

Incorporated in the Cayman Islands on 14 July 2005

**Full Year Financial Statement and Dividend Announcement for the  
Period ended 31 December 2013**

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

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2013**

	Group		
	12 months ended		+ / (-)
	31 Dec 2013 RMB'000	31 Dec 2012 RMB'000	
Revenue	166,400	150,586	11%
Cost of sales	-98,361	-69,839	41%
Gross profit	68,039	80,747	-16%
Other income	1,406	1,186	19%
Selling and distribution expenses	-2,375	-7,133	-67%
Administrative expenses	-21,747	-17,862	22%
Other operating expenses	-65	-273	-76%
Profit before income tax	45,258	56,665	-20%
Income tax*	-1,552	-15,184	-90%
Net profit after tax	43,706	41,481	5%
Other comprehensive income/(expenses):			
Currency translation differences	-101	-445	-77%
Total comprehensive income attributable to equity shareholders of the Company	43,605	41,036	6%

Note\*: There was a tax refund of RMB 6,360,000 in 2013

NM - Not meaningful

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

	Group		
	12 months ended		+ / (-)
	31 Dec 2013 RMB'000	31 Dec 2012 RMB'000	
Depreciation expense	19,017	18,640	2%
Amortisation of land use right	251	251	0%
Interest Income	-206	-214	-4%
Foreign exchange loss/ (gain)	336	-202	-266%
(Gain)/ loss on disposal of Property, plant and equipment	-34	4	-950%
Allowance for doubtful debts	-	227	NM
Allowance for inventory obsolescence	-	1,220	NM
Overprovision of tax in prior year	-	-1,384	NM

NM - Not meaningful

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

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	31 Dec 2013 RMB'000	31 Dec 2012 RMB'000	31 Dec 2013 RMB'000	31 Dec 2012 RMB'000
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	55,409	55,409	55,409	55,409
Share premium	81,527	81,527	81,527	81,527
	136,936	136,936	136,936	136,936
<b>Other Reserves</b>				
Statutory reserve	24,052	19,764	-	-
Foreign exchange reserve	-3,525	-3,424	-	-
	20,527	16,340	-	-
Retained earnings/ (Accumulated losses)	137,036	104,485	2,143	2,350
<b>TOTAL EQUITY</b>	<b>294,499</b>	<b>257,761</b>	<b>139,079</b>	<b>139,286</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	114,079	125,561	-	-
Subsidiaries	-	-	156,236	156,236
Land use right	10,540	10,791	-	-
	124,619	136,352	156,236	156,236
<b>Current assets</b>				
Inventories	21,234	16,703	-	-
Trade receivables	121,509	83,679	-	-
Other receivables, deposits and prepayments	1,319	2,401	5	8
Land use right	251	251	-	-
Cash and cash equivalents	85,815	75,727	50	2
	230,128	178,761	55	10
<b>TOTAL ASSETS</b>	<b>354,747</b>	<b>315,113</b>	<b>156,291</b>	<b>156,246</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	41,748	35,502	-	-
Other payables and accruals	15,676	18,079	1,242	1,264
Due to subsidiaries (non-trade)	-	-	15,970	15,696
Income tax payable	2,824	1,788	-	-
	60,248	55,369	17,212	16,960
<b>Non-current liability</b>				
Deferred tax liability	-	1,983	-	-
<b>TOTAL LIABILITIES</b>	<b>60,248</b>	<b>57,352</b>	<b>17,212</b>	<b>16,960</b>
<b>NET ASSETS</b>	<b>294,499</b>	<b>257,761</b>	<b>139,079</b>	<b>139,286</b>

**1(b)(ii) Aggregate amount of Group's borrowings and debt securities**
**Amount repayable in 1 year or less, or on demand**

Group As at 31 Dec 2013		Group As at 31 Dec 2012	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
NIL	NIL	NIL	NIL

**Amount repayable after 1 year**

Group As at 31 Dec 2013		Group As at 31 Dec 2012	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
NIL	NIL	NIL	NIL

**1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2013**

	Group	
	12 months ended	
	Unaudited	Audited
	31 Dec 2013 RMB'000	31 Dec 2012 RMB'000
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	45,258	56,665
Adjustments for:		
Depreciation expense	19,017	18,640
Amortisation expense	251	251
Interest Income	-206	-214
(gain)/loss on disposal of property, plant & equipment	-34	4
Translation difference	-32	-442
Operating profit before working capital changes	64,254	74,904
Inventories	-4,531	-9,910
Trade & other Receivables	-36,748	-12,118
Trade & other Payables	3,843	-1,590
<b>Cash generated from operations</b>	26,818	51,286
Interest received	206	214
Income tax paid	-2,499	-17,429
<b>Net Cash generated from operating activities</b>	24,525	34,071
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	-7,567	-4,552
Proceeds from disposal of property, plant and equipment	66	10
<b>Net cash used in investing activities</b>	-7,501	-4,542
<b>FINANCING ACTIVITIES</b>		
Pledged deposits	6,862	-13,310
Dividend paid	-6,867	-13,734
<b>Net cash used in financing activities</b>	-5	-27,044
<b>Net increase in cash and cash equivalents</b>	17,019	2,485
<b>Cash and cash equivalents at beginning of period</b>	62,417	59,935
<b>Effects of exchange rate changes in cash and cash equivalent</b>	-69	-3
<b>Cash and cash equivalents at end of period</b>	79,367	62,417

Cash and bank balances compose the following:

	Group	
	12 months ended	
	Unaudited	Audited
	31 Dec 2013 RMB'000	31 Dec 2012 RMB'000
Cash and cash equivalent	79,367	62,417
Pledged cash placed with bank	6,448	13,310
	85,815	75,727

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

Group

Group	Share Capital RMB'000	Share Premium RMB'000	Statutory Reserve RMB'000	Translation Reserve RMB'000	Retained Earnings RMB'000	Total RMB'000
Balance as at 1 Jan 2012	55,409	81,527	14,870	-2,979	81,632	230,459
Total comprehensive income/ (expenses) for the year	-	-	-	-445	41,481	41,036
Statutory reserves	-	-	4,894	-	-4,894	-
Final Dividend	-	-	-	-	-13,734	-13,734
Balance as at 31 Dec 2012	55,409	81,527	19,764	-3,424	104,485	257,761

Group	Share Capital RMB'000	Share Premium RMB'000	Statutory Reserve RMB'000	Translation Reserve RMB'000	Retained Earnings RMB'000	Total RMB'000
Balance as at 1 Jan 2013	55,409	81,527	19,764	-3,424	104,485	257,761
Total comprehensive income/ (expenses) for the year	-	-	-	-101	43,706	43,605
Statutory reserves	-	-	4,288	-	-4,288	-
Final Dividend	-	-	-	-	-6,867	-6,867
Balance as at 31 Dec 2013	55,409	81,527	24,052	-3,525	137,036	294,499

Company

Company	Share Capital RMB'000	Share Premium RMB'000	Statutory Reserve RMB'000	Translation Reserve RMB'000	Retained Earnings RMB'000	Total RMB'000
Balance as at 1 Jan 2012	55,409	81,527	-	-	-859	136,077
Total comprehensive income/ (expenses) for the year	-	-	-	-	16,943	16,943
Final Dividend	-	-	-	-	-13,734	-13,734
Balance as at 31 Dec 2012	55,409	81,527	-	-	2,350	139,286

Company	Share Capital RMB'000	Share Premium RMB'000	Statutory Reserve RMB'000	Translation Reserve RMB'000	Retained Earnings RMB'000	Total RMB'000
Balance as at 1 Jan 2013	55,409	81,527	-	-	2,350	139,286
Total comprehensive income/ (expenses) for the year	-	-	-	-	6,660	6,660
Final Dividend	-	-	-	-	-6,867	-6,867
Balance as at 31 Dec 2013	55,409	81,527	-	-	2,143	139,079

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

	Number of shares	Issued share capital USD	Issued share capital RMB
Issued and paid Share Capital as at 31 December 2012 and 31 December 2013	274,684,760	6,867,119	55,409,257

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

	Number of shares	
	31 December 2013	31 December 2012
Issued and paid Share Capital	274,684,760	274,684,760

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

Not applicable.

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

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

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

Not applicable.

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

There are certain new International Financial Reporting Standards ("IFRSs") that are published and mandatory for accounting periods beginning on or after 1 January 2013. Where applicable, the adoption of these IFRSs does not have any material impact on the financial statements for the 12 months ending 31 December 2013. Apart from this, the same accounting policies and methods of computation have been consistently applied.

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

Not applicable.

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

Earnings per ordinary share for the period based on net profit attributable to shareholders	Group 12 months ended	
	31 December 2013	31 December 2012
Basic earnings per share (RMB cents)	15.87	14.77
On a fully diluted basis (RMB cents)	15.87	14.77
Weighted average number of ordinary shares in issue for basic earnings per share	274,684,760	274,684,760

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

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-  
 (a) current financial period reported on; and  
 (b) immediately preceding financial year.

	Group		Company	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
Net asset value per ordinary share based on the issued capital at the end of the financial year (RMB cents)	107.21	93.51	50.63	50.71
Number of shares in calculating net asset value	274,684,760	274,684,760	274,684,760	274,684,760



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

#### Review of the Group's Performance

#### Statement of Comprehensive Income for the year 2013

Compared to the previous year, sales revenue increased 11% from RMB 150.6 million in FY2012 to RMB 166.4 million in FY2013, due to increased orders by both local and overseas customers.

Gross profit however decreased from RMB 80.7 million in FY2012 to RMB 68.0 million in FY2013, primarily due to sales mix, increasing cost of materials and production overheads. Gross profit margin declined from 53.6% in FY2012 to 40.9% in FY2013.

Selling and distribution expenses decreased from RMB 7.1 million in FY2012 to RMB 2.4 million in FY2013 mainly due to a significant sales commission agreement terminated in the year.

Administrative expenses increased from RMB 17.9 million in FY2012 to RMB 21.7 million in FY2013, mainly due to increases in labor cost caused by increased minimal wage and social security contributions, technical service agreement, additional professional fees incurred, vehicles repairs and maintenance. There were also increases in bonus and executive incentives to staff attributable to the company's improved operating performance in a difficult market, saved for receivables.

Its subsidiary Changzhou 3D Technological Complete Set Equipment Co., Ltd has obtained high tech status from the local government for 3 years starting in 2012. This resulted in lower corporate income tax rate of the subsidiary from 25% to 15%, contributing tax refund of RMB 6.4 million in FY2013. Income tax expense in FY2013 was only RMB 1.6 million compared to RMB 15.2 million in FY2012.

As a result, net profit after tax for the period increased 5% from RMB 41.5 million in FY2012 to RMB 43.7 million in FY2013.

Currency translation losses amounted to RMB 101,000 in FY2013 compared to RMB 445,000 in FY2012.

Overall, the total comprehensive income attributable to equity shareholders of the company increased marginally from RMB 41.0 million in FY2012 to RMB 43.6 million in FY2013.

### Statement of Financial Position as at 31 December 2013

Property, plant and equipment stood at RMB 114.1 million, down from RMB 125.6 million, mainly due to depreciation expenses in the period. Cost of new machineries and equipment acquired during the year was RMB 7.6 million.

Inventories increased to RMB 21.2 million, from RMB 16.7 million due to work in progress, to be further processed for sales in the next financial year.

Trade receivables increased to RMB 121.5 million, from RMB 83.7 million, reflecting slower collection from state-owned-enterprise (SOE) customers but in general, customers continued to experience very tight credit in the Chinese market during the year. This includes bills receivables amounting to RMB 22.3 million (31 Dec 2012: RMB 21.9 million) received from customers for the settlement of outstanding balances. Of the RMB 22.3 million bills receivable, 63.5% are bank-guaranteed bills, remaining notes are from a SOE customer. Steps have been taken to reduce exposure in this respect by continuing to explore both local and overseas market for new customers.

Details of trade receivables aging as at 31 December 2013 are tabled as follows:

RMB'000	Balance	1-30 days	31-60 days	61-90 days	91-180 days	181-360 days	>1 year
Account Receivable	104,148	25,291	20,014	12,501	21,392	20,604	4,346
Provision for Doubtful Debts	-4,953	-	-	-	-	-607	-4,346
Net Account Receivable	99,195	25,291	20,014	12,501	21,392	19,997	-
Bills Receivable	22,314	-	-	-	7,984	14,330	-
Total Trade Receivables @ Dec'13	121,509	25,291	20,014	12,501	29,376	34,327	-
	100%	21%	16%	10%	24%	28%	0%

Other receivables, deposits and prepayments decreased from RMB 2.4 million to RMB 1.3 million.

Trade payables increased to RMB 41.7 million, from RMB 35.5 million. This also included bill payables of RMB 12.7 million (31 Dec 2012: RMB 12.8 million) issued to suppliers for the settlement of outstanding balances. RMB 6.4 million of cash was pledged with the bank for this facility.

Other payables and accruals decreased to RMB 15.7 million, from RMB 18.1 million, mainly due to settlement of such payables.

### **Statement of Cash Flows for FY2013**

Net cash from operating activities was RMB 24.5 million, compared to RMB 34.1 million in FY2012. The net cash generated deteriorated despite higher revenue due to increasing Days Sales Outstanding, reflecting continued tightening credit conditions in China.

Net cash used in investing activities was RMB 7.5 million reflecting the purchase of new machineries and equipment.

Net cash used in financing activities was RMB 5,000 mainly due to a RMB 6.9 million dividends paid in the year offset by release of pledged deposits.

As a result of the above, there was a net increase in cash and cash equivalents of about RMB 17.0 million.

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

Not applicable.

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

The new leadership in China continues to implement economic and social reforms. Business outlook is expected to improve modestly with the shaky pickup in global economy offset partially by impacts of falling investment and rising costs in China. Cash flow management continues to be challenging with credit remaining tight in the changing global financial markets and a Chinese economy undergoing difficult reforms. The Group strives to maintain stable financial performance for the year, paying close attention to its receivables and is reviewing its operating capabilities, especially some of its ageing equipment, to meet new market requirements.

11. **Dividend**

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

Any dividend declared/recommended for the current financial period reported on? No

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

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	First and Final
Dividend Type	Cash
Dividend Amount per share (in cents)	RMB 0.025 per ordinary share (To be paid in Singapore currency)
Par Value of shares	USD 0.025 per share
Tax Rate	Tax not applicable]

***(c) Date payable***

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared.

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

No IPT mandate has been obtained.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

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

By Geographical Segments

Revenue Country	Group			
	31-Dec-2013		31-Dec-2012	
	RMB'000	%	RMB'000	%
China	149,129	90%	135,411	90%
Korea	4,258	2%	12,095	8%
Japan	13,013	8%	3,080	2%
<b>Total</b>	<b>166,400</b>	<b>100%</b>	<b>150,586</b>	<b>100%</b>

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

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

**16. A breakdown of sales.**

	Latest Financial Year 31-Dec-13 RMB'000	Latest Financial Year 31-Dec-12 RMB'000	% Increase/ (decrease)
	Group	Group	Group
(a)Sales reported for first half year	72,288	78,630	-8%
(b)Operating profit after tax before deducting minority interests reported for first half year	14,045	17,522	-20%
(c)Sales reported for second half year	94,112	71,956	31%
(d)Operating profit after tax before deducting minority interests reported for second half year	29,661	23,959	24%

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

	Year December 2013 RMB'000	Year December 2012 RMB'000
	Ordinary	-
Preference	-	-
Total:	-	6,867

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

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



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BY ORDER OF THE BOARD

Liu Ming  
Chairman and CEO

25 February 2014