董事



Mr Aloysius Wee Meng Seng
黄明成先生
Non-Executive Director
非执行董事



Mr Jiang Ronglin
姜荣林先生
General Manager
总经理



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

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

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

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



“We continue to review our customer mix to see how best we can develop and realise these opportunities”

“我们持续检讨我们的客户组合，以达到最佳的发展潜能”

DEAR SHAREHOLDERS,

On behalf of the Board of Directors of Shanghai Turbo Enterprises Ltd., I am pleased to present the Group's annual report for the financial year 2015. The market dynamics for electrical power in China are changing, and this presents us with both opportunities and challenges.

The Chinese government has made clear its intentions to reduce carbon emissions from various sources, and a key aspect of this would be to reduce the amount of pollution produced by electrical power generation. Undoubtedly, this means that the long term trend will be to reduce China's reliance on coal-fired power; however, given the affordability of coal, we expect that this transition will take quite some time. The recently-unveiled 13th 5-year plan for China, covering the period of 2016-2020, projects steady continuous growth in power consumption, on the back of lowest annual industrial power consumption in decades, with coal-fired power still making up a significant portion of total electricity generated. The expected growth in power consumption is also an indication that urbanisation and increasing affluence will result in consumer demand picking up the slack from slowing industrial growth. This bodes well for the sector as it underpins the need to continue building power infrastructure.

Traditionally, our business was largely focused on producing vane products for new turbines, mostly for new coal-fired power plants being built. We have to align ourselves with the expected structural changes in the sector, and will aim to enhance our capabilities to produce components for gas-fired turbines, and possibly nuclear power as well. We currently are capable of producing gas-fired turbine vanes, but the ones for nuclear power have more stringent requirements which we will explore deeper in due course. However, we will still have opportunities of a different nature for coal-fired power, as we see demand for the retrofitting of older turbine blade generators with more efficient components.

尊敬的各位股东，

我谨代表上海动力发展有限公司董事会，欣然呈现本集团于2015财政年的年度报告。虽然中国电力市场的瞬息万变，难免给我们带来挑战，但同时也为我们创造商机。

中国政府已作出明确声明，将通过各个管道减少碳排放量，并且主要目的是能够减少电力制造上所造成的污染。毋庸置疑的是，这意味着中国将减少依赖燃煤火力发电的长期目标，但因煤炭的相对廉价，我们预计这项转型还需要一段时间才能完成。在最近举行的国民经济和社会发展第十三个五年规划中就涵盖了中国在2016年至2020年的五年计划，在面对几十年来的年度最低的工业能源消费量的情况下，预计能源的消费量仍能持稳定增长，而总供电量的大部分仍来自燃煤火力发电。预计增长的能源消费也是城市化与日趋富裕以致消费者需求不断攀升的指标，并促进放缓的工业增长。这预示着，这个领域将持续发展，从而带动制造基本发电设施的需求。

传统上，我们的业务主要专注于新发电机叶片产品的制造，并以新的燃煤火力发电厂制造为主。我们必须对可预期的结构性改革做准备，旨在提升我们的燃气火力发电机，甚至核能发电机的制造能力。我们目前已拥有制造燃气火力发电机叶片的能力，并且已着手探讨如何达到核能发电机叶片严格的制造要求。此外，随着厂家也正在寻求使用更高效率的机组对其旧款发电机叶片进行改装，我们也能从燃煤火力发电领域中，看见另一商机。



On a more micro level, we continue to review our customer mix to see how best we can develop and realise these opportunities. Previously, our efforts to grow a new domestic customer account boosted Group revenue, but also resulted in the worsening of our accounts receivable situation. Currently we face the same issue with another new customer. The payment terms are challenging and this would result in a drain on our cash. Together with management, we will weigh the pros and cons and see how best to proceed. We have also attempted to grow our export sales, but this too comes with its own set of challenges. While our Korean orders remain subdued reflecting their country's economic stagnation, products for the Japanese market requiring stringent technical requirements faced headwinds in 2015 losing a major order on technical output specifications. Along with the increasingly demanding requirements of the markets, it underscores the need to upgrade and replace the Group's machinery, a large portion of which have been worn out by years of intensive usage.

On that note, we recently announced the allocation of RMB 44.4 million for the purchase of new equipment. Of this, RMB 30.5 million has already been earmarked for 10 new coordinated blade milling machines. The remaining amount will be used for further purchases when necessary. Barring any unexpected economic and political upheavals, the Company is expected to regain its competitive edge and gradually improves its domestic and export order books.

I am pleased that we are able to maintain our track record of dividend payouts, with a proposed dividend of RMB 25 cents per ordinary share for FY2015, same as in FY2014 on a post-consolidation share basis. We hope to continue rewarding our shareholders, but our cash reserves will need to be managed more prudently than ever, given the aforementioned capital requirements for new machinery.

ACKNOWLEDGEMENTS

Mr Aloysius Wee Meng Seng, Non-Executive Director, has decided to step down after the AGM. We thank him for his valuable contributions the last 2 years. On a similar note, I have decided to leave allowing the Board to reconstitute itself.

The sector in which we operate is in the midst of a difficult transition, but there are still bright spots we can take advantage of, so long as we maintain our technical competence and capabilities, balanced with the need for financial prudence. On behalf of the Board of Directors, I am thankful for all the support received from the management and staff, customers and business partners, and our loyal shareholders.

HUANG WOUI TEIK
Non-Executive Chairman
Lead Independent Director

在微观的层面上，我们持续检讨我们的客户组合，以发挥最佳的发展潜能。之前，我们就开发一个崭新的中国客户，虽然顺利提升了本集团的营业收入，却影响了我们应收账款的情况。目前，我们在另一新客户上也面对同样的问题。这类付款条件较具挑战性，从而导致我们的现金外流。我们正积极与管理层商议，衡量所有的利与弊，以制定出最佳的策略应付这个问题。我们也尝试提高我们的出口销量，但同样面对许多挑战。随着来自韩国的订单持续疲弱，反映了其停滞的经济，出口至日本市场的产品也在2015年受到严格技术要求的影响，使我们损失一宗技术输出规范的重大订单。加上国内市场日趋提高的严格要求，这意味着我们需提升及替换本集团大部分因长年累月的使用以致磨损老旧的机械，以提高效率与能力。

因此，我们最近宣布拨款4440万元人民币购买新设备，其中的3050万元人民币已确定作为添购10台新的立式镗铣加工中心。其余款项将在必要时用于购买其他设备。在无任何可预期的经济及政治动荡的情况下，本公司预计将恢复其竞争优势，并逐渐加强其中国及出口订单。

我也欣然宣布，我们仍能维持派发股息的政策，并拟议派发2015财政年的每普通股0.25元人民币的股息。我们希望能继续回馈我们的股东，同时需更加谨慎地管理现金储备，以应付上述添购机械的资本要求。

鸣谢

非执行董事黄明成先生已经决定在年度股东大会后卸任。我们对他在过去两年所付出的宝贵贡献表示感谢。与此同时，我也决定卸下董事职务，以让董事会能够重新组成。

尽管我们的业务领域正在进行艰难的转型，我们仍坚信，只要保持我们的技术竞争力与能力，同时通过谨慎稳健的财务政策，我们仍能从中获益。最后，我也谨代表董事会，对管理层与全体职员、客户与商业伙伴，以及我们忠实的股东所给予的支持，表示最深切的感谢。

黄伟德
非执行主席
首席独立董事

CEO'S STATEMENT

首席执行官致词



“We aim to maintain competitiveness through the renewal and upgrading of machinery”

“我们旨在通过机械更新，以保持竞争力”

DEAR SHAREHOLDERS,

We aim to maintain competitiveness through the renewal and upgrading of machinery.

BUSINESS OVERVIEW AND STRATEGY

The power sector in China is in the midst of a transition period. Chinese government policy shows a determination to shift towards cleaner forms of power generation, and this will have wide-ranging and significant implications for the sector. In FY2015 we have already started to see signs of the market dynamics changing. With more stringent technical requirements for power generating equipment, the entire supply chain is going through a process of upheaval and consolidation as upstream players take more of the production work in-house. This has led to a decrease in outsourced manufacturing flowing to downstream suppliers like us, resulting in increased competition and having to take on orders with lower margins.

In order to address the evolving and increasingly challenging needs of the marketplace, our strategy is centred on our machinery and controlling the quality of key engineering processes. We have started the upgrading cycle for our machines, with an order placed for 10 new coordinated blade milling machines, and these will be delivered progressively in 2Q and 3Q of FY2016. The refreshing and upgrading of our technical abilities is important in helping us to maintain the competitive edge; these new specialised machines are tailored for highly customisable plate cutting work, which will enable us to compete for more lucrative jobs with higher margins.

尊敬的股东，

我们旨在通过机械更新，以保持竞争力。

业务回顾与策略

中国的能源领域目前正在进行转型。中国政府已在所实施的政策中表现出决心，将迈向更洁净能源发电的发展，从而对此领域造成深远及重大的影响。在2015财政年里，我们注意到市场动态已经开始出现变化。随着更严格的发电设备技术要求的实施，整个供应链经历了“震荡”与整合。上游企业开始将更多的生产过程移到内部生产线，以致外包给像我们的下游供应商的制造流程遭到削减，从而加剧了业内的激烈竞争，也迫使我们接受较低利润的订单。

为了应付瞬息万变和越加充满挑战性的市场，我们把策略重心放在我们的机械与主要工程流程的质量上。我们已启动对机械的更新周期，订购了10台崭新的立式镗铣加工中心，预期会在2016财政年第二季度和第三季度陆续交货。技术能力的更新与提升，有助我们保持竞争力；而这些崭新的专业机械可进行高度个性化的截板项目，让我们能够加入较高利润项目的竞争行列。



FINANCIAL HIGHLIGHTS

As a result of the challenging domestic conditions, total Group revenue fell by 12%, with a 15.5% fall in revenue from customers within China. This was mostly attributed to lower demand from a key state-owned enterprise (SOE) customer. Due to the aforementioned market factors, we had a lower gross profit margin of 28.2% this year, compared to 39.4% in 2014.

The Group generated RMB 31.2 million net cash from operating activities, with a net inflow of RMB 17.7 million after deducting cash used in investing and financing activities. As at 31 December 2015, cash and cash equivalents stood at RMB 58.8 million. This has enabled us to continue paying dividends, but we will need to exercise some restraint due to the capital expenditure requirements for machinery upgrading.

The situation with our accounts receivable remains an area of focus for management. As at 31 December 2015, we had RMB 168.3 million in total trade receivables, a marginal increase of RMB 1.7 million compared to the end of FY2014. On the positive side, however, the ageing of the receivables improved, with 60% past due as at 31 December 2015, compared to 63% at the end of the prior year. Management is highly concern on the receivables and has tried many possible means to reduce it. On the whole, management has done and will continue to conduct vigorous risk assessment of the receivables, and we are satisfied that it will not have a significant impact on the Group's overall financial health.

On a positive note, we are still receiving a moderate level of business enquiries in spite of the adverse market conditions. Barring unforeseen circumstances, we expect to remain profitable in FY2016.

LIU MING

Chief Executive Officer and Executive Director

财务摘要

鉴于国内市场的严峻营业环境，本集团的总营业收入下跌12%，其中来自国内市场的营业收入就下跌了15.5%。这主要是因为其中一家来自国营企业的大客户对我们产品的需求减少所致。基于上述市场因素，我们在本财政年取得28.2%的毛利率，与2014财政年的39.4%相比呈现微跌情况。

本集团从运营活动中产生了3120万元人民币净现金，在扣除投资与融资活动中所使用的现金后，净现金流量为1770万元人民币。截至2015年12月31日止，本集团的现金与现金等价物为5880万元人民币。这虽促使我们能够继续派发股息，但我们也了解到需要为机械更新的资本开支谨慎管理现金。

我们的应收账款情况仍是管理层非常关注的领域。截至2015年12月31日止，我们累计1亿6830万元人民币的总应收账款，与2014财政年末相比，增长了170万元人民币。虽如此，应收账款的到期期限有所改善，截至2015年12月31日止逾期比例为60%，与2014财政年的63%相比较稳健。管理层对应收账款已高度重视，并已采取各种有效方法，努力减少应收账款。整体而言，管理层已经并且将会继续对应收账款进行积极的风险评估，并认为目前此风险并不对本集团的财务健康构成重大影响。

此外，尽管我们处在低迷的市场环境中，但是我们仍能时常接到相关的业务询问。倘若无任何其他未能预见的情况，我们预计在2016财政年中，集团依然能够取得盈利。

刘明

首席执行官兼执行董事

OPERATIONAL AND FINANCIAL REVIEW

运营和财年回顾

STATEMENT OF COMPREHENSIVE INCOME

Group revenue decreased from RMB 161.5 million in FY2014 to RMB 141.5 million in FY2015, reflecting lower demand from key State-Owned Enterprise (SOE) customers in the domestic market; revenue from overseas customers rose marginally to RMB 22.9 million. Gross profit margin in FY2015 was 28.2%, compared to 39.4% in FY2014, due to increasingly competitive pricing as well as the taking of orders which required higher proportions of raw material usage. Additionally, in 4Q2015 there was an adjustment of RMB 1.6 million made for consumables used in 2014.

Other operating income increased from RMB 1.3 million in FY2014 to RMB 3.2 million in FY2015, primarily due to an exchange gain due to the appreciation of the USD against the RMB, resulting in large gains on USD deposits as well as a reversal of doubtful debt provision. Selling and distribution expenses increased by RMB 0.5 million, due to increased visits to customers and expenses incurred in sourcing for new potential customers. Administrative expenses increased from RMB 18.4 million in FY2014 to RMB 21.8 million in FY2015, mainly due to higher professional fees and staff costs. FY2014 administrative expenses were also lower due to a reclassification of RMB 0.6 million of staff costs, and a reversal of a RMB 1.6 million accrual for CEO incentive payment.

Income tax expense was RMB 7.1 million in FY2015, compared to RMB 8.6 million in FY2014. The higher effective tax rate in FY2015 reflected the inclusion of a RMB 3 million deferred tax provision. This new provision relates to undistributed retained earnings of the Group's main operating subsidiary. This is to factor in the possibility that dividends may be paid out on the said earnings pending management's future decision.

The Group's net profit for FY2015 was RMB 11.0 million, compared to RMB 34.4 million in FY2014.

综合收益表

本集团的营业收入从2014财政年的1亿6150万元人民币下跌至2015财政年的1亿4150万元人民币。这主要是因国内主要国营企业的需求减少所致，但来自海外市场的营业收入却有所上升，达2290万元人民币。2015财政年的毛利率为28.2%，与2014财政年的39.4%相比微跌，主要是因为日趋激烈的竞争驱使价格下滑，以及接获了需较大量原材料成本的订单所致。另外，2014年使用总值160万元人民币的消耗性材料，在2015财政年第四季度中进行了调整。

其他运营收入在2015财政年有所提高，从2014财政年的130万元人民币上升至320万元人民币，主要原因是美元兑人民币增值而产生的外汇利益以及呆账准备金冲销。由于拜访客户及网罗新客户费用上升了，导致销售及分销费用随即上涨50万元人民币。行政费用从2014财政年的1840万元人民币上扬至2015财政年的2180万元人民币，主要因为专业人士费及工资有所提升。2014财政年的行政费用较低的另一原因，是因为总值60万元人民币的工资重组及160万元人民币的首席执行官激励应计项目冲销所导致。

2015财政年的所得税费用为710万元人民币，与2014财政年的860万元人民币相比有所下跌。2015财政年中的较高有效税率包含了一笔300万元人民币的递延所得税准备金。这项新的准备金与本集团主要运营子公司的未分配留存收益相关。这是考虑到管理层可能在未来将上述收益分派为股息而做的准备。

本集团于2015财政年的净利润为1100万元人民币，与2014财政年的3440万元人民币相比有所下滑。





STATEMENT OF FINANCIAL POSITION

As at 31 December 2015, the Group's current assets stood at RMB 276.5 million, an increase of RMB 11.3 million compared to 31 December 2014. This was mainly due to increases in cash and cash equivalents, trade receivables, and prepayments for new machinery, offset by a RMB 10.3 million decrease in inventory as finished goods were shipped out towards the end of the year.

The Group had RMB 168.3 million in trade receivables as at 31 December 2015, a marginal increase compared to the prior year. 60% of the accounts receivable were due as at 31 December 2015, as compared to 63% due as at 31 December 2014.

Total liabilities decreased by RMB 6.4 million, mainly due to a decrease in trade payables.

STATEMENT OF CASH FLOWS

Net cash generated by operating activities in FY2015 was RMB 31.2 million, compared to negative RMB 5.0 million in FY2014, mainly due to positive cash flow from inventories and trade and other receivables in FY2015.

Net cash used in investing activities was RMB 11.1 million in FY2015, lower than the RMB 20.2 million in FY2014, due to a lower value of purchased machinery and equipment.

Net cash used in financing activities decreased from RMB 13.7 million in FY2014 to RMB 2.4 million in FY2015, mainly due to the release of deposits pledged for accounts payable facilities.

The Group's cash and cash equivalents rose from RMB 40.5 million as at 31 December 2014 to RMB 58.8 million as at 31 December 2015, an increase of RMB 18.3 million.

资产负债表

截至2015年12月31日止，本集团的流动资产为2亿7650万元人民币，与截至2014年12月31日相比增长了1130万元人民币。这主要是因为现金与现金等价物、应收账款及新机械预付款的提升所致，并由库存在年底出口为完成品而导致的1030万元人民币减值给抵消。

本集团截至2015年12月31日拥有1亿6830万元人民币的应收账款，与上个财政年相比微微上扬。其中，60%的应收款项于2015年12月31日到期，与2014年12月31日的63%相比有所好转。

总负债下跌640万元人民币，主要因应付账款的减少所导致。

现金流量表

在2015财政年中，运营活动所产生的净现金为3120万元人民币，与2014财政年的负500万元人民币相比有所改善，主要因为库存及应收账款和其他应收款项于2015财政年所产生的现金增长，促使正现金流量。

投资活动所使用的净现金在2015财政年为1110万元人民币，较低于2014财政年的2020万元人民币，主要是因为所添购的机械与设备价值较低。

融资活动所使用的净现金也从2014财政年的1370万元人民币，下降至2015财年的240万元人民币，主要因为应付款项设施的存款担保获释放所导致。

本集团截至2015年12月31日的现金与现金等价物增长至5880万元人民币，与截至2014年12月31日的4050万元人民币相比，增幅达1830万元人民币。

RESULTS AT A GLANCE

业绩一览表

		31-Dec-15 2015年12月 31日	31-Dec-14 2014年12月 31日	Variance 增跌幅	
		RMB'000	RMB'000	RMB'000	%
	Assets				
	Current assets:				
Reduction in inventories mainly due to shipments of finished goods near end of the year 库存下跌主要是因为年底出口的完成品导致	Inventories	30,218	40,508	(10,290)	-25%
	Trade receivables	168,314	166,580	1,734	1%
Increase in Account Receivables due to continued deterioration in the Industry 应收款项有所上升是因业内情况持续转差导致	Other receivables, deposits and prepayments	10,207	4,071	6,136	151%
	Land use right	251	251	0	0%
	Cash and bank balances	67,557	53,775	13,782	26%
Increase due to RMB 9.2 million deposits made for 10 CNC machines (contract value RMB 30.6 million) made in December 2015 上升是因为于2015年12月为10台CNC机械预付920万元人民币的定金(这10台CNC机械的合同价值为3060万元人民币)	Total current assets	276,547	265,185	11,362	4%
	Non-current assets:				
	Property, plant and equipment	101,846	115,192	(13,346)	-12%
Reduction in PPE mainly due to depreciation in the period 物业、厂房及设备的减少是因财年期间的折旧导致	Land use right	10,038	10,289	(251)	-2%
	Total non-current assets	111,884	125,481	(13,597)	-11%
	Total assets	388,431	390,666	(2,235)	-1%
	Current liabilities:				
	Trade payables	46,254	60,923	(14,669)	-24%
Increase is due to accruals made for value added tax for larger amounts of invoicing done in the last quarter of 2015 compared to other quarters of 2015 上升是因为在2015年最后季度进行大量结账的应计增值税,比起2015年其他季度来得多	Other payables and accruals	11,169	5,291	5,878	111%
	Income tax payable	2,104	78	2,026	2597%
	Total current liabilities	59,527	66,292	(6,926)	-10%
	Non-current liabilities:				
There is a provision made in 2015 for RMB 3 million on undistributed retained earnings to accrue for the timing differences from withholding taxes on future dividend payments 在2015年提出准备金,从预扣税中为时差而应计300万元人民币未分配留存收益,用于未来的股息分配	Deferred tax liabilities	2,413	1,999	414	21%
	Total non-current liabilities	2,413	1,999	414	21%
	Total liabilities	61,940	68,291	(6,351)	-9%
	EQUITY AND LIABILITIES				
	Capital and reserves:				
	Share capital	55,409	55,409	0	0%
	Share premium	81,527	81,527	0	0%
	Statutory reserve	29,696	27,957	1,739	6%
	Translation deficit	(3,372)	(3,331)	(41)	1%
	Retained earnings	163,231	160,813	2,418	2%
	Total equity	326,491	322,375	4,116	1%
	Total equity and liabilities	388,431	390,666	(2,235)	-1%



Mainly due to lower demand from key state owned enterprise customers within the domestic market
主要因来自国内的主要国营企业客户的需求减少所导致

Resulted from increasingly competitive pricing as well as less profitable orders
因日趋激烈的竞争及较低利润的订单所导致

Increase is due to exchange gain of RMB 1.4 million in China subsidiary's book due to appreciation of USD against RMB, resulting in large gains on USD deposits. At the same time, there is a gain of RMB 552,000 in 2015 due to reversal of doubtful debt provision
增幅来自美元兑人民币增值以致140万元人民币的外汇利益（来自中国的子公司）。与此同时，呆账准备金冲销也于2015年产生了55万2000元人民币的收益

Increase in selling and distribution expenses due to more visits to customers and expenses incurred in sourcing for new potential customers
销售及分销费用的上升是因为进行了更多客户拜访及新客户的网罗

Increase in administrative expenses due to higher professional fees spent, increase in staff salary and reversal of CEO incentive accrual in 2014
行政费用的上升是因为专业人士费及工资有所提升以及2014年首席执行官激励应计项目冲销导致

Loss on disposal of equipment of RMB 356,000 in FY 2014
2014财政年出售设备的亏损为35万6000元人民币

There is a RMB 3.2 million tax provision made in 2015 on undistributed retained earnings to accrue for the timing differences from withholding taxes on future dividend payments
2015年所提出总值320万元人民币的所得税准备金从预扣税中为时差而应计未分配留存收益，用于未来的股息分派

		31-Dec-15 2015年12月 31日	31-Dec-14 2014年12月 31日	Change 增减幅 %
		RMB'000	RMB'000	
Revenue	营业收入	141,475	161,495	-12%
Cost of sales	销售成本	(101,540)	(97,787)	4%
Gross profit	毛利润	39,935	63,708	-37%
Other operating income	其他运营收入	3,182	1,306	144%
Selling and distribution expenses	销售及分销费用	(2,949)	(2,414)	22%
Administrative expenses	行政费用	(21,849)	(18,386)	19%
Other operating expenses	其他运营费用	(222)	(1,158)	-81%
Profit before income tax	所得税前利润	18,097	43,056	-58%
Income tax expenses	所得税费用	(7,073)	(8,622)	-18%
Profit for the year	净利润	11,024	34,434	-68%
Other comprehensive income/ (expenses)	其它综合收入 / (费用)	(41)	192	-121%
Total comprehensive income attributable to equity shareholders of the Company	总综合收益可归本公司权益持有人的利润	10,983	34,626	-68%



FINANCIAL HIGHLIGHTS

财年摘要

2010 2011 2012 2013 2014 2015

Income Statement 损益表 (in RMB'000) (千元人民币)

Revenue 营业收入	169,231	182,784	150,586	166,400	161,495	141,475
Gross profit 毛利润	62,163	72,023	80,747	68,039	63,708	39,935
Profit before tax 税前盈利	42,934	52,267	56,665	45,709	43,056	18,097
Net profit after tax 税后净利	27,207	36,217	41,481	43,821	34,434	11,024

Balance Sheet 负债资产表 (in RMB'000) (千元人民币)

Property, plant and equipment 不动产、厂房及设备	115,662	140,215	125,561	114,079	115,192	101,846
Inventories 存货	13,400	6,793	16,703	22,384	40,508	30,218
Trade receivables 应收账款	68,079	72,140	83,679	121,569	166,580	168,314
Cash and bank balances 现金及银行存款	42,147	59,935	75,727	85,817	53,775	67,557
Trade payables 应付账款	32,963	40,716	35,502	41,748	60,923	46,254
Other payables and accruals 其他应付款及应计项目	14,293	14,455	18,079	16,436	5,291	11,169
Shareholders' Equity 股东权益	202,560	230,459	257,761	294,616	322,375	326,491
Total assets 资产总计	251,358	291,646	315,113	355,959	390,666	388,431
Total liabilities 负债总计	48,798	61,187	57,352	61,343	68,291	61,940

Cash Flow 现金流量 (in RMB'000) (千元人民币)

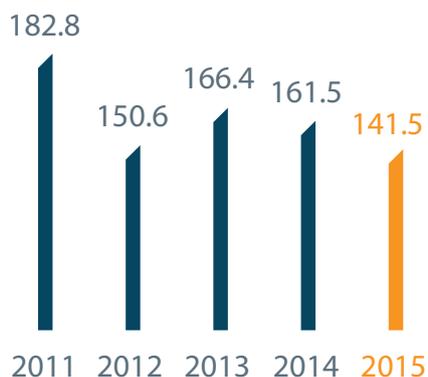
Operating activities 营业活动		66,790	34,071	23,481	-4,979	31,189
Investing activities 投资活动		-41,924	-4,542	-6,470	-20,215	-11,125
Financing activities 融资活动		5,258	-27,044	-5	-13,664	-2,404
Net movement 净流量		30,124	2,485	17,006	-38,858	17,660

Financial Ratios 财务比率

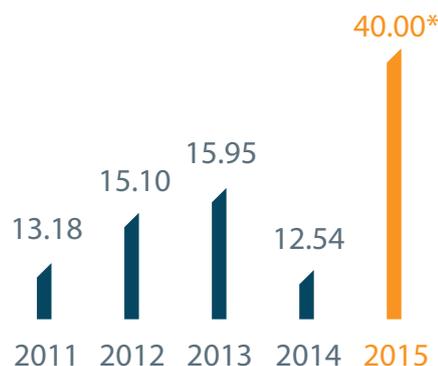
Earnings per share (RMB) 每股盈余 (人民币)	0.10	0.13	0.15	0.16	0.13	0.40
Net asset value per share (RMB) 每股资产净值 (人民币)	0.74	0.84	0.94	1.07	1.17	11.89
Dividend Yield (%) 股息率 (%)	10.9	10.5	12.3	5.9	8.1	5.1
Dividend Payment Quantum (RMB'000) 实际股息金额 (千元人民币)	6,867	13,734	6,867	0	13,734	6,867



Revenue 营业收入
(RMB million) (百万元人民币)



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

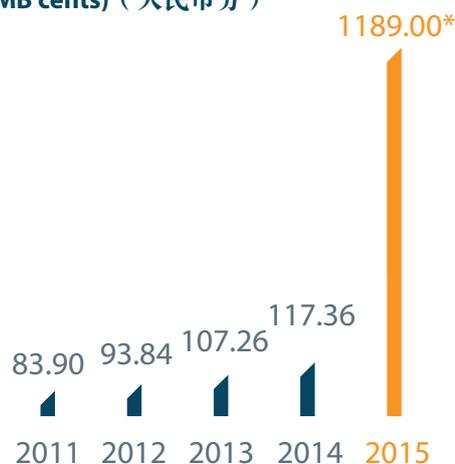


* A 10 to 1 share consolidation was completed on 15 May 2015.
* 在2015年5月15日完成了一项10股为1股的股份合并。

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

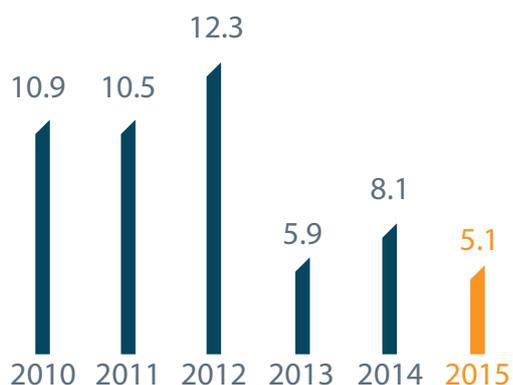


Net Asset Value per share 每股资产净值*
(RMB cents) (人民币分)



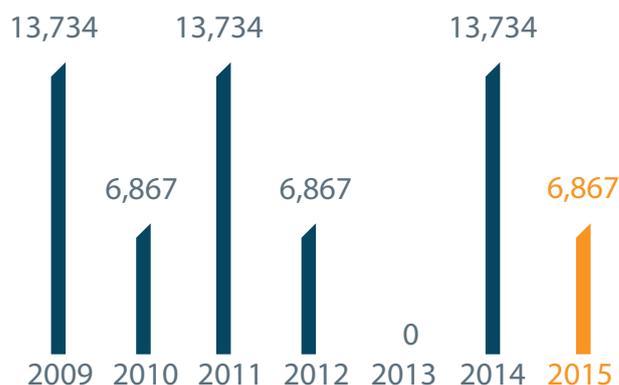
* A 10 to 1 share consolidation was completed on 15 May 2015.
* 在2015年5月15日完成了一项10股为1股的股份合并。

Dividend Yield Chart (%) 股息率表 (%)



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

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



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



Mr Huang Wooi Teik 黄伟德先生, Age 62 年龄 62

Non-Executive Chairman and Lead Independent Director 非执行主席兼首席独立董事

Master of Business Administration with Honours from Oklahoma City University

美国俄克拉荷马大学工商管理荣誉硕士学位

Bachelor of Accountancy from the University of Singapore

新加坡大学会计学学士学位

Diploma of Marketing from the Chartered Institute of Marketing in United Kingdom

英国特许经销学会的高级文凭

Fellow of Institute of Singapore Chartered Accountants and CPA Australia

澳大利亚会计师协会会员

Member of the Marketing Institute of Singapore and the Chartered Institute of Marketing in United Kingdom

新加坡及英国特许经销学会成员

Date of appointment as Director: 11 March 2009

委任日期: 2009年3月11日

Date of appointment as Lead Independent Director: 6 August 2014

受委任为首席独立董事: 2014年8月6日

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

受重新委任为非执行主席: 2015年2月7日

Length of service: 6 years 9 months (as at 31 December 2015)

服务任期: 6年9个月(截至2015年12月31日)

Served on the following Board Committees

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

Present directorships in other listed companies

- NIL

Present principal commitments

(other than directorships in other listed companies)

- NIL

Directorships in other listed companies held over the preceding three years (2013-2015)

- NIL

Background and experience

Mr Huang currently runs a business and investment advisory firm, specialising in the China, fund management and capital markets. Prior to this, Mr Huang was a Managing Director at Middle East Development Singapore Limited listed on the SGX-ST and had held senior management and financial roles in regional MNC and listed companies, including General Manager of Shanghai Carrier Transicold Equipment Co., Limited, CFO of United Technologies Carrier Refrigeration Asia Pacific Operations, CFO of Hi-P International Limited listed on the SGX-ST and Group CFO (China) of Hong Leong China Limited.

服务于以下董事委员会

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

现任其他上市公司董事

- 无

目前主要职务

(除其他上市公司董事外)

- 无

过去三年所担任其他上市公司之董事 (2013年至2015年)

- 无

背景与经验

黄先生目前经营一家投资顾问公司, 专注于中国市场的基金管理与资本市场。在此前, 黄先生曾任职于新交所上市公司中东发展新加坡有限公司的执行董事。此外, 他也在多个区域跨国及上市公司中受委任为高级管理及财务管理等职位, 当中包括担任上海开利运输冷气设备有限公司的总经理; 联合技术开利空调亚太区业务的财务总监; 于新交所上市的赫比国际有限公司的财务总监以及丰隆中国有限公司的集团财务总监(中国)。



Mr Liu Ming 刘明先生 , Age 42 年龄 42

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

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

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

Date of appointment as Chief Executive Officer: 13 November 2009

委任日期: 2009年11月13日

Date of appointment as Executive Chairman: 16 March 2010

受委任为执行主席: 2010年3月16日

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

受重新委任为执行主席: 2015年2月7日

Length of service: 10 years (as at 31 December 2015)

服务任期: 10年 (截至2015年12月31日)

Served on the following Board Committees

- Nominating Committee - Member

Present directorships in other listed companies

- NIL

Present principal commitments

(other than directorships in other listed companies)

- NIL

Directorships in other listed companies held over the preceding three years (2013-2015)

- NIL

Background and experience

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

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

服务于以下董事委员会

- 提名委员会 — 成员

现任其他上市公司董事

- 无

目前主要职务

(除其他上市公司董事外)

- 无

过去三年所担任其他上市公司之董事 (2013年至2015年)

- 无

背景与经验

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

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

BOARD OF DIRECTORS

董事会成员



Mr Jack Chia Seng Hee 杰克谢先生 , Age 55 年龄 55

Independent Director 独立董事

Bachelor's degree in Accountancy from the National University of Singapore

新加坡国立大学会计学学士学位

Master of Arts Degree in International Relations from the International University of Japan

日本国际大学国际关系学硕士学位

Fellow of Institute of Singapore Chartered Accountants

新加坡特许会计师协会会员

General Manager Program at Harvard Business School

美国哈佛大学总经理课程

Date of appointment as Director: 1 February 2008

委任日期: 2008年2月1日

Date of last re-election as Independent Director: 30 April 2013

受重新委任为独立董事: 2013年4月30日

Length of service: 8 years (as at 31 December 2015)

服务任期: 8年 (截至2015年12月31日)

Served on the following Board Committees

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

Present directorships in other listed companies

Listed companies

- China Hongcheng International Holdings Limited – to be delisted
- Combine Will International Holdings Limited
- Dukung Distillers Holdings Limited
- Debao Property Development Limited
- mm2 Asia Limited

Others

- Jack Capital Solutions Pte Ltd
- Legami Pte Ltd

Present principal commitments

(other than directorships in other listed companies)

- NIL

Directorships in other listed companies held over the preceding three years (2013-2015)

- Sunray Holdings Limited (Chairman, Nominating Committee)

Background and experience

Mr Chia currently runs his own investment advisory firm, Jack Capital Solutions Pte Ltd, which he set up in June 2005, after spending twenty years in both the private and public sectors, substantially in Japan and China.

Mr Chia was Senior Director, International Enterprise Singapore (the former Trade Development Board) covering China operations in Shanghai. He was also with Singapore Technologies, Government of Singapore Investment Corporation as well as Arthur Andersen in marketing, asset management and consulting capacities respectively.

服务于以下董事委员会

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

现任其他上市公司董事

上市公司

- 中国宏城国际控股有限公司 – 即将退市
- 联志国际控股有限公司
- 杜康控股有限公司
- 德宝地产发展有限公司
- mm2亚洲有限公司

其他

- 杰克资本有限公司
- Legami私人有限公司

目前主要职务

(除担任其他上市公司董事外)

- 无

过去三年所担任其他上市公司之董事 (2013年至2015年)

- 三瑞控股有限公司 (主席, 提名委员会)

背景与经验

谢先生20年的职业生涯跨越了日本和中国市场私营和公共部门,并于2005年6月创立了自己的投资顾问公司,杰克资本有限公司。

谢先生任职国际企业新加坡(前贸易发展局)的中国总署政。他曾常驻上海3年,同时担任新加坡驻上海总领事馆商务总参赞,协助新加坡公司在中国的市场开发和业务拓展。他分别与新加坡科技、新加坡政府投资公司及安达信会计师事务所担任行销、资产管理及咨询方面等业务。



Mr Aloysius Wee Meng Seng 黄明成先生, Age 47 年龄 47

Non-Independent Director 非独立董事

University of Kent and Canterbury, BA in Law & Economics

坎特伯雷大学法律与经济学学士学位

Date of appointment as Director: 28 May 2014

委任日期: 2014年5月28日

Date of last re-election as Non Independent Director: 30 April 2015

手重新委任为非独立董事: 2015年4月30日

Length of service: 1 year 7 months (as at 31 December 2015)

服务任期: 1年7个月(截至2015年12月31日)

Served on the following Board Committees

- Audit Committee – Member
- Remuneration Committee – Member

Present directorships in other listed companies

Listed companies

- Changjiang Fertilizer Holdings Limited – Independent Director

Others

- Dacheng Wong Alliance LLP – Managing Principal
- Wong Alliance LLP – Partner

Charities/Non-profit Organizations

- Verbum Dei Limited – Director
- Tay Leck Teck Foundation - Governor

Present principal commitments

- Realm of Tranquillity (Registered Charity/IPC) - Legal Advisor
- Muscular Dystrophy Association (Registered Charity/IPC) – Legal Advisor
- ASEAN Legal Alliance - Chairman

Directorships in other listed companies held over the preceding three years (2013-2015)

- CCM Group Limited (Up to 31 December 2014)

Background and experience

Aloysius is a lawyer with more than 20 years' experience and is the managing principal of Dacheng Wong Alliance LLP a Singapore China joint venture law firm. He specializes in cross border investments and ventures and has experience in structuring cross border transactions across ASEAN, China and India.

Aloysius is also currently the Chairperson of the ASEAN Legal Alliance (ALA). ALA was formed in November 2014 to bring together law firms from each of the 10 member states to provide a truly ASEAN wide legal network. The ALA is the only ASEAN focused legal network with a presence in all 10 ASEAN countries.

He is also an Associate Mediator with the Singapore Mediation Centre and mediates in disputes in the Singapore Mediation Centre and the Small Claims Tribunal in the State Courts.

服务于以下董事委员会

- 审计委员会 – 成员
- 薪酬委员会 – 成员

现任其他上市公司董事

上市公司

- 长江化肥控股有限公司, 任职独立董事

其他

- 大成王盟律师事务所 – 管理合伙人
- 王盟律师事务所 – 合伙人

慈善或非盈利组织

- Verbum Dei Limited – 董事
- Tay Leck Teck基金会 – 理事长

目前主要职务

- 清一阁(注册慈善或公益机构) – 法律顾问
- 新加坡肌肉萎缩症协会(注册慈善或公益机构) – 法律顾问
- 亚西安法律联盟 – 主席

过去三年所担任其他上市公司之董事 (2013年至2015年)

- CCM集团有限公司(直至2014年12月31日)

背景与经验

黄先生从事法律行业二十余载,是新加坡与中国合资经营的律师行--大成王盟律师事务所的管理合伙人。黄先生为跨境合资企业和交易、公司合并及收购等方面提供咨询意见。他积极参与横跨中国、印度以及东南亚等地区的跨境企业和投资交易。

黄先生目前担任亚西安法律联盟主席一职。成立于2014年11月的亚西安法律联盟,主要聚集了亚西安10个成员国的法律事务所,以提供一个真正广泛的亚西安法律网络。此联盟目前是唯一一个在10个亚西安成员国专注于亚西安事宜的法律网络。

黄先生也是新加坡调解中心的调解员,并在新加坡调解中心以及小额赔偿庭为纠纷进行调解。

KEY MANAGEMENT

管理层成员



Mr Raymond Lim 林酰淞先生, Age 66 年龄 66

Independent Director, Changzhou 3D Technological Complete Set Equipment Co., Ltd

独立董事, 常州市三维技术成套设备有限公司

Other Professional qualifications

其他专业资历

Specialist training with Japanese companies in fish food possessing

日本公司鱼肉食品加工专业培训

Date of appointment as Independent Director: 20 July 2015

委任日期: 2015年7月20日

Length of service: 5 months (as at 31 December 2015)

服务任期: 5个月(截至2015年12月31日)

Present directorship in other listed companies

- NIL

Present principal commitments

(other than directorships in other listed companies)

- Managing Director, Weihai Yunchen Trading Co., Ltd

Directorships in other listed companies held over the preceding three years (2013-2015)

- NIL

Background and experience

Mr Lim started his career with Agri-Food & Veterinary Authority of Singapore (AVA) as a Fishery Officer in 1970 and was later seconded to Ministry of Defence to set up Singapore Food Industries Pte Ltd for catering of rations to the Singapore Armed Forces in 1974.

In 1981, he set up his own company Kai-Ocean Pte Ltd, Kaiyen Company Pte Ltd and Sea King Pte Ltd, specializing in import & export of seafood and supplying to major supermarkets in Singapore.

During 1988 to 1997 he was as Deputy President of Singapore Fish Merchant General Association and in 1992, the Honourable General Secretary of Asian Fishery and Forestry Association of Singapore. From 1994 to 1997, he was elected as President of Seafood Industry General Association of Singapore.

Mr Lim set up Kunshan Ta Chuan Co., Ltd in Kunshan City, Jiangsu in 1999, manufacturing fish burger and chicken nuggets. He left Kunshan Ta Chuan in 2012.

He is now the managing director of Weihai Yunchen Trading Co., Ltd manufacturing all kinds of food products for both China and overseas markets.

现任其他上市公司董事

- 无

目前主要职务

(除其他上市公司董事外)

- 执行董事, Weihai Yunchen Trading Co., Ltd

过去三年所担任其他上市公司之董事 (2013年至2015年)

- 无

背景与经验

林先生于1970年在新加坡农粮与兽医局开始了职业生涯,并于1974年被暂时调配到国防部设立新加坡食品工业私人有限公司,为新加坡武装部队供应干粮。

在1981年,他创办了自己的公司Kai-Ocean私人有限公司,凯元私人有限公司以及海王私人有限公司,专注于海鲜的进出口及供应到新加坡各大超市。

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

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

他目前担任Weihai Yunchen贸易有限公司的执行董事,主要制造各种食品供应到中国及海外市场。



Mr Jiang Ronglin 姜荣林先生 , Age 46 年龄 46

General Manager, Changzhou 3D Technological Complete Set Equipment Co., Ltd

总经理, 常州市三维技术成套设备有限公司

Date of appointment as General Manager: October 2013

委任日期: 2013年10月

Length of service: 2 years 2 months (as at 31 December 2015)

服务任期: 2年2个月 (截止2015年12月31日)

Present directorship in other listed companies

- NIL

Present principal commitments

(other than directorships in other listed companies)

- NIL

Directorships in other listed companies held over the preceding three years (2013-2015)

- NIL

Background and experience

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

现任其他上市公司董事

- 无

目前主要职务

(除其他上市公司董事外)

- 无

过去三年所担任其他上市公司之董事 (2013年至2015年)

- 无

背景与经验

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

KEY MANAGEMENT

管理层成员



Mr Henry Lim Heng Lin 林恒仁先生, Age 66 年龄 66

Lead Supervisor, Changzhou 3D Technological Complete Set Equipment Co., Ltd 首席监事主管, 常州三维技术成套设备有限公司

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

新加坡南洋大学政府与行政学学士学位

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

美国杜布克大学工商管理金融学硕士学位

Date of appointment as Supervisor: 1 January 2015

委任日期: 2015年1月1日

Length of service: 1 year (as at 31 December 2015)

服务任期: 1年(截至2015年12月31日)

Present directorship in other listed companies

- NIL

Present principal commitments

(other than directorships in other listed companies)

- Senior Consultant of Jacob Business Armour Pte Ltd

Directorships in other listed companies held over the preceding three years (2013-2015)

- NIL

Background and experience

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

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

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

现任其他上市公司董事

- 无

目前主要职务

(除其他上市公司董事外)

- 捷卡企业危机管理私人有限公司资深顾问

过去三年所担任其他上市公司之董事 (2013年至2015年)

- 无

背景与经验

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

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

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



Mr Isaac Peh Lin Siah 白锦程先生 , Age 41 年龄 41

Financial Controller 财务总监

Bachelor of Arts (Major in Economics and Statistics) from the National University of Singapore
新加坡国立大学文学学位 (主修经济学与统计学)

ACCA

特许公认会计师

CPA(Australia)

特许公共会计师 (澳大利亚)

CPA (US)

特许公共会计师 (美国)

Date of employment: 9 December 2013

委任日期: 2013年12月9日

Length of service: 2 years (as at 31 December 2015)

服务任期: 2年 (截至2015年12月31日)

Present directorships in other listed companies

- NIL

Present principal commitments

(other than directorships in other listed companies)

- NIL

Directorships in other listed companies held over the preceding three years (2013-2015)

- NIL

Background and experience

Mr Peh has 15 years' broad based experience in manufacturing such as Semiconductor assembly and testing, Printed circuit board assembly, light consumer products and other various capacities in accounting/audit.

现任其他上市公司董事

- 无

目前主要职务

(除其他上市公司董事外)

- 无

过去三年所担任其他上市公司之董事 (2013年至2015年)

- 无

背景与经验

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

CORPORATE GOVERNANCE REPORT

企业管治报告

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

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

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

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

The Board is pleased to confirm that for the financial year ended 31 December 2015 ("**FY2015**"), the Company has generally adhered to the principles and guidelines as set out in the Code.

BOARD MATTERS

BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1: Effective Board to lead and control the Company

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

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

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

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

董事会欣然确定，截至2015年12月31日止之财政年度（下称“**2015财政年**”），本公司已大致上遵守了《守则》中所列明之原则与指导。

董事会事项

董事会对其事务的处理

原则1：可领导与管制公司的有效董事会

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

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

企业管治报告

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>6. approves all Board appointments/re-appointments and appointment of ¹Key Management Personnel, evaluates their performance and reviews their remuneration packages;</p> <p>7. identifies the key stakeholder groups and recognizes that their perceptions affect the Company's reputation;</p> <p>8. sets the Company's values and standards (including ethical standards), and ensures that obligations to shareholders and other stakeholders are understood and met; and</p> <p>9. considers sustainability issues (where applicable), e.g. environmental and social factors, as part of its strategic formulation.</p> | <p>6. 批准所有董事会的委任/重新委任、¹主要管理人员的委任，评估其表现并检讨其薪酬配套；</p> <p>7. 确定主要股东类别及认识到其观点可对本公司的声誉造成影响；</p> <p>8. 制定本公司的价值与标准（包括道德标准），并确保已了解及达到对股东与其他关系人的义务；</p> <p>9. 考虑可持续性课题（在适用的情况），例如环境及社会因素，作为其策略制定的一部分；</p> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

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

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

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

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

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

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

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

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The attendance of the directors at Board meetings and Board Committee meetings as at 31 December 2015 are as follows:-

董事于2015年12月31日的董事会议及董事委员会会议的出席率如下：

		Board 董事会	Audit Committee 审计委员会	Nominating Committee 提名委员会	Remuneration Committee 薪酬委员会
Number of meetings	召开会议次数	6	6	1	1
Name of directors	董事姓名				
Executive Director:	执行董事				
Liu Ming	刘明	6	-	1	1
Non-Executive & Independent Directors:	非执行兼 独立董事：				
*Huang Wooi Teik	*黄伟德	6	6	1	1
Jack Chia Seng Hee	杰克谢	6	6	1	1
Non-Executive & Non-Independent Director:	非执行兼 非独立董事：				
Aloysius Wee Meng Seng	黄明成	6	6	-	0

* Huang Wooi Teik was appointed as Non-Executive Chairman on 7 February 2015, in addition to his other appointment as Lead Independent Director

* 除了其首席独立董事的职责外，黄伟德也于2015年2月7日受委任为非执行主席。

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

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

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

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

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

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

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

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

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

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

BOARD COMPOSITION AND GUIDANCE

Principle 2: Strong and independent element on the Board

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

Non-Executive Chairman & Lead Independent Director

Mr Huang Wooi Teik
(Appointed on 7 February 2015 as Non-Executive Chairman)
(Retiring at the end of AGM on 30 April 2016)

Executive Director & CEO

Mr Liu Ming
(Relinquished his position as Executive Chairman on 7 February 2015)

Independent Director

Mr Jack Chia Seng Hee

Non-Executive & Non-Independent Director

Mr Aloysius Wee Meng Seng
(Retiring at the end of AGM on 30 April 2016)

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

Individual directors' profiles are shown in the "Board of Directors" section of this Annual Report as set on pages 14 to 17.

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

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

董事会构成与指导

原则2：董事会的坚强与独立能力

目前，董事会由一名执行董事、一名非执行董事以及两名独立董事组成。

非执行主席及首席独立董事

黄伟德先生
(于2015年2月7日受委任为非执行主席)
(于2016年4月30日年度股东大会结束时卸任)

执行董事兼总裁

刘明先生
(于2015年2月7日卸下执行主席之职务)

独立董事

杰克谢先生

非执行兼非独立董事

黄明成先生
(于2016年4月30日年度股东大会结束时卸任)

目前，董事会中有一名执行董事及三名非执行董事。半数的董事会成员由独立董事组成，并以首席独立董事身兼董事会主席，因此具有强大的独立能力。

个别董事的履历载于本年报第14页至17页的董事会栏目。

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

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

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

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

CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

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

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

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

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

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

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

主席与总裁（下称“总裁”）

原则3：本公司高层明显职务分化

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

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Mr Huang Wooi Teik, the Non-Executive Chairman leads Board meetings and sets the Board meeting agenda in consultation with the Company Secretary and ensures that Board members are provided with complete, adequate and timely information. The Chairman is also responsible for ensuring that adequate time is available for discussion of all agenda items, particularly for strategic issues, and promoting high standards of corporate governance. Besides ensuring effective communication with shareholders, the Chairman also acts as facilitator to the Non-Executive Directors for them to effectively contribute to the Group.

Mr Huang Wooi Teik is also the Lead Independent Director ("LID"). He was appointed LID on 7 February 2015. As the LID, Mr Huang Wooi Teik is the principal liaison to address shareholders' concerns, for which direct contact through normal channels of the CEO or Financial Controller have failed to resolve or for which such contact is inappropriate. He also facilitates periodic meetings with the other Independent Directors on board matters, when necessary and provides his feedback to the CEO after such meetings.

His other specific roles as LID are as follows:

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

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

During the year, the Company's independent directors have communicated between themselves, without the presence of the other directors as and when the need arises.

BOARD MEMBERSHIP

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

Presently, the NC comprises 3 members, 2 of whom (including the Chairman) are independent directors:-

Mr Huang Wooi Teik	(Chairman)
Mr Jack Chia Seng Hee	(Member)
Mr Liu Ming	(Member)

非执行主席黄伟德先生领导董事会议，并咨询企业秘书后设定董事会议议程，以及确保董事会成员获得完整、足够及及时的信息。主席也负责确保所有议程所列事项都能获得足够时间讨论，尤其是策略性课题，并促进企业管治的高水平。除了确保能够有效地与股东沟通外，主席也需衔接非执行董事与本集团的桥梁，让他们能有效地为本集团贡献。

黄伟德先生也是首席独立董事。他于2015年2月7日受委任为首席独立董事。身为首席独立董事，黄伟德先生是，在无法通过正常管道直接接触首席执行官或财务总监获得化解或类似接触并不适合的情况下，应付股东疑问的主要联系人。他也与其他独立董事协调有关董事会事项的周期会议，并在必要时在此类会议后向总裁提供反馈。

他身为首席独立董事的其他特定职责如下：

- a) 扮演独立董事与总裁之间的联系人，而独立董事需提供非执行观点；及
- b) 协助董事会及本公司人员更好地确保企业管治的合规与实施。

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

过去一年，本公司的独立董事，在无其他董事出席的情况下，在有必要时进行沟通。

董事会成员

原则4：董事会委任及重新委任董事的正式与透明程序

目前，提名委员会包含3位成员，其中两人（包括主席）为独立董事：-

黄伟德先生	(主席)
杰克谢先生	(成员)
刘明先生	(成员)

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

1. to make recommendations to the Board on all Board appointments and re-nomination having regard to the director's contribution and performance (e.g. attendance, preparedness, participation, candour, and any other salient factors);
2. to ensure that all directors would be required to submit themselves for re-nomination and re-election at regular intervals and at least once in every three years;
3. to determine annually whether a director is independent, in accordance with the independence guidelines contained in the Code;
4. to review whether a director is able to and has adequately carried out his duties as a director of the Company in particular where the director concerned has multiple Board representations; and
5. to consider how the Board's performance may be evaluated and to propose objective performance criteria.

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

Taking into consideration the foregoing, the NC is of the view that Mr Jack Chia Seng Hee and Mr Huang Wooi Teik are deemed to be independent. Each of these Directors have also confirmed their independence. Mr Aloysius Wee is not independent by virtue of him representing the interests of his 10% shareholders (as defined under the Code) of the Company.

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

The Board had concurred with the NC's assessment.

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

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

1. 为董事会推荐所有有关董事的委任，并依据董事的贡献及表现（例如出席率、应变能力、参与、公正性及其他显著因素）进行重新提名，
2. 确保所有董事需定时和至少每三年一次为自己提交提名和重新受委任的申请，
3. 依据《守则》的独立指导原则，每年确认董事是否具独立能力，
4. 检讨董事是否能够并适当地执行其身为本公司董事的职责，尤其是身兼多个董事代表职衔的董事，
5. 思考董事会的表现如何受到评估，并建议客观的表现评估标准。

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

在考虑到上述情况，提名委员会认为，杰克谢先生与黄伟德先生都拥有独立能力。这些董事也已确认其独立能力。黄明成先生由于其代表本公司10%股东的利益（根据《守则》的定义），并非拥有独立能力。

提名委员会也注意到，无任何独立董事自其首次受委任以来，在董事会任期超过9年。每名董事已分别在提名委员会会议及董事会议对此事项的任何讨论与投票表示弃权。

董事会已同意提名委员会的评估。

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

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

The Company's Articles require all Directors to submit themselves for re-nomination and re-election at least once every 3 years; and at least one-third of the Directors for the time being to retire from office by rotation. New Directors appointed during the year are subject to retirement and re-election at the following AGM of the Company. The NC is responsible for the nomination of retiring Directors for re-election.

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

The Board has accepted the NC's recommendation on the nomination of Mr Jack Chia Seng Hee in pursuant to Article 85(6), to be put forward for re-election at the forthcoming AGM. Mr Jack Chia Seng Hee will, upon re-election as a director of the Company, remain as Chairman of the AC and a member of the RC and NC. He will be considered independent pursuant to Rule 704(8) of the Listing Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST Listing Rules"). Mr Jack Chia Seng Hee has abstained from deliberation and voting in respect of his own re-election at the respective NC and Board meetings.

The Company has received notice from Mr Huang Wooi Teik and Mr Aloysius Wee respectively that they would retire at the forthcoming AGM. Mr Wee has stepped down as a Director of Changzhou 3D.

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

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

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

本公司《章程》需要所有董事每三年为自己提交受重新提名及重新委任的申请至少一次；并至少三分之一的董事需轮流暂时卸任。在本年度新受委任的董事将在下一个本公司的年度股东大会上卸任及受重新委任。提名委员会负责为受重新委任的卸任董事进行提名。

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

董事会已接受提名委员会的建议，根据《章程》第85(6)条在来临的年度股东大会上提名杰克谢先生获得重新委任。杰克谢先生将，再受重新委任为本公司董事时，仍然担任审计委员会主席及薪酬委员会与提名委员会成员。根据《新加坡证券交易有限公司上市规则》第704(8)条（下称“《新交所上市规则》”），他将被视为拥有独立能力。杰克谢先生已放弃对身为提名委员会成员所拥有为自己受重新委任的考量及投票权。

本公司已分别收到黄伟德先生与黄明成先生于来临年度股东大会上卸任的通知。黄明成先生也将卸下常州三维董事的职务。

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

目前，并无额外董事已受委任替代任何在卸董事。

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

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

BOARD PERFORMANCE

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

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

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

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

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

The NC has also conducted performance evaluation of each director's contribution through the completion of an individual director assessment exercise. The Board has approved and adopted a set of new performance criteria for the assessment of each individual director.

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

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

董事会表现

原则5：董事会的有效性及各名董事的贡献之正式年度评估

提名委员会负责董事会整体及个别董事贡献的评估。

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

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

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

提名委员会也通过个别董事评估活动，对每名董事的贡献进行表现评估。董事会已批准及采纳一套对每名个别董事所进行的新表现评估标准。

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

The NC has conducted a board performance evaluation exercise to assess the effectiveness of the Board as a whole and each individual directors' contribution for FY2015 with comparatives from the previous year's results and is satisfied that sufficient time and attention has been given by the directors to the affairs of the Group. The overall ratings have improved. The NC is generally satisfied with the results of the Board performance for FY2015, which indicated areas of strengths and those that could be improved further. No significant problems were identified. The NC had discussed the results with Board members who agreed to work on those areas that could be improved further. The NC would continue to evaluate the process for such review and its effectiveness from time to time.

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

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

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

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

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

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

提名委员会已进行董事会表现评估活动，与上一年业绩比较为董事会于2015财政年中的整体有效性及个别董事的贡献进行评估，并对董事为本集团事项付出足够的时间和精力感到满意。整体的评估成绩有所进步。提名委员会对董事会于2015财政年的表现表示满意，并已指出其强项及仍拥有进步空间的领域，而且并没有出现重大问题。提名委员会已与董事会成员讨论其成绩，并都已对仍拥有进步空间的领域表示同意。提名委员会将继续时不时评估此类检讨程序及其有效性。

提名委员会已制定认知、评估及提名委任其新董事人选的流程。

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

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

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

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

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ACCESS TO INFORMATION

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

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

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

The Company Secretary and/or a representative from the Secretary's office attends all Board and Board Committee meetings and administer(s), attend(s) and prepare(s) minutes of Board and Board Committee meetings, and assists the Chairman in ensuring that Board procedures are followed and reviewed in accordance with the Company's Articles of Association, so that the Board functions effectively and the relevant rules and regulations applicable to the Company are complied with. The Company Secretary's role is to advise the Board on all governance matters, ensuring that legal and regulatory requirements as well as board policies and procedures are complied with.

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

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

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

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

获取信息

原则6: 董事会成员须获取完整、足够和及时的信息

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

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

公司秘书和/或其代表会出席所有董事会及董事委员会会议。公司秘书公司管理、出席并准备董事会及董事委员会会议记录，及协助主席确保董事会程序都依据本公司《章程》得到执行和检讨，以让董事会能有效地运作，而适用于本公司的相关规章制度都合规。公司秘书的职责在于为董事会提供所有有关治理事项的咨询，确保遵守法律与法规要求以及董事会政策和程序。

公司秘书及专业企业秘书公司的委任和免除都需经过董事会的批准。

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

薪酬政策之制定程序

原则7: 制定董事与主要管理执行员的薪酬配套的正式及透明程序

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Presently, the RC comprises 3 members, 2 of whom (including the Chairman) are Independent Directors:-

Mr Huang Wooi Teik	(Chairman)
Mr Jack Chia Seng Hee	(Member)
Mr Aloysius Wee Meng Seng	(Member)

目前，薪酬委员会包含3位成员，其中两人（包括主席）为独立董事：-

黄伟德先生	(主席)
杰克谢先生	(成员)
黄明成先生	(成员)

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

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

No remuneration consultants were engaged in FY2015.

在2015财政年中，本公司并没有咨询任何薪酬顾问。

LEVEL AND MIX OF REMUNERATION

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

薪酬水平及组合方式

原则8：董事的薪酬水平须与长期利益和风险政策相一致

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

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

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

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

The RC sets and reviews remuneration linked to the key performance indexes for the CEO for every financial year and assesses his performance. Key performance indexes are not only tied to corporate performance but also linked with certain risk control measurements. For FY2015, the CEO has met the key performance indexes set by the RC.

薪酬委员会于每个财政年对总裁相关的主要表现指标进行制定与检讨，并评估其表现。主要表现指标不仅与企业业绩挂钩，也与一些风险控制措施相关。在2015财政年，总裁已达到薪酬委员会所制定的主要表现指标。

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

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

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

DISCLOSURE ON REMUNERATION

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

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

The RC has recommended to the Board the payment of:

- (i) directors' fees of RMB1,420,000 for FY2016 for the Non-Executive Directors, an increase of RMB70,000 from the Directors' fees for FY2015, which amounted to RMB1,350,000. This is in view of the increased responsibilities of the Directors and compliance requirements of the SGX-ST Listing Rules including the Code and Securities and Futures Act ; and

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

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

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

薪酬的披露

原则9：清楚披露薪酬政策、薪酬水平和组合方式，以及薪酬的制定程序

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

薪酬委员会已向董事会建议支付：

- (i) 于2016财政年总值142万元人民币的非执行董事费，与2015财政年的1350万元人民币相比，增幅达7万元人民币。这是鉴于董事的责任增加以及《新交所上市规则》中的《守则》及《证券与期货法》的合规要求；及

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(ii) additional directors' fees of RMB100,000 was incurred in 2015. This is in view of the additional meetings held in respect of corporate actions and activities of the Company during 2015.

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

Remuneration for the directors for the financial year ended FY2015 is as follows:

(ii) 于2015年所引起总值10万元人民币的额外董事费。这是鉴于2015年因本公司企业行为与活动以致召开了额外会议。

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

2015财政年的董事薪酬如下：

Remuneration Bands & Name	薪酬级别与姓名	Salary 薪金	Bonus 花红	Other Remuneration 其他薪酬	Directors Fees 董事费	Total 总计
		%	%	%	%	%
Executive Director	执行董事					
S\$250,000 and 500,000	25万新元至50万新元					
Liu Ming	刘明	31.1	-	-	68.9	100
Non-Executive Director	非执行董事					
Below S\$250,000	25万新元以下					
Huang Wooi Teik	黄伟德	-	-	-	100	100
Jack Chia Seng Hee	杰克谢	-	-	-	100	100
Aloysius Wee Meng Seng	黄明成	-	-	-	100	100

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

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

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Remuneration for the top six ¹Key Management Personnel (who are not a director or CEO) for FY2015 is as follows:

2015财政年六大¹主要管理人员的薪酬（非董事或总裁）如下：

		Salary 薪金	Bonus 花红	Other Remuneration 其他薪酬	Total 总计
		%	%	%	%
Below S\$250,000	25万新元以下				
Raymond Lim	林酰淞	-	-	100	100
Jiang Ronglin	姜荣林	86.0	14.0	-	100
Henry Lim	林恒仁	-	-	100	100
Isaac Peh Lin Siah	白锦程	90.1	9.9	-	100
Shi Linbin	史林兵	82.8	17.2	-	100
Huang Yijiang	黄一江	83.1	16.9	-	100

The aggregate of the total remuneration paid to the top six ¹Key Management Personnel (who are not directors or the CEO) is RMB1,566,188.

付给六大¹主要管理人员（非董事或总裁）的薪酬总额为156万6188元人民币。

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

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

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

本公司及其子公司的执行董事与主要管理人员薪酬配套包含基本薪金和花红。

There are no immediate family members of directors or CEO in employment with the Group whose remuneration exceeds S\$50,000 during FY2015.

本集团并没有聘用薪酬超过5万新元的董事或首席执行官之直系亲属。

ACCOUNTABILITY

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

有负责任

原则10：董事会须对业绩、财务状况及前景呈交平衡和明了的评估结果。

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

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

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

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

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

RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

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

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

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

The Board has received written assurance from the CEO and the Chairman that:

- (a) The financial records of the Group have been properly maintained and financial statements for the financial year ended 31 December 2015 give a true and fair view of the Group's operations and finances; and
- (b) The system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

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

风险管理及内部控制

原则11：董事会负责风险治理及内部控制

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

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

财报汇报上的重大控制弱点，若有，会在外部审计师进行审核时被强调。

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

董事会已获得总裁及主席的书面保证：

- (a) 本集团的财务记录已受到正规地保管，而截至2015年12月31日止之财务报告反映了本集团运营及财务的真实性和公平性；及
- (b) 本集团已设立的风险管理系统及内部控制足够并有效地应付本集团在现有商业环境的重大风险，其中包括重大财务、运营、合规及资讯科技风险。

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

Based on the Group's framework of internal control policies and procedures established and maintained by the Group, work done by the Supervisory committee, reviews and agreed-upon-procedures performed by Nexia TS, the external auditors and Internal Auditors in FY2015 and the Management Assurance Letter signed by the CEO and the Chairman, the Board, with the concurrence of the AC, is of the view that the internal control systems of the Group, addressing the financial, operational, compliance and information technology risks are adequate as at 31 December 2015.

AUDIT COMMITTEE

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

Presently, the Audit Committee ("AC") comprises 3 members, 2 of whom (including the Chairman) are Independent Directors are:-

Mr Jack Chia Seng Hee	(Chairman)
Mr Huang Wooi Teik	(Member)
Mr Aloysius Wee Meng Seng	(Member)

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

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

The functions of the AC are as follows:

1. assists our Board in discharging its statutory responsibilities on financial and accounting matters;
2. reviews the financial and operating results and accounting policies of the Group;
3. reviews significant financial reporting issues and judgments relating to financial statements for each interim and annual results announcement before submission to the Board for approval;
4. reviews and reports to the Board annually on the adequacy of the Company's internal controls (financial, operational, compliance and information technology) and risk management policies and systems established by the management;

《新交所上市手册》第1207(10)条的合规

根据由本集团所设立及维持的本集团内部控制政策与程序框架，监事会所检讨的事项及2015财政年中Nexia TS、外部审计师与内部审计师所执行的商定程序，以及由首席执行官与主席签署的管理层保证书，已获得董事会及审计委员会的同意，并鉴于本集团的内部控制系统，于2015年12月31日都足够应付财务、运营、合规及资讯科技的风险。

审计委员会

原则12：审计委员会的设立并授予书面形式职权范围

目前，审计委员会包含3位成员，其中两人（包括主席）为独立董事：

杰克谢先生	(主席)
黄伟德先生	(成员)
黄明成先生	(成员)

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

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

审计委员会的职能如下：

1. 协助董事会于财务及会计事项上执行其法定职责；
2. 检讨本集团的财务和运营业绩及会计政策；
3. 在提交董事会批准前，检讨每半年度及年度相关财政报告的业绩公布之主要财务汇报事项及判断；
4. 每年检讨本公司内部控制（财务、运营、合规及资讯科技）以及管理层制定的风险管理政策和系统是否足够，并向董事会进行汇报；

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5. reviews the audit plans and reports of the external auditors and consider the effectiveness of the actions taken by the management on the auditors' recommendations;
 6. appraises and reports to our Board on the audits undertaken by the external auditors, the adequacy of the disclosure of information, and the appropriateness and quality of the system of management and internal controls;
 7. reviews the independence of external auditors annually, and considers the appointment or re-appointment of external auditors and matters relating to the resignation or removal of the external auditors, and approves the remuneration and terms of engagement of the external auditors;
 8. reviews interested person transactions, as defined in the Listing Manual of the SGX-ST;
 9. reviews the remuneration of employees who are related to the Company's directors or substantial shareholders; and
 10. reviews the effectiveness of the Company's internal audit function.
5. 检讨外部审计师的审计计划和报告，并考虑管理层对审计师的建议所采取的行动是否有效；
 6. 评估外部审计师所进行的审计，披露信息的充分性，以及管理系统和内部控制的适当性和素质，并向董事会进行汇报；
 7. 每年检讨外部审计师的独立能力，并考虑外部审计师的委任或重新委任及辞退或免除外部审计师的相关事项，并批准外部审计师的薪酬和聘用条件。
 8. 依据《新交所上市手册》的定义，检讨利益相关人交易；
 9. 检讨与本公司董事或主要股东相关的员工之薪酬；及
 10. 检讨本公司内部审计职能的有效性。

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

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

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

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

The AC has reviewed the non-audit services performed by the External Auditors and noted that there was no non-audit service performed in FY2015. The audit service fees for the financial year ended 31 December 2015 amounted to RMB 896,259.

审计委员会已检讨外部审计师所进行的非审计服务，并意识到于2015财政年中并无进行任何非审计服务。截至2015年12月31日止之财政年度审计服务费总计为89万6259元人民币。

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

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

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

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

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

In February 2015, the Company received a whistle-blowing report and began its own investigations with interviews with the persons mentioned conducted by the Lead Supervisor. In May 2015, the Company commissioned an independent third party, Nexia TS Advisory, to conduct agreed upon procedures on the issues raised by the said report. The external auditors also performed their additional audit procedures. Their findings concluded no wrongdoings or illegal activities. A complaint was subsequently lodged with the Changzhou ZhongLou District Police for issues in the said report in May 2015. The Changzhou City Police have also confirmed by their letter of 28 September 2015, that they have not accepted the complaint and hence did not proceed to act on it. However, the Nexia and external auditor reports detected weaknesses which have since been corrected and the business and operations were not affected by these. Nonetheless, the Group will enhance its framework of internal control systems and policies on a quarterly basis with reviews performed by the Supervisory Team. Notwithstanding the foregoing, the Board acknowledges that the system of internal control and risk management established by Management provides reasonable, but not absolute assurance that the Company will not be adversely affected by any event that can be reasonably foreseen as it endeavours to achieve its business. It is also mindful that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

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

本公司已制定一套由审计委员会所审批的举报政策框架，本公司员工可，在隐秘的情况下，对财务汇报事项或其他事项可能发生不当行为提出疑问，以确保安排对此类事项进行独立调查和适当的后续行动。任何员工可直接与：(1) 监事委员会成员全职职员黄霞女士或潘海亚女士接触，而她们将向首席监事会主管林恒仁先生汇报；(2) 中国常州三维独立董事林酰淞先生洽谈。除此之外，他们也可匿名发邮件至changzhou3d@163.com，此邮箱仅有审计委员会主席杰克谢一人可登入。举报政策及安排的细节均已提供给所有员工。

在2015年2月，本公司接获一份举报报告并展开内部调查，由首席监事会主管对报告中提及人进行访问。2015年5月，本公司委任独立第三方Nexia TS Advisory对报告中的相关事件以商定程序展开调查。外部审计师也进行了其额外的审计程序。审计的结论是没有不正当或不合法的活动，随即在2015年5月，已将报告中的事件向常州钟楼区公安局报案。常州市公安也已在2015年9月28日以书面确定不接受报案，因此并没有继续展开调查。但是，Nexia及外部审计师的报告却发现到有一些弱点，并已及时加以纠正，不影响业务与运营。然而，本集团将通过监事会在每个季度的检讨，提高其内部控制系统及政策的框架。尽管拥有上述措施，董事会也承认，由管理层所设立的内部控制与风险管理系统在本公司竭力迈向其业务目标时，为本公司在合理可预见的任何情况下不受到负面影响，提供合理，但并非绝对的保障。此外，董事会也注意到，没有任何内部控制及风险管理系统可以绝对预防重大错误、决策的判断失误、人为误差、损失、诈欺或其他无正规行为的发生。

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

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INTERNAL AUDIT

Principle 13: Setting up an independent internal audit function

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

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

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

SUPERVISORY TEAM

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

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

Mr Lim made 6 visits to the operating subsidiary in 2015 to carry out the work specified by the AC. He is supported by two full time staff. The reports of the Supervisory Team are extended to the External Auditors.

COMMUNICATION WITH SHAREHOLDERS

Principle 14: Fair and equitable treatment of shareholders

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

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

内部审计

原则13：设立独立内部审计职能

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

审计委员会已获得涵盖各种会计职能周期和方面及内部控制系统和程序的内部审计师工作报告，并于过去一年中实施了改进措施。内部审计师正在持续探讨其他周期或方面，预计在适时将获得其报告。

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

监事会

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

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

林先生于2015年期间到运营子公司勘察6次，以执行审计委员会所制定的工作。他拥有两名全职职员的协助。监事会的报告也可延伸至外部审计师。

与股东的沟通

原则14：对股东公平与公正的待遇

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

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

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Principle 15: Effective and fair communication with shareholders

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

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

In addition, the Company is open to meetings with investors and analysts, and in conducted one such meeting on 29 April 2015, details of the presentation were uploaded to SGX Net on the same day. The Company is mindful of the need to ensure fair disclosure.

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

The Board has recommended the payment of a final dividend of RMB0.25 per ordinary share (tax not applicable) for FY2015 and would table its recommendation to shareholders for approval at the forthcoming AGM.

Principle 16: Shareholders' participation at general meetings

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

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

原则15：与股东有效和公平的沟通

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

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

此外，本公司对会见投资者和分析师保持开放态度，并已于2015年4月29日召开此类会议，而展会细节已于同日上传到新交所网站。本公司谨记对确保公平披露的需要。

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

董事会已建议于2015财政年派发每普通股0.25元人民币的一次性免税股息，并将在来临年度股东大会上向股东提出其建议以获得批准。

原则16：股东于股东大会的参与

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

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

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

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

DEALING IN SECURITIES

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

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

MATERIAL CONTRACTS

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

INTERESTED PERSON TRANSACTIONS

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

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

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

证券交易

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

本集团已编制《上市手册中的上市规则》第1207(19)条规则。

重大合同

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

利益相关人交易

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

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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:-

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

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

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

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

DIRECTORS' STATEMENT

董事会声明

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

The directors present their statement to the members together with the audited financial statements of Shanghai Turbo Enterprises Ltd. (the "Company") and subsidiaries (the "Group") for the financial year ended 31 December 2015 and the statement of financial position of the Company as at 31 December 2015.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 50 to 94 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

Directors

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

Huang Wooi Teik
Liu Ming
Jack Chia Seng Hee
Aloysius Wee Meng Seng

Directors' interests in shares or debentures

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

董事会将其报告连同上海动力发展有限公司（下称“本公司”）及子公司（下称“本集团”）截至2015年12月31日之财政年度已经审计的财务报表及截至2015年12月31日的本公司资产负债表一起提呈给本公司股东。

董事会认为，

- (a) 列载于第50至94页的本公司资产负债表和本集团合并财务报表，真实而公正地反映了本公司和本集团在截至2015年12月31日的资产负债状况，以及本集团在截至2015年12月31日止之财政年度的业绩表现、股权变动及现金流量情况；及
- (b) 在本声明日，董事会有合理理由相信，本公司将有能力偿还其所有到期债务。

董事会已于本声明日，授权此财务报表的发行。

董事

截至本声明日，本公司在职的董事如下：

黄伟德
刘明
杰克谢
黄明成

董事的股份或债券利益

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

Direct interests

直接利益

	At 1 January 2015 于2015年1月1日	At 31 December 2015 * 于2015年12月31日 *
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Company	本公司
Ordinary shares	普通股数量

Liu Ming	刘明	82,400,000	8,240,000
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The director's interests in the ordinary shares of the Company as at 21 January 2016 were the same as those as at 31 December 2015.

以上董事截至2016年1月21日所拥有的本公司普通股利益与截至2015年12月31日的相同。

* On 15 May 2015, the Company completed a share consolidation of every ten existing issued ordinary shares of US\$0.025 each into one ordinary share US\$0.25 each.

* 在2015年5月15日，本公司完成了每十股现有已发行普通股0.025美元合并成一股0.25美元普通股的股份合并。

DIRECTORS' STATEMENT

董事会声明

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

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

Share options

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

Audit committee

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

Jack Chia Seng Hee (Chairman)
Huang Wooi Teik
Aloysius Wee Meng Seng

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

- the scope and the results of internal audit procedures with the internal auditors;
- the audit plan of the Company's independent auditors and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditors;
- the periodic results announcements prior to their submission to the Board of Directors for approval;
- the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2015 prior to their submission to the Board of Directors, as well as the independent auditors' report on the statement of financial position of the Company and the consolidated financial statements of the Group; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited).

为使董事能从收购股份或债券中受益的协议

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

股份认购权

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

审计委员会

截至本财政年度的审计委员会成员如下：

杰克谢（主席）
黄伟德
黄明成

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

- 与内部审计师检讨内部程序的范围与结果；
- 检讨本公司独立审计师的审计计划及其他因法定审计所产生的内部会计控制建议；
- 检讨本公司管理层给予内部审计师的援助；
- 在提交董事会寻求批准前，检讨周期的业绩公布；
- 在提交董事会寻求批准前，检讨截至2015年12月31日本公司的资产负债表及本集团的合并财务报表，以及独立审计师对本公司资产负债表和本集团合并财务报表的报告，以及
- 检讨利益相关人交易（依《新加坡证券交易有限公司上市手册》第9章所定义）。

DIRECTORS' STATEMENT

董事会声明

For the financial year ended 31 December 2015 截至2015年12月31日止
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The Audit Committee has recommended to the Board of Directors that the independent auditors, Crowe Horwath First Trust LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company. The Audit Committee has conducted an annual review of non-audit services provided by the auditors to satisfy itself that the nature and extent of such services will not affect the independence and objectivity of the external auditors before confirming their re-nomination.

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

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

Independent auditors

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

On behalf of the Board of Directors

Liu Ming
Director

Huang Wooi Teik
Director

6 April 2016

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

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

更多与审计委员会相关的细节已刊载于企业管治报告。

独立审计师

独立审计师国富浩华合信会计事务所已表示愿意接受重新受委任。

谨代表董事会

刘明
董事

黄伟德
董事

2016年4月6日

INDEPENDENT AUDITORS' REPORT

独立审计师报告

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

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

Report on the Financial Statements

We have audited the accompanying financial statements of Shanghai Turbo Enterprises Ltd (the "Company") and subsidiaries (the "Group") set out on pages 50 to 94, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

独立审计师报告



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

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Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015, and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Crowe Horwath First Trust LLP
Public Accountants and
Chartered Accountants
Singapore

6 April 2016

STATEMENTS OF FINANCIAL POSITION

资产负债表

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

		Note 附注	Group 本集团		Company 本公司	
			2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
EQUITY	权益					
Capital and reserves attributable to equity holders of the Company	可归本公司权益持有人的资本和储备金					
Share capital	股本	3	55,409	55,409	55,409	55,409
Share premium	股本溢价	4	81,527	81,527	81,527	81,527
			136,936	136,936	136,936	136,936
Other reserves	其他储备金					
Statutory reserve	法定储备金	5	29,696	27,957	-	-
Translation deficit	外币折算净亏损	6	(3,372)	(3,331)	-	-
			26,324	24,626	-	-
Retained earnings / (Accumulated losses)	留存收益 / (累计损失)	7	163,231	160,813	1,810	(1,634)
TOTAL EQUITY	权益总计		326,491	322,375	138,746	135,302
ASSETS	资产					
Non-current assets	非流动资产					
Property, plant and equipment	物业、厂房及设备	8	101,846	115,192	-	-
Subsidiaries	子公司	9	-	-	156,236	156,236
Land use right	土地使用权	10	10,038	10,289	-	-
Current assets	流动资产					
Inventories	库存	11	30,218	40,508	-	-
Trade receivables	应收账款	12	168,314	166,580	-	-
Other receivables, deposits and prepayments	其他应收款项、存款及预付款	13	10,207	4,071	-	74
Land use right	土地使用权	10	251	251	-	-
Cash and bank balances	现金及银行结存	26	67,557	53,775	6,328	2,395
			276,547	265,185	6,328	2,469
TOTAL ASSETS	资产总计		388,431	390,666	162,564	158,705

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

STATEMENTS OF FINANCIAL POSITION (CONT'D)

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

资产负债表 (续)

		Note 附注	Group 本集团		Company 本公司	
			2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
LIABILITIES	负债					
Current liabilities	流动负债					
Trade payables	应付账款	14	46,254	60,923	-	-
Other payables and accruals	其他应付款项及应计项目	15	11,169	5,291	1,051	636
Due to subsidiaries (non-trade)	拖欠子公司的款项 (非贸易)	16	-	-	22,767	22,767
Income tax payable	应付所得税		2,104	78	-	-
			59,527	66,292	23,818	23,403
Non-current liability	非流动负债					
Deferred tax liabilities	递延所得税	17	2,413	1,999	-	-
TOTAL LIABILITIES	负债总计		61,940	68,291	23,818	23,403
NET ASSETS	净资产		326,491	322,375	138,746	135,302

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

综合全面收益表

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

		Note 附注	2015 RMB'000	2014 RMB'000
Revenue	营业收入	18	141,475	161,495
Cost of sales	销售成本		(101,540)	(97,787)
Gross profit	毛利润		39,935	63,708
Other operating income	其他运营收入	19	3,182	1,306
Selling and distribution expenses	销售及分销费用		(2,949)	(2,414)
Administrative expenses	行政费用		(21,849)	(18,386)
Other operating expenses	其他运营费用	20	(222)	(1,158)
Profit before income tax	所得税前利润	22	18,097	43,056
Income tax expense	所得税费用	23	(7,073)	(8,622)
Profit for the year	净利润		11,024	34,434
Other comprehensive (loss) / income	其他综合(损失) / 收入			
Item that may be reclassified subsequently to profit or loss:	在满足特定条件时可重新分类至损益的项目:			
- Currency translation differences arising from consolidation	- 因合并所产生的外币折算差额		(41)	192
Total comprehensive income for the year, representing profit attributable to equity holders of the Company	总综合收益, 可归本公司权益持有人的利润		10,983	34,626
Earnings per share (cents)	每股收入(分)			
Basic and diluted	基本及摊薄	24	40.13	12.54

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

综合权益变动表

		Attributable to equity holders of the Company 可归本公司权益持有人					
		Share capital 股本	Share premium 股本溢价	Statutory reserve 法定储备金	Translation deficit 外币折算净 亏损	Retained earnings 留存收益	Total equity 权益总计
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		(Note 3)	(Note 4)	(Note 5)	(Note 6)	(Note 7)	
		(附注3)	(附注4)	(附注5)	(附注6)	(附注7)	
Balance at 1 January 2014	2014年1月1日之财政年初数	55,409	81,527	24,052	(3,523)	137,151	294,616
Profit for the year	净利润	-	-	-	-	34,434	34,434
Other comprehensive income, net of tax	其他综合收入、 除税净额						
Currency translation differences arising from consolidation	因合并所产生的外币 折算差额	-	-	-	192	-	192
Total comprehensive income for the year	综合收入 总计	-	-	-	192	34,434	34,626
Transfer to statutory reserve	转拨往法定储备金	-	-	3,905	-	(3,905)	-
Dividends (Note 25)	股息 (附注 25)	-	-	-	-	(6,867)	(6,867)
Total contributions by and distributions to owners	总资本摊销及 分派	-	-	3,905	-	(10,772)	(6,867)
Balance at 31 December 2014	2014年12月31日之财政 年末数	55,409	81,527	27,957	(3,331)	160,813	322,375
Balance at 1 January 2015	2015年1月1日之财政年初数	55,409	81,527	27,957	(3,331)	160,813	322,375
Profit for the year	净利润	-	-	-	-	11,024	11,024
Other comprehensive loss, net of tax	其他综合损失、 除税净额						
Currency translation differences arising from consolidation	因合并所产生的外币 折算差额	-	-	-	(41)	-	(41)
Total comprehensive (loss) / income for the year	总综合 (损失) / 收入	-	-	-	(41)	11,024	10,983
Transfer to statutory reserve	转拨往法定储备金	-	-	1,739	-	(1,739)	-
Dividends (Note 25)	股息 (附注 25)	-	-	-	-	(6,867)	(6,867)
Total contributions by and distributions to owners	总资本摊销及 分派	-	-	1,739	-	(8,606)	(6,867)
Balance at 31 December 2015	2015年12月31日之财政 年末数	55,409	81,527	29,696	(3,372)	163,231	326,491

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

CONSOLIDATED STATEMENT OF CASH FLOWS

合并现金流量表

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

		Note 附注	2015 RMB'000	2014 RMB'000
Cash flows from operating activities	运营活动所产生的现金流量			
Profit before income tax	所得税前利润		18,097	43,056
Adjustments:	调整项目:			
Allowance for doubtful debts	呆账准备金		-	404
Allowance for doubtful debts written back	呆账准备金回流		(552)	-
Allowance for inventory obsolescence	废旧库存准备金		643	-
Amortisation of land use right	土地使用权摊销		251	251
Exchange differences	汇兑差额		(626)	173
Depreciation of property, plant and equipment	物业、厂房及设备折旧		16,018	17,868
Interest income	利息收益		(516)	(525)
Loss on disposal of property, plant and equipment	出售物业、厂房及设备净亏损		137	356
Other payables written off	其他应付账款注销		-	(44)
Operating profit before working capital changes	营运资本变化前运营利润		33,452	61,539
Inventories	库存		9,647	(18,124)
Trade and other receivables	应收账款及其他应收款项		998	(47,289)
Trade and other payables	应付账款及其他应付款项		(8,791)	8,074
Cash generated from operations	运营活动所产生的现金		35,306	4,200
Interest income received	已收利息收入		516	525
Income taxes paid	已缴付所得税		(4,633)	(9,704)
Net cash from / (used in) operating activities	运营活动所产生/(使用)的现金净额		31,189	(4,979)
Cash flows from investing activities	投资活动所产生的现金流量			
Proceeds from disposal of property, plant and equipment	出售物业、厂房及设备的现金流入		200	5
Purchase of property, plant and equipment	购置物业、厂房及设备	A	(11,325)	(20,220)
Net cash used in investing activities	投资活动所使用的现金净额		(11,125)	(20,215)

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

CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

合并现金流量表(续)

		Note 附注	2015 RMB'000	2014 RMB'000
Cash flows from financing activities	融资活动所产生的现金流量			
Dividends paid	已支付股息	25	(6,867)	(6,867)
Refund / (placement) of pledged deposits	退换 / (抵押) 的存款担保	26	4,463	(6,797)
Net cash used in financing activities	融资活动所使用的现金流量净额		(2,404)	(13,664)
Net increase / (decrease) in cash and cash equivalents	现金及现金等价物的净增加 / (减少)		17,660	(38,858)
Cash and cash equivalents at beginning of year	财政年初的现金及现金等价物		40,530	79,369
Effects of exchange rate changes in cash and cash equivalents	货币折算对现金及现金等价物的影响		585	19
Cash and cash equivalents at end of year	财政年度末的现金及现金等价物	26	58,775	40,530

Note A
附注 A

		Note 附注	2015 RMB'000	2014 RMB'000
Total additions to property, plant and equipment	总增置的物业、厂房及设备	8	3,009	19,766
Add: Increase in deposits paid included in other receivables, deposits and prepayments	加: 已支付定金增加包括其他应付账款、存款及预付款	13	8,316	454
Purchase of property, plant and equipment per consolidated statement of cash flows	合并现金流量表列载的购置物业、厂房及设备		11,325	20,220

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

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

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

1. GENERAL INFORMATION

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

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

The financial statements for the financial year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Board of Directors on 6 April 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

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

Adoption of new and revised standards

On 1 January 2015, the Group adopted the new or amended IFRS and 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 INT IFRS. The adoption of these new or amended 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

财务报表附注

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
IFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to IAS 27: <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to IAS 16 and IAS 38: <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to IAS 16 and IAS 41: <i>Agriculture: Bearer Plants</i>	1 January 2016
Amendments to IFRS 11: <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to IFRS 10 and IAS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Postponed indefinitely
Improvements to IFRSs (November 2014)	
Amendment to IFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 January 2016
Amendment to IFRS 7 <i>Financial Instruments: Disclosures</i>	1 January 2016
Amendment to IAS 19 <i>Employee Benefits</i>	1 January 2016
Amendment to IAS 34 <i>Interim Financial Reporting</i>	1 January 2016
Amendments to IAS 1: <i>Disclosure Initiative</i>	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28: <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to IFRS 7: <i>Disclosure Initiative</i>	1 January 2017
Amendments to IAS 12: <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
IFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
IFRS 9 <i>Financial Instruments</i>	1 January 2018
IFRS 16 <i>Leases</i>	1 January 2019

Except for Amendments to IAS 1, IAS 7 and IAS 27, and the new IFRS 9, IFRS 15 and IFRS 16, the directors expect that the adoption of the other amendments to standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the applicable amendments or new standards is described below.

Amendments to IAS 1 *Disclosure Initiative*

IAS 1 *Presentation of Financial Statements* is amended as part of the initiatives by the standard-setters to improve presentation and disclosure in financial reports. The amendments clarify materiality guidance in IAS 1 and clarify on aggregating and disaggregating line items on the statement of financial position and statement of profit or loss and other comprehensive income, including added guidance on presenting sub-totals. The amendments also give examples on systematic ordering or grouping of the structure of the notes to financial statements. In addition, following the amendments, the share of Other Comprehensive Income (OCI) of the equity-accounted investments shall be presented separately from the other OCI on the statement of changes in equity. The Group will apply these amendments in 2016.

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Standards issued but not yet effective (Continued)

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments allow an entity to account for investments in subsidiaries in its separate financial statements using the equity method as described in IAS 28 Investments in Associates and Joint Ventures, in addition to measurement at cost and in accordance with IAS 39 Financial Instruments: Recognition and Measurement. The accounting option must be applied by category of investments.

The Company currently presents its investment in separate financial statements at cost and will review this policy consequent to this amendment which is effective in 2016.

Amendments to IFRS 7: Disclosure Initiative

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

Amendments to IFRS 12: Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that unrealized losses on debt instruments measured at fair value in the financial statements but at cost for tax purposes can give rise to deductible temporary differences. The amendments also clarify that the carrying amount of an asset does not limit the estimation of probable future taxable profits if there is sufficient evidence; and that when comparing deductible temporary differences with future taxable profits, the future taxable profits excludes tax deductions arising from the reversal of those deductible temporary differences. The amendments are to be applied retrospectively and are effective from 1 January 2017 with earlier application permitted.

IFRS 9 Financial Instruments

In July 2014, the International Accounting Standard Board issued the final version of IFRS 9 Financial Instruments which reflect all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous version of IFRS 9. IFRS 9 introduces new requirements for classification and measurement, impairment and hedge accounting. The adoption of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities. IFRS 9 also introduces a new expected loss impairment model, and adds detailed guidance on impairment-related presentation and disclosures. IFRS 9 also contains new requirements on hedge accounting, which adopts a more principle-based approach, and allows entities to choose between applying hedge accounting requirements of IFRS 9 or continue to apply the existing hedge accounting requirements in IAS 39 for all hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. The Group is in the process of assessing the impact of the new standard for the future periods.

IFRS 15 Revenue from Contracts with Customers

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

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under FRS 115, an entity recognises revenue when (or as) a performance obligations is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customers.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Standards issued but not yet effective (Continued)**IFRS 15 Revenue from Contracts with Customers (Continued)

The application of IFRS 15 may have a material impact on the amounts reported and disclosures in the Group's consolidated financial statements. The Group is in the process of assessing the impact of the new standard for the future periods.

IFRS 16 Leases

IFRS 16 which will replace IAS 17, will introduce fundamental changes to the accounting treatment of leases by lessee. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. For lessees, the lease becomes an on-balance sheet liability that attracts interest, together with a new asset on the other side of the statement of financial position. There are also changes in accounting over the life of the lease. In particular, companies will now recognise a front-loaded pattern of expense for most leases, even when they pay constant annual rentals. IFRS 16 is effective for annual periods beginning on or after 1 January 2019, with retrospective application. Early application is permitted for entities that apply IFRS 15 *Revenue from Contracts with Customers* at or before the date of initial application of this Standard. The Group is in the process of assessing the impact of the new standard, mainly on its land use rights, for the future period.

Group accountingSubsidiaries*(a) Basis of consolidation*

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Group accounting (Continued)

Subsidiaries (Continued)

(a) *Basis of consolidation (Continued)*

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

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

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

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

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

(b) *Acquisition of businesses*

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Group accounting (Continued)

Subsidiaries (Continued)

(c) *Disposals of subsidiaries or businesses*

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

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

Subsidiaries

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

Currency translation

(i) **Functional and presentation currency**

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

(ii) **Transactions and balances**

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

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

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Currency translation (Continued)

(iii) Translation of the Group's financial statements

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

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

Property, plant and equipment

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

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

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

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

	Useful lives (Years)	Estimated residual value as a percentage of cost (%)
Leasehold buildings	5 to 20	10
Plant and machinery	2 to 10	10
Office equipment	2 to 5	10
Motor vehicles	4 to 5	10
Renovation	3	-

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

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

Land use right

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

Impairment of non-financial assets

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

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

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

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

Financial assets

(i) Initial recognition and measurement

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

(ii) Subsequent measurement

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

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

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

(iii) Derecognition

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

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

Impairment of financial assets

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

(i) Financial assets carried at amortised cost

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Impairment of financial assets (Continued)****(i) Financial assets carried at amortised cost (Continued)**

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

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

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

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

(ii) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

Inventories

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

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

Financial liabilities**(i) Initial recognition and measurement**

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

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (Continued)

(ii) Subsequent measurement

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

(iii) Derecognition

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

Leases

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

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Provisions

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

Share capital

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

Revenue recognition

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

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

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

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the effective interest rates applicable.

Employees' benefits

(i) Retirement benefits

The Group participates in the national schemes as defined by the laws of the countries in which it has operations. The subsidiary, incorporated and operating in the PRC, is required to provide certain retirement plan contribution to their employees under existing PRC regulations. Contributions are provided at rates stipulated by the PRC regulations and are managed by government agencies, which are responsible for administering these amounts for the subsidiary's employees.

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

(ii) Employee leave entitlement

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

Income tax

(i) Income tax

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

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

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

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

(i) Income tax (Continued)

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

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

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

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

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

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

Government grants

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

Dividends

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

Related parties

A related party is defined as follows:

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Related parties (Continued)**

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

Cash and cash equivalents

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

Segment reporting

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

Critical accounting estimates, assumptions and judgements

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

(i) Critical accounting estimates and assumptions

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

(a) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least annually. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Critical accounting estimates, assumptions and judgements (Continued)

(i) Critical accounting estimates and assumptions (Continued)

(a) Impairment of loans and receivables (Continued)

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

The carrying amount of loans and receivables as at 31 December 2015 and the relevant credit risk information are disclosed in Note 30(iii).

A major customer whose balance was past due as at reporting dates usually settle within one year of invoice date. No allowance for impairment has been made as there has not been significant change in credit quality in view of the established trading pattern and steady collection record. If the financial condition of the customer was to deteriorate, resulting in an impairment of its ability to make payments or delay in its payments, additional allowances may be required. If 10% of the balance owing from the customer could only be collected in 2017, the Group's allowance for impairment loss on trade receivables for the year would increase by RMB 554,000 (RMB 376,000).

(b) Net realisable values of inventory

An assessment of net realisable values is made periodically on inventory for excess inventory, obsolescence and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. These reviews require management to estimate future demand for the products. Possible changes in these estimates could result in revisions to the valuation of inventory. As disclosed in Note 11, the net carrying amount of inventories of the Group as at 31 December 2015 is RMB 30,218,000 (2014: RMB 40,508,000), which is stated after a total allowance for inventory obsolescence of approximately RMB 9,842,000 (2014: RMB 9,881,000). If the expected demand for the Group's finished goods aged above 1 year and stated at cost is 10% lower than expected, the Group's allowances for inventory obsolescence for the year would increase by RMB 467,264 (RMB 232,608).

(c) Income tax

The Group is subject to income taxes in PRC. Significant judgement is required in determining the group-wide provision for income taxes. In determining the income tax liability, the management has estimated the amount of capital allowances and the deductibility of certain expenses. In determining the tax rate applied to the deferred tax assets and liabilities, the management has estimated that the concessionary tax rate under "High Technology Enterprise" status is successfully renewed. Where the final tax outcome of these matters is different from the estimates, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made. The carrying amount of the income tax payable and deferred tax liability of Group as at 31 December 2015 are RMB 2,104,000 and RMB 2,143,000 (2014: RMB 78,000 and RMB 1,999,000) respectively.

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财务报表附注

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Critical accounting estimates, assumptions and judgements (Continued)

(i) Critical accounting estimates and assumptions (Continued)

(c) *Income tax (Continued)*

Deferred tax liability on undistributed profits

In determining the amount of deferred tax liabilities on the undistributed earnings of the subsidiary, the management considers the dividend policy and cash flows needs for the corporate and treasury functions at the holding company level for the foreseeable future. Such deferred tax liabilities stood at RMB 3,001,000 (2014: nil) as at 31 December 2015 (Note 17), which arose from retained earnings of the subsidiary totalling RMB 60,011,000 (2014: nil). Deferred tax liabilities are not recognised on the remaining undistributed earnings amounting to RMB 90,017,000 (2014: RMB 112,527,000) as it is probable that such undistributed earnings will be reinvested for the foreseeable future as part of the Company's continuing investment in the subsidiary. Had the Group increases its expected dividend pay-out for the foreseeable future by 10%, the deferred tax liabilities would have increased by 10%.

(d) *Useful lives of plant and machinery*

The cost of plant and machinery for the manufacture of precision vane products are depreciated on a straight-line basis over the plant and machinery's estimated economic useful lives. Management estimates the useful lives of these plant and machinery to be within 2 to 10 years and the residual values to be 10% of the cost of these assets. These are common life expectancies and residual values applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and machinery at 31 December 2015 was approximately RMB 81,510,000 (2014: RMB 90,566,000) (Note 8). If the remaining useful lives of these assets as at 31 December 2015 increase / decrease by 10% from the management's estimate, the Group's depreciation expense for the next financial year would have decreased / increased by RMB1,501,000 / RMB 1,279,000 respectively (2014: decreased / increased by RMB 1,043,000 / RMB 1,249,000 respectively).

(ii) Critical judgements in applying the entity's accounting policies

There are no critical judgements made by management in the process of applying the Group's accounting policies that have significant effect on the amounts recognised in the financial statements.

3. SHARE CAPITAL

	Group and Company			
	2015		2014	
	Numbers of ordinary shares	US\$'000	Numbers of ordinary shares	US\$'000
Authorised	200,000,000	50,000	2,000,000,000	50,000
Issued and fully paid				
At beginning and end of the year	27,468,473	6,867	274,684,760	6,867
Equivalent to (RMB'000)		55,409		55,409

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3. SHARE CAPITAL (Continued)

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have par value of US\$ 0.25 each.

On 27 March 2015, the Board of Directors announced that the Company was proposing to undertake a share consolidation exercise to consolidate every 10 existing ordinary shares in capital of the Company of par value US\$ 0.025 each into 1 ordinary share of par value US\$ 0.25 each ("Consolidated Share"), fractional entitlements to be disregarded ("Share Consolidation"). The share consolidation exercise was approved by the shareholders during the Extraordinary General Meeting on 30 April 2015. The Share Consolidation was completed on 15 May 2015 and the number of shares has been reduced to 27,468,473 consolidated shares.

4. SHARE PREMIUM

	Group and Company	
	2015	2014
	RMB'000	RMB'000
At beginning and end of the year	81,527	81,527

Under The Companies Law (revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which a dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

5. STATUTORY RESERVE

	Percentage of contribution from profit after tax	Group	
		2015	2014
		RMB'000	RMB'000
Statutory reserve fund	10%	29,696	27,957

In accordance with the Foreign Enterprise Law of the PRC, the subsidiary, being a wholly foreign-owned enterprise is required to make contributions to a statutory reserve fund. At least 10 per cent of the statutory after-tax profits as determined in accordance with the applicable PRC accounting standards and regulations is required to be allocated to the statutory reserve fund. If the cumulative total of the statutory reserve fund reaches 50% of the subsidiary's registered capital, the enterprise will not be required to make any additional contribution.

The statutory reserve fund may be used to offset accumulated losses or increase the registered capital of the subsidiary, subject to approval from the relevant PRC authorities and is not available for dividend distribution to the shareholders. The PRC enterprise is prohibited from distributing dividends unless the losses (if any) of previous years have been made up.

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6. TRANSLATION DEFICIT

	Group	
	2015 RMB'000	2014 RMB'000
At beginning of the year	(3,331)	(3,523)
Currency translation differences arising from consolidation	(41)	192
At end of the year	(3,372)	(3,331)

7. RETAINED EARNINGS / (ACCUMULATED LOSSES)

	Company	
	2015 RMB'000	2014 RMB'000
At beginning of the year	(1,634)	2,143
Profit for the year	10,311	3,090
Dividend paid (Note 25)	(6,867)	(6,867)
At end of the year	1,810	(1,634)

8. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold buildings RMB'000	Plant and machinery RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Renovation RMB'000	Construction in progress RMB'000	Total RMB'000
Cost							
As at 1.1.2014	32,292	193,282	3,728	3,707	565	-	233,574
Additions	288	14,993	163	1,222	1,166	1,934	19,766
Disposals	-	(4,266)	(73)	(368)	-	-	(4,707)
As at 31.12.2014	32,580	204,009	3,818	4,561	1,731	1,934	248,633
As at 1.1.2015	32,580	204,009	3,818	4,561	1,731	1,934	248,633
Additions	-	2,388	621	-	-	-	3,009
Disposals	-	(2,883)	(23)	-	-	-	(2,906)
Transfer from / (to)	-	1,934	-	-	-	(1,934)	-
As at 31.12.2015	32,580	205,448	4,416	4,561	1,731	-	248,736

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8. PROPERTY, PLANT AND EQUIPMENT (Continued)

Group	Leasehold buildings RMB'000	Plant and machinery RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Renovation RMB'000	Construction in progress RMB'000	Total RMB'000
Accumulated depreciation							
As at 1.1.2014	12,521	101,985	2,500	2,223	266	–	119,495
Charge for the year	1,456	15,017	417	582	396	–	17,868
Disposals	–	(3,559)	(65)	(298)	–	–	(3,922)
As at 31.12.2014	13,977	113,443	2,852	2,507	662	–	133,441
As at 1.1.2015	13,977	113,443	2,852	2,507	662	–	133,441
Charge for the year	1,454	13,043	340	682	499	–	16,018
Disposals	–	(2,548)	(21)	–	–	–	(2,569)
As at 31.12.2015	15,431	123,938	3,171	3,189	1,161	–	146,890
Net carrying amount							
As at 31.12.2015	17,149	81,510	1,245	1,372	570	–	101,846
As at 31.12.2014	18,603	90,566	966	2,054	1,069	1,934	115,192

9. SUBSIDIARIES

	Company	
	2015 RMB'000	2014 RMB'000
Unquoted equity shares, at cost	156,236	156,236

The details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interest	
			2015 %	2014 %
Held by the Company				
Best Success (Hong Kong) Limited ⁽¹⁾ ("Best Success")	Investment holding	Hong Kong	100	100
Held by Best Success				
Changzhou 3D Technological Complete Set Equipment Co., Limited ⁽²⁾ ("Changzhou 3D")	Manufacturing of vane products and relating subcontracting services	PRC	100	100

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9. SUBSIDIARIES (Continued)

- (1) Audited by S. W. Chan & Co, Hong Kong and reviewed by Crowe Horwath First Trust LLP for consolidation purpose.
- (2) Audited by Changzhou Xinhuarui CPAs (常州新华瑞联合会会计师事务所), a firm of Certified Public Accountants registered in the PRC for statutory purpose and by Crowe Horwath First Trust LLP for consolidation purpose.

10. LAND USE RIGHT

	Group	
	2015 RMB'000	2014 RMB'000
Cost		
At beginning and end of the year	12,547	12,547
Accumulated amortisation		
At beginning of the year	2,007	1,756
Charge for the year	251	251
At end of the year	2,258	2,007
Net carrying amount		
At end of the year	10,289	10,540
At beginning of the year	10,540	10,791
Presentation on statements of financial position, based on amount to be amortised:		
- Not later than one year, current portion	251	251
- Later than one year but not later than five years	1,004	1,004
- Later than five years	9,034	9,285
Non-current portion	10,038	10,289

The Group has land use right over a plot of state-owned land in the PRC where the Group's manufacturing and storage facilities reside. The land use right is not transferable and has a remaining tenure of 41 years (2014: 42 years).

The land use right with net carrying amount of RMB 10,289,000 (2014: RMB 10,540,000) are pledged to a bank in connection with bill payable facilities (Note 14).

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11. INVENTORIES

	Group	
	2015 RMB'000	2014 RMB'000
Statements of Financial Position:		
Raw materials	2,646	4,546
Work-in-progress	13,963	11,757
Finished goods	13,609	24,205
	30,218	40,508
Statement of Profit or Loss and Other Comprehensive Income:		
Inventories recognised as expense in cost of sales	44,087	37,508
Inclusive of following charge:		
- Inventories written-down	643	-

The movement in allowance for inventory obsolescence is as follows:

	Group	
	2015 RMB'000	2014 RMB'000
At beginning of the year	9,881	9,881
Allowance written off	(682)	-
Addition	643	-
At end of the year	9,842	9,881

12. TRADE RECEIVABLES

	Group	
	2015 RMB'000	2014 RMB'000
Trade receivables (Note A)	146,822	121,406
Allowance for impairment (Note 30 (iii))	(4,731)	(5,283)
	142,091	116,123
Bills receivable	26,223	50,457
	168,314	166,580

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12. TRADE RECEIVABLES (Continued)

Note A

Included in the Group's trade receivables are unbilled trade receivables amounting to approximately RMB 745,000 (2014: RMB 16,778,000) arising from revenue recognised but not invoiced to customers for sales of goods and subcontracting services amounting to RMB 745,000 (2014: RMB 14,041,000) and nil (2014: RMB 2,737,000) respectively. Unbilled receivable represents invoiced value of goods delivered and accepted by customers, and will normally be billed within 6 months from the time of revenue recognition.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Advances to suppliers	373	194	–	–
Deposits for plant and equipment (Note A)	9,180	864	–	–
Prepayments	224	337	–	74
Other receivables	430	1,006	–	–
VAT receivables	–	1,670	–	–
	10,207	4,071	–	74

Note A

Deposits for plant and equipment as at 31 December 2015 amounting to RMB 9,180,000 (2014: nil) represents 30% downpayment made in respect of the purchase of 10 units of coordinated blade milling machine as announced by the Group in December 2015. Based on the contracts entered into during the financial year, the total contract value of the machines are Euro 4,460,000 (equivalent to RMB 30,551,000). The remaining 60% will be payable upon receipts of shipping advice relating to the delivery, with the last 10% payable upon issuance of acceptance certificate of the machines. This capital commitment is disclosed in Note 28 and is expected to be settled within 12 months.

14. TRADE PAYABLES

	Group	
	2015 RMB'000	2014 RMB'000
Trade payables	13,506	40,744
Bills payable (Note A)	32,748	20,179
	46,254	60,923

Note A

The land use right with net carrying amount of RMB 10,289,000 (2014: RMB 10,540,000) (Note 10) and cash deposits of RMB 8,782,000 (2014: RMB 13,245,000) (Note 26) are pledged in connection with bills payable facilities granted by a bank.

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15. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Accrued operating expenses (Note A)	6,643	4,862	1,051	636
Other payables	268	191	–	–
VAT payable	3,739	–	–	–
Other taxes payable	519	238	–	–
	11,169	5,291	1,051	636

Note A

Included in the accrued operating expenses as at 31 December 2015 is director's incentive payable of RMB 2,203,000 (2014: RMB 1,363,000), in accordance with an incentive award scheme approved by the Remuneration Committee. The director's incentive is computed based on the Group's net profit for the year and the amount recognised in the profit or loss for the year is disclosed in Note 27.

16. DUE TO SUBSIDIARIES (NON-TRADE)

These non-trade balances are unsecured, interest-free and repayable on demand.

17. DEFERRED TAX LIABILITIES

	Group	
	2015 RMB'000	2014 RMB'000
At beginning of the year	1,999	528
Recognised in the profit or loss (Note 23)	414	1,471
At end of the year	2,413	1,999
Presented after appropriate offsetting as follows:		
Deferred tax assets	(699)	(513)
Deferred tax liabilities	3,112	2,512
Deferred tax liabilities, net	2,413	1,999

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17. DEFERRED TAX LIABILITIES (Continued)

The components and movement of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group	Unbilled revenue RMB'000	Provision for withholding tax RMB'000	Total RMB'000
2015			
At beginning of year	2,512	–	2,512
Recognised in the profit or loss	(2,401)	3,001	600
At end of year	111	3,001	3,112
2014			
At beginning of year	1,060	–	1,060
Recognised in the profit or loss	1,452	–	1,452
At end of year	2,512	–	2,512

Deferred tax assets of the Group	Accrued bonus \$	Allowance for impairment of trade receivables \$	Others \$	Total \$
2015				
At beginning of year	(205)	(285)	(23)	(513)
Recognised in the profit or loss	(41)	83	(228)	(186)
At end of year	(246)	(202)	(251)	(699)
2014				
At beginning of year	(207)	(227)	(98)	(532)
Recognised in the profit or loss	2	(58)	75	19
At end of year	(205)	(285)	(23)	(513)

Others includes cost of sales related to unbilled revenue and accrued outsourcing charges.

No deferred tax liabilities has been recognised on the remaining undistributed earnings of the subsidiary amounting to RMB 90,017,000 (2014: RMB 112,527,000) as it is probable that such undistributed earnings will be reinvested for the foreseeable future as part of the Company's continuing investment in the subsidiary.

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18. REVENUE

	Group	
	2015 RMB'000	2014 RMB'000
Sale of goods	101,409	117,391
Subcontracting services	40,066	44,104
	141,475	161,495

19. OTHER OPERATING INCOME

	Group	
	2015 RMB'000	2014 RMB'000
Allowance for impairment of trade receivables written back (Note 30(iii))	552	–
Gain on sale of scrap materials	532	526
Government grants	170	5
Interest income	516	525
Other payables written off	–	44
Exchange gain	1,412	206
	3,182	1,306

20. OTHER OPERATING EXPENSES

	Group	
	2015 RMB'000	2014 RMB'000
Allowance for impairment of trade receivables (Note 30 (iii))	–	404
Loss on disposal of property, plant and equipment	137	356
Penalty charges	81	390
Others	4	8
	222	1,158

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21. PERSONNEL EXPENSES

	Group	
	2015 RMB'000	2014 RMB'000
Wages, salaries and bonuses *	24,191	23,427
Other personnel expenses	1,539	1,587
Short-term employees' benefits	25,730	25,014
Contributions to defined contribution plans	3,641	3,229
	29,371	28,243

* This includes directors' remuneration as disclosed in Note 22 and 27.

22. PROFIT BEFORE INCOME TAX

This is determined after charging / (crediting) the following:

	Group	
	2015 RMB'000	2014 RMB'000
Allowance for impairment of trade receivables written back (Note 30 (iii))	(552)	–
Allowance for inventory obsolescence	643	–
Amortisation of land use right	251	251
Audit fees		
- auditors of the Company	1,120	1,041
- other auditors	174	159
Depreciation of property, plant and equipment	16,018	17,868
Directors' fees		
- directors of the Company	1,367	1,377
Directors' remuneration		
- directors of the Company	–	91
- directors of subsidiaries	1,303	165
Foreign exchange gain, net	(1,142)	(43)
Allowance for impairment of trade receivables	–	404
Personnel expenses (Note 21) *	29,371	28,243

* Includes directors' remuneration as disclosed in this note.

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23. INCOME TAX EXPENSE

Major components of income tax expense for the year ended 31 December were:

	Group	
	2015 RMB'000	2014 RMB'000
Current tax		
- Current year	5,636	6,292
- Under / (Over) provision in prior year	174	(127)
- Withholding tax on dividend income	849	986
	6,659	7,151
Deferred tax (Note 17)		
- Origination and reversal of temporary differences	414	1,471
	7,073	8,622

The reconciliation of the tax expense and the product of accounting profit multiplied by the applicable rate is as follows:

	Group	
	2015 RMB'000	2014 RMB'000
Profit before income tax	18,097	43,056
Tax at the PRC statutory tax rate of 25% (2014: 25%)	4,524	10,764
Tax effects of:		
- income not subject to tax	-	(430)
- expenses not deductible for tax purpose	774	679
- different tax rates in tax-free jurisdictions	1,368	944
- withholding tax on undistributed profit of PRC subsidiary	3,001	-
- tax incentive	(3,617)	(4,194)
	6,050	7,763
Under / (Over) provision of tax in prior years	174	(127)
Withholding tax on dividend income	849	986
Income tax expense	7,073	8,622

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23. INCOME TAX EXPENSE (Continued)

The Company:

The Company is operating in a tax-free jurisdiction. The dividend received which is eliminated has no tax consequences; and the corporate expenses incurred are included in the "effect of different tax rate in tax-free jurisdiction" line item.

Subsidiaries:

- (i) Best Success, which is subject to Hong Kong tax rate of 16.5% (2014: 16.5%), does not have taxable profit since its incorporation on 23 April 2005.
- (ii) In accordance with the Income Tax Law of the PRC for High Technology Enterprises and various approval documents issued by the PRC Tax Bureau, Changzhou 3D being awarded the "High Technology Enterprise" status, enjoys a concessionary tax rate of 15%, as compared to the statutory tax rate for PRC companies of 25%. The concessionary income tax status is valid for 3 years and is subjected to renewal when it expires in August 2018. This benefit was disclosed under the tax incentive in the tax reconciliation during the year.

24. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2015	2014
		(Restated)
Net profit attributable to equity holders of the Company (RMB'000)	11,024	34,434
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share	27,468,476	27,468,476
Basic and diluted earnings per share (RMB cents per share)	40.13	125.36

* Comparative weighted average number of ordinary shares and basic and diluted earning per ordinary share has been adjusted retrospectively as if the share consolidation (Note 3) has taken place at the beginning of the comparative period.

Diluted earnings per share is the same as the basic earnings per share as no share options, warrants or other compound financial instruments with dilutive effect were granted during the financial year or outstanding at the end of the financial year.

25. DIVIDENDS

	Group and Company	
	2015	2014
	RMB'000	RMB'000
Interim exempt (one-tier) paid in respect of current financial year of RMB 0.25 per ordinary share (2014: RMB 0.025 per ordinary share)	6,867	6,867

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26. CASH AND CASH EQUIVALENTS

	Group	
	2015 RMB'000	2014 RMB'000
Cash in hand	117	147
Bank balances	56,760	43,298
Fixed deposits (Note A)	10,680	10,330
Cash and bank balances as stated in the consolidated statements of financial position	67,557	53,775
Less: Pledged deposits (Note B)	(8,782)	(13,245)
Cash and cash equivalents as stated in the consolidated statement of cash flows	58,775	40,530

As at 31 December 2015, the Group has bank balances placed with banks in the PRC denominated in Chinese Renminbi ("RMB") amounting to RMB 50,890,000 (2014: RMB 46,859,000). The RMB is not freely convertible to foreign currencies. Under the People's Republic of China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

Note A

The fixed deposit of the Group has maturity period of 1 year (2014: 1 year), and yields interest income at effective rate of 3.39% (2014: 3.35%) per annum.

Note B

Bank balances of RMB 8,782,000 (2014: RMB 13,245,000) are pledged in connection with bills payable facilities (Note 14).

The movement in pledged deposits:

	Group	
	2015 RMB'000	2014 RMB'000
Balance at beginning of the year	13,245	6,448
Placement of pledged deposits	-	6,797
Refund of pledged deposits	(4,463)	-
Balance at end of the year	8,782	13,245

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27. RELATED PARTY INFORMATION

Some of the arrangements with related parties (as defined in Note 2) and the effects of these bases determined between the parties are reflected elsewhere in this report. Transactions between the Company and its subsidiaries, which are related companies of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below:

	Group	
	2015 RMB'000	2014 RMB'000
Key management personnel compensation		
Directors of the Group:		
- Salaries and bonus (i)	1,274	1,814
- Contributions to defined contribution plans	29	19
- Over provision of director's incentives in prior years	-	(1,577)
- Directors' fee (Note 22)	1,367	1,377
	2,670	1,633
Other key management personnel		
- Salaries and bonus	926	870
- Contributions to defined contribution plans	11	9
	3,607	2,512
Total compensation comprise:		
Short-term employee benefits	3,567	1,614
Contributions to defined contributions plans	40	28
	3,607	2,512

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and Financial Controller are considered key management personnel.

- (i) The remuneration of directors includes the director's incentive for the year amounting to RMB 840,000 (2014: RMB 1,363,000) which is determined by the Remuneration Committee having regard to the performance of Group's profit.

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28. FUTURE CAPITAL COMMITMENTS

Capital expenditure as at 31 December but not recognised in the financial statements are as follows:

	Group	
	2015 RMB'000	2014 RMB'000
In respect of acquisition of plant and equipment		
Contracted	21,386	2,016
Not contracted	13,849	–

As announced in December 2015, the Company's Board of Directors approved the subsidiary to purchase plant and equipment totaling RMB 44.4 million, out of which, RMB 30.5 million has been contracted, as disclosed in Note 13A. The remaining amount has yet to be contracted as at 31 December 2015.

29. SEGMENT INFORMATION

The Group operates in only one operating segment, i.e. the manufacture and sale of vane products and related subcontracting services. Subcontracting services are not separately reported to the CEO and the management, as it is considered as the same business with manufacturing activities due to shared technology and production processes. The products for which the Group provided subcontracting services are similar to the products that the Group manufactures. The subcontracting services arose due to one customer's arrangement to source for its own raw material.

The operating segment has been identified on the basis of internal management reports that are regularly reviewed by management of the Group. Management of the Group reviews the overall results of the Group as a whole to make decisions about resource allocation. Accordingly, no further analysis of this single reporting segment has been prepared.

Revenue of approximately RMB 13,367,000 (2014: RMB 20,178,000) and RMB 9,206,000 (2014: RMB 1,041,000) are derived from overseas customers in Japan and Korea respectively. The major customer in the PRC contributing 10% or more to the Group's revenue is disclosed in Note 30 (iii). The Group's entire non-current assets are located in PRC.

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30. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The main risks arising from the Group's financial instruments are market risk (including foreign exchange risk and interest rate risk), liquidity risk and credit risk. The Group does not have a formal risk management policies and guidelines. However, the Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below. It is the Group's policy not to trade in derivative contracts.

(i) Market risk

(a) Foreign exchange risk

Currently, the PRC government imposes control over foreign currencies, RMB, the official currency in the PRC, is not freely convertible. Enterprises operating in the PRC can enter into exchange transactions through the People's Bank of China or other authorised financial institutions. The Group has not entered into any derivative instruments for hedging or trading purposes. The Group's currency exposure is as follows:

Group 2015	Singapore dollars RMB'000	Chinese Renminbi RMB'000	United States dollars RMB'000	HKD RMB'000	Total RMB'000
Financial assets					
Cash and bank balances	6,328	51,007	9,908	314	67,557
Trade receivables	–	155,359	12,955	–	168,314
Other receivables	–	430	–	–	430
	6,328	206,796	22,863	314	236,301
Financial liabilities					
Trade payables	–	46,254	–	–	46,254
Other payables and accruals	1,003	10,166	–	–	11,169
	1,003	56,420	–	–	57,423
Net financial assets	5,325	150,376	22,863	314	178,878
Less: Net financial assets denominated in the respective entities' functional currencies	–	(150,376)	–	(314)	(150,690)
Foreign currency exposure	5,325	–	22,863	–	28,188

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

30. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

Group 2014	Singapore dollars RMB'000	Chinese Renminbi RMB'000	United States dollars RMB'000	Others *	Total RMB'000
Financial assets					
Cash and bank balances	2,395	47,007	4,336	37	53,775
Trade receivables	–	163,327	3,253	–	166,580
Other receivables	–	1,006	–	–	1,006
	2,395	211,340	7,589	37	221,361
Financial liabilities					
Trade payables	–	60,716	–	207	60,923
Other payables and accruals	636	4,417	–	–	5,053
	636	65,133	–	207	65,976
Net financial assets / (liabilities)	1,759	146,207	7,589	(170)	155,385
Less: Net financial assets denominated in the respective entities' functional currencies	–	(146,207)	–	(32)	(146,239)
Foreign currency exposure	1,759	–	7,589	(202)	9,146

* Others comprise of Hong Kong dollars and Japanese yen.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

财务报表附注

30. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

Company 2015	Singapore dollars RMB'000	Chinese Renminbi RMB'000	Total RMB'000
Financial assets			
Cash and bank balances	6,328	–	6,328
Financial liabilities			
Other payables and accruals	1,003	48	1,051
Due to subsidiaries (non-trade)	–	22,767	22,767
	1,003	22,815	23,818
Net financial assets / (liabilities)	5,325	(22,815)	(17,490)
Less: Net financial liabilities denominated in the Company's functional currency	–	22,815	22,815
Foreign currency exposure	5,325	–	5,325
Company 2014			
Financial assets			
Cash and bank balances	2,395	–	2,395
Financial liabilities			
Other payables and accruals	636	–	636
Due to subsidiaries (non-trade)	–	22,767	22,767
	636	22,767	23,403
Net financial assets / (liabilities)	1,759	(22,767)	(21,008)
Less: Net financial liabilities denominated in the Company's functional currency	–	(22,767)	(22,767)
Foreign currency exposure	1,759	–	1,759

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

30. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

Foreign exchange risk sensitivity

The following table details the sensitivity to a 5% (2014: 10%) increase and decrease in the Chinese Renminbi against the relevant foreign currencies. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% (2014: 10%) change in foreign currency rates.

If the following foreign currency strengthens by 5% (2014: 10%) against RMB, with all the other variables held constant, profit for the year will increase / (decrease) by:

Group	Singapore dollars RMB'000	United States dollars RMB'000	Others* RMB'000	Total RMB'000
2015				
Profit for the year	226	972	–	1,198
2014				
Profit for the year	150	645	(17)	778
Company				
2015				
Profit for the year	226	–	–	226
2014				
Profit for the year	176	–	–	176

* Others comprise of Hong Kong dollars and Japanese yen.

A weakening of the above foreign currencies against RMB at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

The Group is also exposed to currency translation risk arising from its net investment in its foreign operation in Hong Kong including intragroup balances. The Group's net investment in Hong Kong is not hedged as currency position in HKD is considered to be long-term in nature.

(b) Interest rate risk

The Group's exposure to interest rate risk arises primarily from its fixed deposits included in cash and cash equivalents. The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure.

The impact of changes in interest rate on the Group's financial assets and liabilities is minimal. As such, effect of a sensitivity analysis on the Group's profit for the year would be negligible.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

财务报表附注

30. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(ii) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations.

All the financial liabilities of the Group as at 31 December 2015 and 2014 are repayable on demand or due within 1 year from the reporting date. The carrying amount recorded represents the contractual cash flows of these financial liabilities.

(iii) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's major classes of financial assets are cash and cash equivalents, and trade and other receivables. Bank balances and fixed deposit are placed with regulated national or provincial financial institutions in the PRC and a Singapore-based multinational bank. Bills receivables (Note 12) are mainly redeemable from state-owned or listed commercial banks in the PRC. Therefore, credit risk arises mainly from the inability of its customers to make payments when due.

For trade receivables, the Group adopts the policy of dealing only with long time customers of appropriate credit history to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties. Credit exposure to an individual counterparty is restricted by credit limits that are approved by management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the Board of Directors. The average credit period on sales of goods and subcontracting services is 90 days (2014: 90 days). No interest is imposed on overdue trade receivables.

As the Group and Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position. The amounts presented in the statement of financial position are net of allowances for impairment of trade receivables, estimated by management based on prior experience and the current economic environment.

The age analysis of trade receivables is as follows:

	Group	
	2015 RMB'000	2014 RMB'000
Neither past due nor impaired	56,930	43,404
Past due but not impaired		
- Past due less than 3 months	34,041	67,267
- Past due over 3 months	51,120	5,452
	85,161	72,719
Impaired trade receivables	4,731	5,283
Less: Allowance for impairment loss	(4,731)	(5,283)
Net trade receivables (Note 12)	142,091	116,123

NOTES TO THE FINANCIAL STATEMENTS

财务报表附注

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

30. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(iii) Credit risk (Continued)

Neither past due nor impaired

The amounts that are neither past due nor impaired mainly represents the balances only from the Group's major customers in PRC, Japan and in Korea, with active or established trading records with the Group and steady collection pattern.

Past due but not impaired

Trade receivables that are past due but not impaired are substantially companies who are customers with long trading history with the Group and have steady collection record. Based on past experience, the management believes that no impairment allowance is necessary in respect of these balances as there has not been significant change in credit quality and the amount are still considered fully recoverable.

Out of the balances which were past due over 3 months but not impaired as at 31 December 2015, an amount of RMB 18,659,000 has been subsequently collected either in cash or bills receivables up to the date of this report.

Impaired trade receivables

The Group has recognised full impairment loss on those receivables with significant delay or default in payments who has minimal transactions and/or no collection during the year and up to the date of this report. The Group does not hold any collateral over the amounts outstanding as at reporting date, and the management is of the view that from the past historical experience, such balances are not recoverable.

The analysis of the trade receivables individually determined to be impaired and the movement in the related allowance for impairment loss are as follows:

	Group	
	2015	2014
	RMB'000	RMB'000
Allowance for impairment loss are made on debts which are:		
Not past due	-	246
Past due less than 1 year	120	230
Past due over 1 year	4,611	4,807
	4,731	5,283

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

财务报表附注

30. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(iii) Credit risk (Continued)

The movement in allowance for impairment loss is as follows:

	Group	
	2015 RMB'000	2014 RMB'000
Balance at beginning of the year	5,283	4,893
Allowance utilised during the year	-	(14)
Allowance made during the year	-	404
Allowance written back during the year	(552)	-
Balance at end of the year	4,731	5,283

Credit risk concentration

Included in the Group's trade receivables are 2 customers (2014: 2 customers) located in the PRC and principally engaged in development and manufacture of power equipment; the balances owing from them comprised 90% (2014: 97%) of the trade receivables balance (excluding bills receivables) as at 31 December 2015. Approximately RMB 89,061,000 and RMB 25,616,000 (2014: RMB 86,733,000 and RMB 51,353,000), representing 63% and 18% (2014: 54% and 32%) respectively of the Group's revenue, are generated from these 2 customers (2014: 2 customers) during the financial year.

The remaining net trade receivables balance (excluding bill receivables) were due from overseas customers in Japan and Korea, which are part of listed entities in the respective countries.

Bills receivables

Bills receivables of the Group received as a settlement for trade debts are issued by state-owned or listed commercial banks in the PRC. The remaining maturity period is ranging from 17 days to 6 months (3 days to 6 months) from the reporting date. As of the date of this report, bills receivables amounting to RMB 17,206,000 (2014: RMB41,847,000) had been fully recovered and the balance is not due for redemption.

(iv) Financial instruments by category

The carrying amounts of the different categories of financial instruments are as follows:

	Group		Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Financial assets				
Loans and receivables (including cash and cash equivalent)	236,301	221,361	6,328	2,395
Financial liabilities				
Financial liabilities at amortised cost	57,423	65,976	23,818	23,403

30. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Capital risk management policies and objectives

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, net of cash and cash equivalents, and the equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Notes 3 to 7.

The Board of Directors reviews the capital structure on an annual basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. Based on guidance of the Board, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt. The Group's overall strategy remains unchanged from 2014.

As disclosed in Note 5, the PRC incorporated subsidiary of the Group is required by the Foreign Enterprise Law of PRC to contribute to and to maintain a non-distributable statutory reserve fund, the utilisation of which is subject to approval of the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiary for the financial years ended 31 December 2015 and 2014.

31. FAIR VALUES OF FINANCIAL INSTRUMENTS

(i) Fair value of financial instruments that are carried at fair value

The Group and the Company had no financial assets or liabilities carried at fair value on a recurring or non-recurring basis in 2015 and 2014.

(ii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of cash and bank balances, trade and other receivables, trade and other payables (including amounts due to subsidiaries) are reasonable approximation of fair values due to the relatively short-term maturity of these financial instruments.

(iii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

As at reporting date, there are no financial instruments in this category.

SHAREHOLDINGS STATISTICS

As at 18 March 2016 于2016年3月18日
Amounts in Chinese Renminbi ("RMB") 货币为人民币

股权统计资料

Class of equity securities 所有权证券分类	Number of equity securities 所有权证券数额	Voting rights 投票权
Ordinary 普通	27,468,473	One vote per share 每股一票

There are no treasury share in the issue capital of the Company.
本公司已发行股本并无库存股。

DISTRIBUTION OF SHAREHOLDINGS 股东分布情况

SIZE OF SHAREHOLDINGS 持股规模	NO. OF SHAREHOLDERS 股东人数		NO. OF SHARES 股份数量	
		%		%
1 - 99	17	1.87	900	0
100 - 1,000	311	34.18	205,942	1
1,001 - 10,000	506	55.6	1,927,714	7
10,001 - 1,000,000	72	7.91	5,660,547	21
1,000,001 AND ABOVE	4	0.44	19,673,370	72
TOTAL 总计	910	100	27,468,473	100

SUBSTANTIAL SHAREHOLDERS 主要股东

(as recorded in the Register of Substantial Shareholders as at 18 March 2016)
(截至2016年3月18日记载于主要股东名册)

	NUMBER OF ORDINARY SHARES 股份数量			
	DIRECT INTEREST 直接权益		DEEMED INTEREST 间接权益	
		%		%
LIU MING 刘明先生	8,240,000	29.98	0	0
ALLPORT LIMITED	6,264,340	22.81	0	0
ASUKA DBJ INVESTMENT LPS ¹	1,200,000	4.37	6,264,340	22.81
MERCURIA INVESTMENTS CO., LTD. ²	0	0	7,464,340	27.18
DEVELOPMENT BANK OF JAPAN INC. ³	0	0	7,464,340	27.18
ASUKA ASSET MANAGEMENT CO., LTD. ⁴	0	0	7,464,340	27.18
MAMORU TANIYA ⁵	0	0	7,464,340	27.18
YUGEN KAISHA SIMON MURRAY AND COMPANY JAPAN	3,300,000	12.01	0	0
YONEHARA SHINICHI ⁶	0	0	3,300,000	12.01

Notes 附注:

- Asuka DBJ Investment LPS is the registered holder of all the issued shares of Allport Limited.
Asuka DBJ Investment LPS是Allport Limited所有已发行股份的注册持有机构。
- Mercuria Investments Co., Ltd., formerly known as AD Capital Co., Ltd. is the sole general partner of Asuka DBJ Investment LPS.
Mercuria Investments Co., Ltd., 以前称AD Capital Co., Ltd.是Asuka DBJ Investment LPS的唯一普通合伙人。

SHAREHOLDINGS STATISTICS

股权统计资料

As at 18 March 2016 于2016年3月18日
Amounts in Chinese Renminbi ("RMB") 货币为人民币

3. Development Bank of Japan Inc. is a large shareholder of Mercuria Investments Co., Ltd. and is therefore deemed to have an interest in the shares held by Mercuria Investments Co., Ltd. Development Bank of Japan Inc. is wholly-owned by the Government of Japan through its Finance Minister.
Development Bank of Japan Inc.是Mercuria Investments Co., Ltd.的大股东, 因此被视为拥有Mercuria Investments Co., Ltd.持有股份的权益。Development Bank of Japan Inc.是日本政府通过财政部长拥有的全资子公司。
4. Asuka Asset Management Co., Ltd. is a large shareholder in Mercuria Investments Co., Ltd. and is therefore deemed to have an interest in the shares held by Mercuria Investments Co., Ltd.
Asuka Asset Management Co., Ltd.是Mercuria Investments Co., Ltd.的大股东, 因此被视为拥有Mercuria Investments Co., Ltd.持有股份的权益。
5. Mamoru Taniya is a significant shareholder in Asuka Asset Management Co., Ltd. and is therefore deemed to have an interest in the deemed interest of Asuka Asset Management Co., Ltd.
Mamoru Taniya是Asuka Asset Management Co., Ltd.的主要股东, 因此被视为拥有Asuka Asset Management Co., Ltd.持有股份的权益。
6. Yugen Kaisha Simon Murray And Company Japan is wholly-owned by Yonehara Shinichi.
Yugen Kaisha Simon Murray And Company Japan是Yonehara Shinichi的全资子公司。

TWENTY LARGEST SHAREHOLDERS 首二十大股东

NO. 序号	NAME 姓名	NO. OF SHARES 股份数量	%
1	RAFFLES NOMINEES (PTE) LIMITED	8,395,030	30.56
2	ALLPORT LIMITED	6,264,340	22.81
3	YUGEN KAISHA SIMON MURRAY AND COMPANY JAPAN	3,300,000	12.01
4	CITIBANK NOMINEES SINGAPORE PTE LTD	1,714,000	6.24
5	CIMB SECURITIES (SINGAPORE) PTE. LTD.	958,875	3.49
6	HONG LEONG FINANCE NOMINEES PTE LTD	711,000	2.59
7	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	393,360	1.43
8	TAN YEW MENG	357,200	1.30
9	DB NOMINEES (SINGAPORE) PTE LTD	300,000	1.09
10	OCBC SECURITIES PRIVATE LIMITED	298,790	1.09
11	MAYBANK KIM ENG SECURITIES PTE. LTD.	250,200	0.91
12	WANG YU LONG DENIS	200,400	0.73
13	TAN WOON TIANG	176,000	0.64
14	LIM SIAN KOK	151,700	0.55
15	ONG KANG CHIM	125,000	0.46
16	TAN TIEN SENG	124,300	0.45
17	XIA ZHIFU	120,000	0.44
18	DBS NOMINEES (PRIVATE) LIMITED	102,822	0.37
19	ENG CHIAW KOON	70,200	0.26
20	LIM POH LEE	70,000	0.25
	TOTAL 总计	24,083,217	87.67

PERCENTAGE OF SHAREHOLDING IN HANDS OF PUBLIC 公众人士所持有股份百分比

Based on the information available to the Company as at 18 March 2016, approximately 30.83% of the issued ordinary shares of the Company were held by the public and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

根据本公司所获截至2016年3月18日的资料, 大约30.83%的本公司已发行普通股被公众持有, 因此遵守了《新加坡证券交易有限公司上市手册》的规定。

NOTICE OF ANNUAL GENERAL MEETING 年度股东大会通知

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of SHANGHAI TURBO ENTERPRISES LTD (the "Company") will be held at Parkroyal on Pickering, 3 Upper Pickering Street, Singapore 058289 on Saturday, 30 April 2016 at 9.30a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Accounts of the Company for the financial year ended 31 December 2015 together with the Auditors' Report thereon.

Resolution 1

2. To declare a final dividend of RMB 0.25 per ordinary share (tax not applicable) for the financial year ended 31 December 2015. (2014: RMB 0.05 per ordinary share - interim and final, prior to share consolidation)
[See Explanatory Note (i)]

Resolution 2

3. To re-elect Mr Jack Chia Seng Hee, a director of the Company who will retire pursuant to Article 86(1) of the Company's Articles of Association:

Mr Jack Chia Seng Hee will, upon re-election as Director of the Company, remain as Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee. He will be considered independent.

Resolution 3

4. To note the retirement of Mr Huang Wooi Teik, a Director of the Company who is the Non-Executive Chairman and Lead Independent Director.
[See Explanatory Note (ii)]

5. To note the retirement of Mr Aloysius Wee Meng Seng, a Director of the Company.
[See Explanatory Note (iii)]

6. To approve the payment of additional Directors' Fees of RMB100,000 for the financial year ending 31 December 2015. (2014: Nil) [See Explanatory Note (iv)]

Resolution 4

7. To approve the payment of Directors' Fees of RMB1,420,000 for the financial year ending 31 December 2016 for payment (2015: RMB1,350,000).
[See Explanatory Note (v)]

Resolution 5

8. To re-appoint Messrs. Crowe Horwath First Trust LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

Resolution 6

兹通知，上海动力发展有限公司将于2016年4月30日星期六上午9时30分在位于3 Upper Pickering Street, Singapore 058289的Parkroyal on Pickering酒店召开年度股东大会，以讨论通过以下事项：

普通事项：

1. 接纳并通过董事会报告、截至2015年12月31日之财政年度已审核财务报表及其审计师报告。

第一项决议

2. 宣布派发截至2015年12月31日之财政年度的每普通股0.25元人民币的一次性免税股息。(2014年总计：每普通股0.05元人民币，半年度及一次性)
(见附注说明(i))

第二项决议

3. 重新委任依据本公司《章程》第86(1)条规定即将卸任的本公司董事杰克谢先生：

杰克谢先生一旦重新受委任为本公司董事，将继续担任审计委员会主席以及提名委员会与薪酬委员会成员。他将被视为具有独立能力。

第三项决议

4. 本公司董事黄伟德先生将卸下非执行主席兼首席独立董事的职务。
(见附注说明(ii))

5. 黄明成先生将卸任作为本公司董事的职务。
(见附注说明(iii))

6. 通过截至2015年12月31日止之财政年度总值10万元人民币的额外董事费支付。
(2014年：无) (见附注说明(iv))

第四项决议

7. 通过截至2016年12月31日止之财政年度总值142万元人民币的董事费支付。
(2015年：135万元人民币)
(见附注说明(v))

第五项决议

8. 通过重新委任Messrs. 国富浩华合信会计师事务所为本公司审计师并授权本公司董事会确定其薪酬。

第六项决议

NOTICE OF ANNUAL GENERAL MEETING

年度股东大会通知

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

By Order of the Board

奉董事会之命

Busarakham Kohsikaporn
Company Secretary

曾晓云
公司秘书

Date: 14 April 2016
Singapore

日期: 2016年4月14日
新加坡

Explanatory Notes:

- (i) Ordinary Resolution 2 proposed in item 2 above is to declare a final dividend of RMB0.25 per ordinary share (tax not applicable) for the financial year ended 31 December 2015, if approve, the Company will announce the dividend payment date in due course.
- (ii) The Company has received notice from Mr Huang Wooi Teik that he will retire at the conclusion of the AGM.
- (iii) The Company has received notice from Mr Aloysius Wee Meng Seng that he will retire at the conclusion of the AGM.
- (iv) Ordinary Resolution 4 proposed in item 5 above is to approve an additional RMB100,000 to be paid as Directors' fees for FY2015. This is in view of the additional meetings held in respect of corporate actions and activities of the Company during FY2015 and in appreciation of the extra time and efforts put in by the Directors.
- (v) Ordinary Resolution 5 proposed in item 6 above is to approve Non-Executive Directors' fees for the financial year ending 2016, an increase of RMB70,000 from Directors' fees amounting to RMB1,350,000 for FY2015. This recommendation is in view of the increased responsibilities of the Directors and compliance requirements of the SGX-ST Listing Rules including Code of Corporate Governance and Securities and Futures Act.

Notes:

- (1) A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote in his stead. A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf.
- (2) A proxy needs not be a member of the Company.
- (3) If a Shareholder being a Depositor whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act) wishes to attend and vote at the Meeting, he must be shown to have shares entered against his name in the Depository Register, as certified by the CDP, at least forty-eight (48) hours before the time of the Meeting. If he wishes to appoint a proxy to attend the Meeting, he must complete and deposit the CDP Proxy Form at the office of the Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 at least forty-eight (48) hours before the time of the Meeting.

附注说明:

- (i) 上述第2项普通决议第2条是为派发截至2015年12月31日之财政年度的每普通股0.25元人民币的一次性免税股息, 若通过, 本公司将于适当时宣布股息派发的日期。
- (ii) 本公司已经收到来自黄伟德先生于年度股东大会结束后卸任的通知。
- (iii) 本公司已经收到来自黄明成先生于年度股东大会结束后卸任的通知。
- (iv) 上述第4项普通决议第5条是为通过2015财政年总值10万元人民币的额外应付董事费。这是鉴于2015财政年因本公司企业行为与活动以致召开了额外会议, 这项决议是为答谢董事们所付出的额外时间与精力。
- (v) 上述第5项普通决议第6条是为通过截至2016财政年度之非执行董事费, 增幅与2015财政年的135万元人民币相比达7万元人民币。这项建议是鉴于董事们的责任增加以及《新交所上市规则》中《企业管治守则》及《证券与期货法》的合规要求。

附注:

- (1) 有权出席年度股东大会(下称“会议”)并投票表决的本公司股东, 可委托一名代理人, 代为出席会议和表决。作为本公司股东的公司, 也有权委托一名合法代表或代理人代为表决。
- (2) 代理人无需为本公司股东。
- (3) 名列为寄存登记册(定义见证券与期货法第81SF段)的股东, 有意出席会议并投票表决, 必须在会议指定时间前的至少四十八(48)小时以自己的名义在寄存登记册中登记拥有股份, 并由中央托收公司证明。若此人有意委托一名代理人出席会议, 他必须填妥寄存人代理委托表格, 并在会议指定时间前的四十八(48)小时投入送交新加坡股份过户登记办事处Boardroom Corporate & Advisory Services Pte. Ltd., 地址为50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623。

NOTICE OF ANNUAL GENERAL MEETING 年度股东大会通知

For the financial year ended 31 December 2015 截至2015年12月31日止
Amounts in Chinese Renminbi ("RMB") 货币为人民币

Personal Data Privacy

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty

个人资料隐私权:

当本公司股东提交文件以委托一名或多名代理人以及/或代表出席年度股东大会, 并进行代言和投票, 以及/或任何休会, 本公司股东将同意让本公司(或其代理公司)收取、使用及分享股东的个人资料, 以让本公司(或其代理公司)能够为年度股东大会事宜(包括任何休会)受委托代理人 and 代表进行处理和行政, 并准备和汇集出席名单、会议记录和其他年度股东大会的相关文件(包括任何休会), 让本公司(或其他代理公司)能够遵循适用法律、上市规则、规定以及/或指导原则(统称“用途”), (ii) 授权让本公司股东与本公司(或其代理公司)分享其代理人以及/或代表的个人资料, 股东已获取代理人以及/或代表的同意, 让本公司(或其代理公司)收取、使用和分享此代理人以及/或代表的个人资料, 以达到上述用途。

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In the event of any conflict between the English and Chinese versions in this Annual Report, the English version shall prevail
若此年报的中英文版本出现不一致时，以英文版本为准



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