



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

**Full Year Financial Statement for the Year Ended
31 December 2017 ("FY 2017")
2017 年度财务报表公告**

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

第一部 - 公告季度 (1, 2 和 3)、半年和全年所需信息

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

AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2017

2017 年度已审计年度合并利润表

| | Group 集团 | | |
|---|------------------------------|------------------------------|---------|
| | 12 months ended 12个月 | | + / (-) |
| | 1 Jan-31 Dec 2017 RMB'000 | 1 Jan-31 Dec 2016 RMB'000 | |
| Revenue 销售 | 35,229 | 136,977 | -74% |
| Cost of sales 销售成本 | (35,929) | (106,333) | 66% |
| Gross profit/(loss) 毛利/(毛亏) | (700) | 30,644 | NM |
| Other operating income 其他运营收入 | 1,004 | 2,783 | -64% |
| Selling and distribution expenses 营销费用 | (5,011) | (2,866) | -75% |
| Administrative expenses 行政费用 | (41,308) | (20,684) | -100% |
| Other operating expenses 其他运营费用 | (109,899) | (4,664) | -2256% |
| Finance cost 财务费用 | (98) | (226) | 57% |
| Profit/(loss) before income tax 税前利润/(亏损) | (156,012) | 4,987 | NM |
| Income tax 所得税 | (58) | (2,694) | 98% |
| Net profit/(loss) after tax 税后利润/(亏损) | (156,070) | 2,293 | NM |
| Other comprehensive income/(expenses): | | | |
| Currency translation gain/(losses) 汇兑获得/(损失) | (207) | 165 | NM |
| Total comprehensive income attributable to equity shareholders of the Company | (156,277) | 2,458 | NM |

NM - Not meaningful 没有意义



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

备注：税前利润是扣除/(增加)以下项目后所得：

| | Group 集团 | | |
|---|------------------------------|------------------------------|--------|
| | 12 months ended 12个月 | | +/-) |
| | 1 Jan-31 Dec 2017 RMB'000 | 1 Jan-31 Dec 2016 RMB'000 | |
| Depreciation expense 折旧费用 | 17,644 | 16,922 | -4% |
| Amortisation of land use right 土地使用权摊销 | 251 | 251 | 0% |
| Interest Income 利息收入 | (67) | (107) | -37% |
| Interest Expense 利息费用 | 98 | 226 | 57% |
| Impairment to land use rights (土地使用权减值) | 369 | - | NM |
| Net impairment/(writeback) of trade receivables 应收账款净减值/(减值回冲) | 69,604 | 4,514 | -1442% |
| Allowance for stock obsolescence 存货跌价准备 | 30,984 | 2,700 | -1048% |
| Inventory write off 存货注销 | 1,974 | - | NM |
| Foreign exchange loss/(gain) 汇兑损失/(收益) | (899) | (922) | NM |
| Impairment on fixed assets 固定资产减值亏损 | 4,803 | - | NM |
| Loss on disposal of property, plant and equipment 产业/厂房 机器设备处置损益 | 497 | 26 | -1812% |
| NM - Not meaningful 没有意义 | | | |



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

(本公司及集团)的资产负债表连同上一财年的对比表报

| | Group 集团 | | Company 公司 | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 31 Dec 2017 RMB'000 | 31 Dec 2016 RMB'000 | 31 Dec 2017 RMB'000 | 31 Dec 2016 RMB'000 |
| EQUITY 股权 | | | | |
| Capital and reserves attributable to Equity holders of the Company 资本及储备归属于公司股权持有人 | | | | |
| Share capital 股本 | 55,409 | 55,409 | 55,409 | 55,409 |
| Share premium 股票溢价 | 78,470 | 78,470 | 78,470 | 78,470 |
| | 133,879 | 133,879 | 133,879 | 133,879 |
| Other Reserves 其他储备 | | | | |
| Statutory reserve 法定储备 | 30,526 | 30,526 | - | - |
| Foreign exchange reserve 外汇储备 | (3,414) | (3,207) | - | - |
| | 27,112 | 27,319 | - | - |
| Retained earnings/(deficit) 留存收益/(亏损) | 1,380 | 160,884 | (453) | - |
| TOTAL EQUITY 总股本 | 162,371 | 322,082 | 133,426 | 133,879 |
| ASSETS 资产 | | | | |
| Non-current assets 非流动资产 | | | | |
| Property, plant and equipment 产业, 厂房和机器设备 | 103,506 | 126,332 | - | - |
| Subsidiaries 子公司 | - | - | 156,236 | 156,236 |
| Land use right 土地使用权 | 9,167 | 9,787 | - | - |
| | 112,673 | 136,119 | 156,236 | 156,236 |
| Current assets 流动资产 | | | | |
| Inventories 存货 | 1,629 | 33,582 | - | - |
| Trade receivables 应收账款 | 52,761 | 164,045 | - | - |
| Other receivables, deposits and prepayments 其他应收, 定金和预付款 | 3,438 | 4,713 | - | 96 |
| Land use right 土地使用权 | 251 | 251 | - | - |
| Cash and cash equivalents 现金 | 28,612 | 50,402 | 2,858 | 2,294 |
| | 86,691 | 252,993 | 2,858 | 2,390 |
| TOTAL ASSETS 总资产 | 199,364 | 389,112 | 159,094 | 158,626 |
| LIABILITIES 负债 | | | | |
| Current liabilities 流动负债 | | | | |
| Trade payables 应付账款 | 27,247 | 52,409 | - | - |
| Other payables and accruals 其他应付款和计提 | 5,731 | 4,765 | 1,190 | 543 |
| Bank loan 银行贷款 | - | 7,000 | - | - |
| Due to subsidiaries (non-trade) 应付子公司 (非贸易) | - | - | 24,478 | 24,204 |
| Income tax payable 应付所得税 | 602 | 91 | - | - |
| | 33,580 | 64,265 | 25,668 | 24,747 |
| Non-current liability 长期负债 | | | | |
| Deferred tax liability 递延税款 | 1,410 | 2,765 | - | - |
| Deferred capital grants 递延资本补助金 | 2,003 | - | - | - |
| | 3,413 | 2,765 | - | - |
| TOTAL LIABILITIES 总负债 | 36,993 | 67,030 | 25,668 | 24,747 |
| NET ASSETS 净资产 | 162,371 | 322,082 | 133,426 | 133,879 |



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

集团贷款及抵押债务总额

Amount repayable in 1 year or less, or on demand

一年内需还的金额

| Group 集团 | | Group 集团 | |
|------------------------|--------------------------|------------------------|--------------------------|
| As at 31 December 2017 | | As at 31 December 2016 | |
| Secured RMB'000 担保 | Unsecured RMB'000 未担保 | Secured RMB'000 担保 | Unsecured RMB'000 未担保 |
| NIL | NIL | 7,000 | NIL |

Amount repayable after 1 year

一年外需还的金额

| Group 集团 | | Group 集团 | |
|------------------------|--------------------------|------------------------|--------------------------|
| As at 31 December 2017 | | As at 31 December 2016 | |
| Secured RMB'000 担保 | Unsecured RMB'000 未担保 | Secured RMB'000 担保 | Unsecured RMB'000 未担保 |
| 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.
(集团)的现金流量表连同上一财年同期的对比表报

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2017

2017年12月31日已审计的合并现金流量报表

| | Group 集团 | |
|--|------------------------|------------------------|
| | 12 months ended 截至12个月 | |
| | 31 Dec 2017 RMB'000 | 31 Dec 2016 RMB'000 |
| OPERATING ACTIVITIES 营运活动 | | |
| Profit/(Loss) before income tax 税前利润/(亏损) | (156,012) | 4,987 |
| Adjustments for: 调整 | | |
| Impairment loss on trade receivables 应收账款减值亏损 | 69,604 | 4,608 |
| Impairment loss on trade receivables written back 应收账款减值亏损回冲 | - | (94) |
| Impairment on land use rights 土地使用权减值 | 369 | - |
| Impairment on fixed assets 固定资产减值亏损 | 4,803 | - |
| Allowance for inventory obsolescence 存货陈旧贬值 | 30,984 | 2,700 |
| Inventory write off 存货注销 | 1,974 | - |
| Depreciation expense 折旧 | 17,644 | 16,922 |
| Amortisation expense 待摊费用 | 251 | 251 |
| Interest Income 利息收入 | (67) | (107) |
| Interest Expense 利息支出 | 98 | 226 |
| Loss on disposal of property, plant & equipment 处置产业厂房, 机器设备 | 497 | 26 |
| Transfer from deferred capital grant 递延资本金转让 | (223) | - |
| Exchange losses/(gains) 汇兑亏损/(收益) | 282 | (922) |
| Operating profit/(losses) before working capital changes 计算流动资金变更前运营利润/(亏损) | (29,796) | 28,597 |
| Inventories 存货 | (1,005) | (6,064) |
| Trade & other Receivables 应收 | 42,955 | (3,931) |
| Trade & other Payables 应付 | (24,196) | (249) |
| Cash generated from/(used in) operations 营运所得/(所使用)净现金 | (12,042) | 18,353 |
| Interest received 利息收入 | 67 | 107 |
| Income tax 所得税 | (902) | (4,355) |
| Net Cash generated from/(used in) operating activities 营运所得/(所使用)净现金 | (12,877) | 14,105 |
| INVESTING ACTIVITIES 投资活动 | | |
| Purchase of property, plant and equipment 购买产业厂房, 机器设备 | (118) | (32,343) |
| Proceeds from disposal of property, plant and equipment 产业厂房, 机器设备的处置收益 | - | 89 |
| Receipt of capital grant from government for purchase of plant and equipment 政府给予厂房和设备投资的补贴 | 2,226 | - |
| Net cash generated from/(used in) investing activities 投资活动所得/(所使用)净现金 | 2,108 | (32,254) |
| FINANCING ACTIVITIES 融资活动 | | |
| Dividends paid 已支付股息 | (3,434) | (6,867) |
| Net (Placement)/Withdrawal of Pledged deposits 净(安置)/撤回抵押存款 | 692 | 4,041 |
| Loan from/(repayment to) banks 银行贷款/(还款) | (7,000) | 7,000 |
| Interest Expense 利息支出 | (98) | (226) |
| Net cash generated from/(used in) financing activities 融资活动所得/(所使用)的现金净额 | (9,840) | 3,948 |
| Net decrease in cash and cash equivalents 现金及现金等价物净(减少) | (20,609) | (14,201) |
| Cash and cash equivalents at beginning of the year 期初的现金及现金等价物 | 45,661 | 58,775 |
| Effects of exchange rate changes in cash and cash equivalents 汇率变动对现金及现金等价物的影响 | (489) | 1,087 |
| Cash and cash equivalents at end of the year 期末的现金及现金等价物 | 24,563 | 45,661 |
| Effects of exchange rate changes in cash and cash equivalent 汇率变动对现金及现金等价物的影响 | | |



| Cash and bank balances comprise the following: 现金和银行余额包括以下: | | |
|--|--------------------------------|--------------------------------|
| | Group 集团 | |
| | 12 months ended 截至12个月 | |
| | 31 Dec 2017 RMB'000 | 31 Dec 2016 RMB'000 |
| Cash and cash equivalent 现金及现金等价物 | 24,563 | 45,661 |
| Pledged cash placed wih bank 银行保证金 | 4,049 | 4,741 |
| | 28,612 | 50,402 |
| | | |



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

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

| Group 集团 | | | | | | |
|---|---------------|---------------|-------------------|---------------------|-------------------|-----------|
| Group 集团 | Share Capital | Share Premium | Statutory Reserve | Translation Reserve | Retained Earnings | Total |
| | 股本 | 股票溢价 | 法定储备 | 外汇储备 | 留存收益 | 合计 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Balance as at 1 Jan 2016 2016年期初 | 55,409 | 81,527 | 29,696 | (3,372) | 163,231 | 326,491 |
| Total comprehensive income/ (expenses) for the period 总综合收入(费用)为期间 | - | - | - | 165 | 2,293 | 2,458 |
| Statutory reserves 法定储备 | - | - | 830 | - | (830) | - |
| Dividend 股息 | - | (3,057) | - | - | (3,810) | (6,867) |
| Balance as at 31 Dec 2016 2016年12月末 | 55,409 | 78,470 | 30,526 | (3,207) | 160,884 | 322,082 |
| Group 集团 | | | | | | |
| Group 集团 | Share Capital | Share Premium | Statutory Reserve | Translation Reserve | Retained Earnings | Total |
| | 股本 | 股票溢价 | 法定储备 | 外汇储备 | 留存收益 | 合计 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Balance as at 1 Jan 2017 2017年期初 | 55,409 | 78,470 | 30,526 | (3,207) | 160,884 | 322,082 |
| Total comprehensive income/ (expenses) for the period 总综合收入(费用)为期间 | - | - | - | (207) | (156,070) | (156,277) |
| Statutory reserves 法定储备 | - | - | - | - | - | - |
| Dividend 股息 | - | - | - | - | (3,434) | (3,434) |
| Balance as at 31 Dec 2017 2017年12月末 | 55,409 | 78,470 | 30,526 | (3,414) | 1,380 | 162,371 |
| Company 公司 | | | | | | |
| Company 公司 | Share Capital | Share Premium | Statutory Reserve | Translation Reserve | Retained Earnings | Total |
| | 股本 | 股票溢价 | 法定储备 | 外汇储备 | 留存收益 | 合计 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Balance as at 1 Jan 2016 2016年期初 | 55,409 | 81,527 | - | - | 1,810 | 138,746 |
| Total comprehensive income/ (expenses) for the period 总综合收入(费用)为期间 | - | - | - | - | 2,000 | 2,000 |
| Share Premium 股票溢价 | - | (3,057) | - | - | 3,057 | - |
| Statutory reserves 法定储备 | - | - | - | - | - | - |
| Dividend 股息 | - | - | - | - | (6,867) | (6,867) |
| Balance as at 31 Dec 2016 2016年12月末 | 55,409 | 78,470 | - | - | - | 133,879 |
| Company 公司 | | | | | | |
| Company 公司 | Share Capital | Share Premium | Statutory Reserve | Translation Reserve | Retained Earnings | Total |
| | 股本 | 股票溢价 | 法定储备 | 外汇储备 | 留存收益 | 合计 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| Balance as at 1 Jan 2017 2017年期初 | 55,409 | 78,470 | - | - | - | 133,879 |
| Total comprehensive income/ (expenses) for the period 总综合收入(费用)为期间 | - | - | - | - | 2,981 | 2,981 |
| Share Premium 股票溢价 | - | - | - | - | - | - |
| Statutory reserves 法定储备 | - | - | - | - | - | - |
| Dividend 股息 | - | - | - | - | (3,434) | (3,434) |
| Balance as at 31 Dec 2017 2017年12月末 | 55,409 | 78,470 | - | - | (453) | 133,426 |



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

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

| | Number of shares 股份 | Issued share capital USD 发行股本(美元) | Issued share capital RMB 发行股本(人民币) |
|---|------------------------|--------------------------------------|---------------------------------------|
| Issued and paid Share Capital as at 31 Dec 2016 and 31 Dec 2017 | 27,468,473 | 6,867,119 | 55,409,257 |
| 发布和支付股本于2016年12月31日及2017年12月31日 | | | |

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

显示上一财年和本财年的已发股份，不含库存股票

| | Number of shares 股份 | |
|---------------------------------------|---------------------|------------------|
| | 31 December 2017 | 31 December 2016 |
| Issued and paid Share Capital 发布和支付股本 | 27,468,473 | 27,468,473 |

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

显示上一财年和本财年的股票出售、转让、处置、作废或使用库存股票的报告申明

Not applicable.

不适用



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

显示上一财年和本财年的股票出售、转让、作废或使用子公司持股的报告申明

Not applicable.

不适用

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

有关数据是否已根据审计准则或惯例被审计或审阅

The figures have been audited or reviewed by the auditors.

数据已被审计师审计或复查

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

如数据已被审计或审阅，需附上审计报告（包括对任何特殊事项的澄清或强调）

The auditors' report including emphasis of a matter will be enclosed with the announcement.

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

公司是否应用上一期经审计的财务报表里相同的会计政策和计算方法

There are certain new International Financial Reporting Standards ("IFRSs") that are published and mandatory for accounting periods beginning on or after 1 January 2017. Where applicable, the adoption of these IFRSs does not have any material impact on the financial statements for the 12 months ending 31 December 2017. Apart from this, the same accounting policies and methods of computation have been consistently applied.

有一些新的国际财务报告准则（“国际财务报告准则”），将强制性的从2017年1月1日起使用。这些准则的采用不会对截至2017年12月31日的财务报表造成任何重大影响。除了这一点，同样的会计政策和计算方法一直被应用。

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

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

Not applicable.

不适用



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

扣除优先股股息准备后，集团在本财年期间及上一财年期间每股普通股的盈利

| Earnings per ordinary share for the period based on net profit attributable to shareholders 股东每普通股的净利润 | Group 集团 | |
|---|----------------------------|----------------------------|
| | 12 months ended 截至12个月 | |
| | 1 Jan - 31 Dec 2017 RMB | 1 Jan - 31 Dec 2016 RMB |
| Basic earnings/(losses) per share 基每股收益/(亏损) | (5.68) | 0.08 |
| On a fully diluted basis 在完全稀释的基础上 | (5.68) | 0.08 |
| Weighted average number of ordinary shares in issue for basic earnings per share 股票的加权平均数 | 27,468,473 | 27,468,473 |

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

股东每普通股的净利润是用年末的税后利润除以股票的加权平均数。

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

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

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

基于期末已发行股本(扣除库存股票)计算的公司每股普通股资产净值:-

(a) current financial period reported on; and

于本财年期末

(b) immediately preceding financial year.

上一财年期末

| | Group 集团 | | Company 公司 | |
|--|------------------|------------------|------------------|------------------|
| | 31 December 2017 | 31 December 2016 | 31 December 2017 | 31 December 2016 |
| Net asset value per ordinary share based on the issued capital at the end of the financial year (RMB) 财年末的每普通股净资产价值 (人民币) | 5.91 | 11.73 | 4.86 | 4.87 |
| Number of shares in calculating net asset value 计算净资产价值的股份数 | 27,468,473 | 27,468,473 | 27,468,473 | 27,468,473 |



8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

回顾集团表现能对集团业务得到合理了解。此必须包括以下分析:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors;

任何在本财年影响集团的营业额、成本和盈利的重要因素，包括（如适用）季节性或周期性因素；

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of the Group's Performance

影响本集团在本财年报告期间的现金流量、营运资金、资产或负债的任何重大因素。

Statement of Comprehensive Income for the period ended 31 December 2017

截止 2017 年 12 月 31 日的利润表

Revenue 销售

Revenue for FY 2017 decreased by 74% from RMB 136,977,000 in FY 2016 to RMB 35,229,000 in FY 2017 mainly due to 1) the disruption caused to our business as a result of the factory premises being illegally occupied from 15 April 2017 to 20 September 2017 ("siege period") by supporters of the previous management headed by the ex- CEO Mr. Liu Ming ("Mr. Liu") and 2) the decision by China's National Energy Administration to halt or delay the construction of coal fired power stations across the country which was announced in the 1st half of the year.

Cost of Sales 销售成本

Cost of sales for FY 2017 decreased by 66% from RMB 106,333,000 in FY 2016 to RMB 35,929,000 in FY 2017 mainly due to the reduction in revenue for the financial year. However, cost of sales exceeded revenue for FY 2017, resulting in a gross loss for the financial year. Cost of sales exceeded revenue due to a combination of falling margins and higher production costs per unit incurred due to production costs being absorbed into fewer units of output.

Selling and distribution expenses 营销费用

Selling and distribution expenses increased from RMB 2,866,000 in FY 2016 to RMB 5,011,000 in FY 2017 due to higher expenses incurred for local and overseas customer visits to rebuild relationships with customers as well as to explore new opportunities since the management regained control of the plant on 20 September 2017.



Administrative expenses 行政费用

Administrative expenses for FY 2017 doubled from RMB 20,684,000 in FY 2016 to RMB 41,308,000 in FY 2017 as a result of legal and professional advice during the siege period, the costs of setting up a temporary office and payments for security guards. During the siege period, regular non-operating expenses continued to be paid. There was also a reclassification of all production overhead costs (RMB 11,926,000) as administrative expenses as no production work was performed during that period.

Due to the strengthening of RMB against USD, the company's USD cash balances upon revaluation, yields an exchange loss of RMB 899,000 for the FY 2017.

Other operating expenses 其他运营费用

Other operating expenses for FY 2017 increased by more than 20-fold from RMB 4,664,000 in FY 2016 to RMB 109,899,000 in FY 2017. This is primarily due to impairment and write-off of:

1. RMB 69,604,000 made to the trade receivables;
2. RMB 32,958,000 to inventories; and
3. RMB 4,803,000 to fixed assets,

based on evaluating the continuity of business relationship with each customer and other objective evidences at the point of assessment. The impairment on fixed assets is based on performing sensitivity analysis to assess the impact on the recoverable amount of the CGU resulting from reasonably possible changes to revenue and growth rates of the Group for next 5 years.

Statement of Financial Position as at 31 December 2017

截止 2017 年 12 月 31 日的资产负债表

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

Property, plant and equipment (PPE) stood at RMB 103,506,000, a decrease from RMB 126,332,000 in FY 2016, mainly due to depreciation in FY 2017 and an impairment of RMB 4,803,000 to fixed assets based on an assessment of Company's future prospects.

Inventories 存货

Inventories stood at RMB 1,629,000, a decrease from RMB 33,582,000 in FY 2016 mostly due to a RMB 32,958,000 impairment and write-off made to existing inventories based on the assessment of the Company's likelihood of new orders from existing customers. If new orders are not expected to be coming in, the inventories produced for these customers will be impaired in full. This impairment includes an amount of RMB 1,974,000 write-off when a stock take was conducted after the management regained control of the Company on 20 September 2017.



There are also two signed contracts amounting to RMB 1,100,000 for which the production of goods was delayed primarily because of technical disqualifications brought about by the previous management team headed by Mr. Liu. The current management is working on resolving the issue of the two unfulfilled contracts with the relevant customer(s).

The Company has the practice of commencing the production of goods for urgent projects of long-term customers while the relevant sales contracts are still under negotiation. Full provision has been made for all the inventories of finished goods and work-in-progress whether they are still with the Company or delivered to the customers as directed for such orders. The management is negotiating with those customers for the settlement of the contracts.

Trade receivables 应收账款

Trade receivables amounted to RMB 52,761,000, a decrease from RMB 164,045,000 in FY 2016 due to collections exceeding sales, as sales were badly affected by the work stoppage from 6 June 2017 to 20 September 2017. At the same time, impairment was made to trade receivables as explained under other operating expenses. The proportion of bills receivables in the trade receivables decreased to RMB 10,746,000 from RMB 37,888,000 in 2016. As at end of FY 2017, the RMB 10,746,000 worth of bills receivables were bank secured.

Details of trade receivables aging as at 31 December 2017 are tabled as follows:

| RMB'000 | Balance | Not Due | 1-90 days | 91-180 days | 181-360 days | >1 year |
|-----------------------------------|----------|---------|-----------|-------------|--------------|----------|
| Account Receivables 应收账款 | 120,864 | 20,918 | 977 | 7,843 | 50,488 | 40,638 |
| Provision for Doubtful Debts 坏账准备 | (78,849) | - | - | - | (38,211) | (40,638) |
| Net Account Receivables 净应收账款 | 42,015 | 20,917 | 977 | 7,843 | 12,277 | - |
| Bills Receivable 应收票据 | 10,746 | 10,746 | - | - | - | - |
| Total Trade Receivables @ Dec '17 | 52,761 | 31,663 | 977 | 7,843 | 12,277 | - |
| 截止2017年12月总应收账款与票据(含票据) | 100% | 10,746 | - | - | - | - |

However, since regaining control of the plant on 20 September 2017, the CEO of the operating subsidiary, together with the sales director, had been making visits to key customers to resolve on sales matters and receivables collections, failing which legal action will be taken against them.

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

Other receivables, deposits and prepayments amounted to RMB 3,438,000, a decrease from RMB 4,713,000 in FY 2016, mainly due to a change in net VAT, which was RMB 1,451,000 as at FY 2017.

Trade payables 应付账款

Trade payables decreased to RMB 27,247,000 from RMB 52,409,000 in FY 2016 due to payments to suppliers and the absence of purchases in the period due to the work stoppage.



Statement of Cash Flows for the period ended 31 December 2017

截止2017年12月31日的资金流量表

Net cash generated from operating activities reversed from RMB 14,105,000 in FY 2016 to net cash used of RMB 12,877,000 in FY 2017 mainly due to a loss before taxation of RMB 156,012,000 in FY 2017 compared to a profit before taxation of RMB 4,987,000 in FY 2016. Net cash generated from investing activities for FY 2017 was RMB 2,108,000 compared to net cash used in investing activities of RMB 32,254,000 in FY 2016.

Net cash generated from financing activities reversed from RMB 3,948,000 in FY 2016 to RMB 9,840,000 used in FY 2017 mainly due to the full repayment of the RMB 7,000,000 loan in FY 2017.

As a result of the above, there was a net decrease in cash and cash equivalents of about RMB 20,609,000 in FY 2017, compared to a net decrease of RMB 14,201,000 in FY 2016.

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

如以前曾向股东披露预测或前景申明，列出它与实际业绩的差别

The work stoppage which was announced by the Company on 6 June 2017 had lasted almost four months. Since regaining control of the factory premises since 20th September 2017, the Company immediately took stock of the production machinery and inventory, as well as documentary records. Having completed its initial estimates of the damages to inventory and production machinery and provisions for these were made in FY 2017.

The Company's prospect statement released on the SGX on 4 July 2017 is in line with the actual developments.

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

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

Since regaining control of the plant on 20 September 2017, the management had re-established contacts with key customers and had been working on getting new contracts for the Company. The Company has re-qualified itself with its major local customers and has resumed operations with some orders.

The Company has commenced legal action against Mr. Liu, who has been evading service of court documents. Meanwhile, the Singapore High Court on 15 September 2017 has granted an injunction, amounting S\$30,000,000, prohibiting Mr. Liu from disposing his assets. The legal case is pending court judgement.



On 18 January 2018, the Singapore High Court has granted an ad-interim injunction until the adjourned Court hearing, or any further Order of Court, against

1. Mr. Lin Chuanjun & Ms. Zhang Ping, who have requisitioned for an Extraordinary General Meeting (“EGM”) to remove the Board, from requisitioning or holding any EGM or any other meetings to remove the current Board and appoint any new persons on the Board;
2. Mr. Liu, whether by himself or his nominees from voting for or proposing any resolutions at the Company’s EGMs, annual general meetings and/ or any other meeting.

The Company is picking itself up from the damage done during the siege period and is making efforts in sales and marketing to get back on track. The market outlook for the Group is extremely challenging over the next 12 months mainly due to the decision by China’s National Energy Administration to halt or delay the construction of coal fired power stations across the country.

Notwithstanding the above, the Group will continue to explore opportunities in new segments and markets.

11. Dividend
股息

(a) Current Financial Period Reported On
当期

None 无

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

| | | | |
|---------------------------|--------|------------------------------------|--------------|
| Name of Dividend | 股息名称 | Final | 最终 |
| Dividend Type | 股息种类 | Cash | 现金 |
| Dividend Amount per Share | 每股股息 | RMB 0.125 per ordinary share | 每股 0.125 人民币 |
| | | (to be paid in Singapore Currency) | (以新币支付) |
| Par value of shares | 每股票面金额 | USD 0.25 per share | 每股 0.25 美金 |
| Tax Rate | 税率 | Tax not applicable | 不适用税 |



(c) Date payable

付款日期

Not applicable 不适用

(d) Books closure date

股息权截止日

Not applicable 不适用

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

如果没有宣布/推荐股息，请刻此声明。

No dividend has been declared or recommended.

没有宣布或建议派发股息。

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

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

No IPT mandate has been obtained.

没有获得此授权

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

根据规则第720（1）的上市手册确认

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

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



Part II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

第二部 - 全年财务报表公告的附加信息

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

在发行人的最新和前期审计过的财务报告的分段收入，业绩和地区分段（集团）

By Geographical Segments

地区分段

| Revenue 收入 | Group 集团 | | | |
|-----------------|---------------|-------------|----------------|-------------|
| | 31-Dec-17 | | 31-Dec-16 | |
| Country 国家 | RMB'000 | % | RMB'000 | % |
| China 中国 | 31,983 | 91% | 107,102 | 78% |
| Japan 日本 | 2,791 | 8% | 26,046 | 19% |
| Korea 韩国 | 455 | 1% | 3,804 | 3% |
| Others 其他 | - | 0% | 25 | 0% |
| Total 总计 | 35,229 | 100% | 136,977 | 100% |

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

评价公司业绩时的任何导致营业额和利润发生重大变化的因素

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

第 8 项目列出导致营业额和利润发生重大变化的因素



17. A breakdown of sales.
销售分析

| | Financial Year 31-Dec-17 (RMB'000) 2017财 年 (千'人民币) | Financial Year 31-Dec-16 (RMB'000) 2016财 年 (千'人民币) | % Increase/(decrease) 增加/(减少) |
|--|--|--|----------------------------------|
| | Group 集团 | Group 集团 | Group 集团 |
| (a) Sales reported for first half year 上半年销售 | 21,430 | 53,403 | -60% |
| (b) Operating profit/(loss) after tax before deducting minority interests reported for first half year 上半年营业利润税扣除少数权利 | -4,238 | 1,453 | NM |
| (c) Sales reported for second half year 下半年销售 | 13,799 | 83,574 | -83% |
| (b) Operating profit after tax before deducting minority interests reported for second half year 下半年营业利润税扣除少数权利 | -152,039 | 1,005 | NM |

**18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year
and its previous full year.**
公司今年和去年的股息金额 (千人民币)

| | Year December 2017 RMB'000 | Year December 2016 RMB'000 |
|----------------|----------------------------------|----------------------------------|
| Ordinary 普通股 | 3,434 | 6,867 |
| Preference 优先股 | - | - |
| Total: 总计: | 3,434 | 6,867 |



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

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

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

没有董事或首席执行官或大股东的亲戚有在公司或主要子公司担任经理的职位

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

“若中英文版本出现不一致时, 以英文版本为准。”

BY ORDER OF THE BOARD

董事局命令

Jack Chia 杰克 谢

Non-Executive Independent Chairman and Lead Independent Director

非执行独立主席兼首席独立董事

23 February 2018

2018年2月23日