

'Financial Statements and Related' Announcement

Issuer & Securities

Issuer/ Manager

SHANGHAI TURBO ENTERPRISES LTD

Securities

Name	ISIN	Stock Code
SHANGHAI TURBO ENTERPRISES LTD	KYG8064W1160	AWM

Stapled Security

No

Announcement Details

Announcement Sub Title

Second Quarter and/ or Half Yearly Results

Submitted By (Co./ Ind. Name)

Loh Kai Keong

Designation

Audit Committee Chairman

Contact Details

+6596585896

Effective Date and Time of the event**Price Sensitivity**

Yes

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please see attached

Additional Details

For Financial Period Ended

30/06/2019

Attachments

For Public Dissemination

Shanghai Turbo 2Q2019 Results.pdf



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

**Quarterly Financial Statement for the Period Ended
30 June 2019 (“2Q FY2019”)
2019 年 2 季度财务报表公告**

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 2 季度的对比报表**

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2019
2019 年 2 季度未审计年度合并利润表**

	Group 集团					
	3 months ended 截止3个月		+ / (-)	6 months ended 截止6个月		+ / (-)
	2Q FY2019 RMB'000	2Q FY2018 RMB'000		1H FY2019 RMB'000	1H FY2018 RMB'000	
Revenue 销售	3,577	8,695	-59%	6,044	14,028	-57%
Cost of sales 销售成本	(9,057)	(11,737)	-23%	(11,657)	(18,508)	-37%
Gross loss 毛亏	(5,480)	(3,042)	80%	(5,613)	(4,480)	25%
Other operating income 其他运营收入	238	150	58%	667	214	211%
Selling and distribution expenses 营销费用	(422)	(2,286)	-82%	(1,276)	(3,383)	-62%
Administrative expenses 行政费用	(11,789)	(6,630)	78%	(21,837)	(12,828)	70%
Finance cost 财务费用	(350)	(498)	-30%	(616)	(565)	9%
Impairment loss on financial assets write back / (made), net 资产减值回冲/(亏损)	-	12,779	NM	-	20,303	NM
Profit/(loss) before income tax 税前利润/(亏损)	(17,803)	473	NM	(28,675)	(739)	NM
Income tax 所得税	-	(396)	NM	-	(664)	NM
Net profit/(loss) after tax 税后利润/(亏损)	(17,803)	77	NM	(28,675)	(1,403)	NM
Other comprehensive income/(expenses): 其它综合收入/(损失)						
Currency translation gain/(losses) 汇兑获得/(损失)	34	63	-46%	309	(42)	NM
Total comprehensive income / (expenses) attributable to equity shareholders of the Company 总综合收益/(损失), 可归本公司收益持有人的利润/(亏损)	(17,769)	140	NM	(28,366)	(1,445)	1863%

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					
	3 months ended 截止3个月		+/(-)	6 months ended 截止6个月		+/(-)
	2Q FY2019 RMB'000	2Q FY2018 RMB'000		1H FY2019 RMB'000	1H FY2018 RMB'000	
Depreciation expense 折旧费用	3,330	3,565	-7%	7,153	7,887	-9%
Amortisation of land use right 土地使用权摊销	62	62	0%	125	125	0%
Amortisation of intangible assets 待摊费用无形资产	248	-	NM	314	-	NM
Interest Income 利息收入	(18)	(10)	82%	(23)	(43)	-46%
Interest Expense 利息费用	448	258	74%	607	325	87%
Impairment (write-back) / loss on trade receivables 应收账款(回冲)/减值亏损	-	(4,427)	NM	-	(10,951)	NM
Net impairment (writeback)/loss for inventory 存货(回冲)/减值亏损	-	(8,352)	NM	-	(9,352)	NM
Foreign exchange loss/(gain) 汇兑损失/(收益)	454	(41)	NM	26	277	-91%
(Profit) / Loss on disposal of property, plant and equipment 产业厂 房机器设备处置(利益)/损益	(55)	15	NM	(5)	4	NM

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 period.

(本公司及集团)的资产负债表连同上一财年 2 季度的对比表报

	Group 集团		Company 公司	
	30 Jun 2019 RMB'000	31 Dec 2018 RMB'000	30 Jun 2019 RMB'000	31 Dec 2018 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	(3,155)	(3,372)	-	-
	27,371	27,154	-	-
Retained earnings/(deficit) 留存收益/(亏损)	(40,280)	(11,606)	(5,074)	(3,180)
TOTAL EQUITY 总股本	120,970	149,427	128,805	130,699
ASSETS 资产				
Non-current assets 非流动资产				
Property, plant and equipment 产业, 厂房和机器设备	81,272	87,628	-	-
Subsidiaries 子公司	-	-	156,236	156,236
Land use right 土地使用权	9,487	9,658	-	-
	90,759	97,286	156,236	156,236
Current assets 流动资产				
Inventories 存货	7,411	1,983	-	-
Trade receivables 应收账款	48,899	81,435	-	-
Other receivables, deposits and prepayments	2,764	2,377	-	-
Land use right 土地使用权	251	889	-	-
Cash and cash equivalents 现金	5,091	14,285	238	1,149
	64,416	100,969	238	1,149
TOTAL ASSETS 总资产	155,175	198,255	156,474	157,385
LIABILITIES 负债				
Current liabilities 流动负债				
Trade payables 应付账款	11,101	17,660	-	-
Other payables and accruals 其他应付款和计提	6,950	9,014	1,653	1,902
Provision	4,373	4,373	-	-
Bank loan 银行贷款	10,000	16,000	-	-
Due to subsidiaries (non-trade) 应付子公司 (非贸易)	-	-	26,016	24,784
Income tax payable 应付所得税	-	-	-	-
	32,424	47,047	27,669	26,686
Non-current liabilities 长期负债				
Deferred tax liability 递延税款	-	-	-	-
Deferred capital grants 递延资本补助金	1,781	1,781	-	-
	1,781	1,781	-	-
TOTAL LIABILITIES 总负债	34,205	48,828	27,669	26,686
NET ASSETS 净资产	120,970	149,427	128,805	130,699



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 30 June 2019		As At 31 December 2018	
Secured RMB'000 担保	Unsecured RMB'000 未担保	Secured RMB'000 担保	Unsecured RMB'000 未担保
10,000	NIL	16,000	NIL

Amount repayable after 1 year

一年外需还的金额

Group 集团		Group 集团	
As At 30 June 2019		As At 31 December 2018	
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

Note:

In 2Q FY2018, the Group had obtained 2 trade facilities which amounted to RMB16 million from Jiangnan Rural Commercial Bank. The 1st trade facility arrangement was made for RMB6 million on 21 June 2018 and the 2nd trade facility arrangement was made for RMB10 million in 5 July 2018. The facilities are collateralized by assets (machineries) of the Group. The short term loans pledged with machineries, the first of which was settled on 21 Jun 2019 amounting to RMB6 million and the other one was fully settled on 4 July 2019 amounting to RMB10 million.

Then, the Group has subsequently obtained a loan facility by pledging its land use right with the bank, Jiangnan Rural Commercial Bank, on 4 July 2019 amounting to RMB10 million. After that, the Group has applied and obtained a further loan of RMB6 million from the same bank on 10 July 2019.



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

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2019
2019年6月30日2季度未审计的合并现金流量报表

	Group 集团			Group 集团		
	3 months ended 截至3个月		+ / (-)	6 months ended 截至6个月		+ / (-)
	2Q FY2019 RMB'000	2Q FY2018 RMB'000	%	1H FY2019 RMB'000	1H FY2018 RMB'000	%
OPERATING ACTIVITIES 营运活动						
Profit / (Loss) before income tax 税前利润/(亏损)	(17,803)	473	NM	(28,675)	(739)	3780%
Adjustments for: 调整	-	-		-	-	
Impairment (write-back) / loss on trade receivables / 应收账款(回冲)/减值亏损	-	(4,427)	NM	-	(10,951)	NM
Net impairment (writeback)/loss for inventory 存货(回冲)/减值亏损	-	(8,352)	NM	-	(9,352)	NM
Depreciation expense 折旧	3,330	3,565	-7%	7,153	7,887	-9%
Amortisation of intangible assets 待摊费用无形资产	248	-	NM	314	-	NM
Amortisation of land use right 待摊费用土地使用权	62	62	0%	125	125	0%
Interest Income 利息收入	(18)	(10)	82%	(23)	(43)	-46%
Interest Expense 利息支出	448	258	74%	607	325	87%
Gain / (loss) on disposal of property, plant & equipment 盈利/(亏损) 处置产业厂房, 机器设备	(55)	15	NM	(5)	4	NM
Exchange losses 汇兑亏损	454	(41)	NM	26	277	-91%
Operating losses before working capital changes 计算流动资金变更前的运营亏损	(13,334)	(8,457)	58%	(20,478)	(12,467)	64%
Inventories 存货	1,705	(7,217)	NM	(5,428)	(10,328)	-47%
Trade & other Receivables 应收	10,154	(586)	NM	32,149	533	5932%
Trade & other Payables 应付	(1,421)	3,411	NM	(8,623)	(3,980)	117%
Cash generated from/(used in) operations 营运所得/(所使用)净现金	(2,896)	(12,849)	-77%	(2,380)	(26,242)	-91%
Interest received 利息收入	18	10	82%	23	43	-46%
Income tax 所得税	-	(397)	NM	-	(1,032)	NM
Net Cash generated from/(used in) operating activities 营运所得/(所使用)净现金	(2,878)	(13,236)	-78%	(2,357)	(27,231)	91%
INVESTING ACTIVITIES 投资活动						
Purchase of property, plant and equipment 购买产业厂房, 机器设备	(373)	(570)	-35%	(743)	(690)	8%
Proceeds from disposal of property, plant and equipment 产业厂房, 机器设备的处置收益	55	(78)	NM	63	(58)	NM
Net cash generated from/(used in) investing activities 投资活动所得/(所使用)净现金	(318)	(648)	-51%	(680)	(748)	-9%
FINANCING ACTIVITIES 融资活动						
Net (Placement)/Withdrawal of Pledged deposits 净(安置)/撤回抵押存款	-	129.00	NM	-	2,066.00	NM
Loan from/(repayment to) banks 银行贷款/(还款)	(6,000)	16,000	NM	(6,000)	16,000	NM
Interest Expense 利息支出	(448)	(258)	74%	(607)	(325)	87%
Net cash generated from/(used in) financing activities 融资活动所得/(所使用)的现金净额	(6,448)	15,871	-141%	(6,607)	17,741	-137%
Net increase/(decrease) in cash and cash equivalents 现金及现金等价物净增加/(减少)	(9,644)	1,987	NM	(9,644)	1,987	NM
Cash and cash equivalents at beginning of the year 期初的现金及现金等价物	11,552	12,233	-6%	11,552	12,233	-6%
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	60	147	-59%	60	147	-59%
Cash and cash equivalents at end of the year 期末的现金及现金等价物	1,968	14,367	-86%	1,968	14,367	-86%
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						
NM - Not meaningful 没有意义						



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

Cash and bank balances comprise the following: 现金和银行余额包括以下:						
	Group 集团			Group 集团		
	3 months ended 截至3个月		+ / (-)	6 months ended 截至6个月		+ / (-)
	2Q FY2019 RMB'000	2Q FY2018 RMB'000	%	1H FY2019 RMB'000	1H FY2018 RMB'000	%
Cash and cash equivalent 现金及现金等价物	1,967	14,367	-86%	1,967	14,367	-86%
Pledged cash placed with bank 银行保证金	3,124	1,983	58%	3,124	1,983	58%
	5,091	16,350	-69%	5,091	16,350	-69%

NM - Not meaningful 没有意义



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2季度同期的对比报表

Group 集团						
Group 集团	Share Capital 股本 RMB'000	Share Premium 股票溢价 RMB'000	Statutory Reserve 法定储备 RMB'000	Translation Reserve 外汇储备 RMB'000	Retained Earnings 留存收益 RMB'000	Total 合计 RMB'000
Balance as at 1 Jan 2018 2018年期初	55,409	78,470	30,526	(3,414)	1,380	162,371
Total comprehensive expenses for the period 总综合费用本期	-	-	-	(50)	(1,402)	(1,452)
Statutory reserves 法定储备 Dividend 股息	-	-	-	-	-	-
Balance as at 30 Jun 2018 2018年6月末	55,409	78,470	30,526	(3,464)	(22)	160,919
Group 集团						
Group 集团	Share Capital 股本 RMB'000	Share Premium 股票溢价 RMB'000	Statutory Reserve 法定储备 RMB'000	Translation Reserve 外汇储备 RMB'000	Retained Earnings 留存收益 RMB'000	Total 合计 RMB'000
Balance as at 1 Jan 2019 2019年期初	55,409	78,470	30,526	(3,372)	(11,606)	149,427
Total comprehensive income/ (expenses) for the period 总综合收入/(费用)本期	-	-	-	217	(28,674)	(28,457)
Statutory reserves 法定储备 Dividend 股息	-	-	-	-	-	-
Balance as at 30 Jun 2019 2019年6月末	55,409	78,470	30,526	(3,155)	(40,280)	120,970
Company 公司						
Company 公司	Share Capital 股本 RMB'000	Share Premium 股票溢价 RMB'000	Statutory Reserve 法定储备 RMB'000	Translation Reserve 外汇储备 RMB'000	Retained Earnings 留存收益 RMB'000	Total 合计 RMB'000
Balance as at 1 Jan 2018 2018年期初	55,409	78,470	-	-	(453)	133,426
Total comprehensive expenses for the period 总综合费用本期	-	-	-	-	(1,675)	(1,675)
Statutory reserves 法定储备 Dividend 股息	-	-	-	-	-	-
Balance as at 30 Jun 2018 2018年6月末	55,409	78,470	-	-	(2,128)	131,751
Company 公司						
Company 公司	Share Capital 股本 RMB'000	Share Premium 股票溢价 RMB'000	Statutory Reserve 法定储备 RMB'000	Translation Reserve 外汇储备 RMB'000	Retained Earnings 留存收益 RMB'000	Total 合计 RMB'000
Balance as at 1 Jan 2019 2019年期初	55,409	78,470	-	-	(3,180)	130,699
Total comprehensive expenses for the period 总综合费用本期	-	-	-	-	(1,894)	(1,894)
Statutory reserves 法定储备 Dividend 股息	-	-	-	-	-	-
Balance as at 30 Jun 2019 2019年6月末	55,409	78,470	-	-	(5,074)	128,805



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 30 Jun 2019 and 30 Jun 2018 发布和支付股本于2019年6月30日及2018年6月30日	27,468,473	6,867,119	55,409,257

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

显示上一财年和本财年的已发股份，不含库存股票

	Number of shares 股份	
	30 Jun 2019	30 Jun 2018
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 2 季度和本财年 2 季度的股票出售、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 2 季度和本财年 2 季度的股票出售、转让、作废或使用子公司持股的报告申明

Not applicable 不适用

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

有关数据是否已根据审计准则或惯例被审计或审阅

The figures have not been audited or reviewed by the auditors.
数据未被审计师审计或复查

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

如数据已被审计或审阅，需附上审计报告（包括对任何特殊事项的澄清或强调）

Not applicable. 不适用

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

公司是否应用上一期经审计的财务报表里相同的会计政策和计算方法

There are certain new International Financial Reporting Standards ("IFRSs") that are published and mandatory for accounting periods beginning on or after 1 January 2019. Where applicable, the adoption of these IFRSs does not have any material impact on the financial statements for the 12 months ending 31 December 2019. 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2019年1月1日起使用。这些准则的采用不会对截至2019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 2 季度期间及上一财年 2 季度期间每股普通股的盈利

Earnings per ordinary share for the period based on total comprehensive income/(losses) attributable to shareholders 股东每普通股的净利润	Group 集团	
	6 months ended 截至6个月	
	30 Jun 2019	30 Jun 2018
Basic profit / (losses) per share (RMB) 基每股盈利/(亏损) (RMB)	(1.03)	(0.05)
On a fully diluted basis (RMB) 在完全稀释的基础上 (RMB)	(1.03)	(0.05)
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 2 季度期间或上一财年 2 季度期间。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 2 季度期末

(b) immediately preceding financial year.

上一财年 2 季度期末

	Group 集团		Company 公司	
	30 Jun 2019	30 Jun 2018	30 Jun 2019	30 Jun 2018
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)	4.40	5.86	4.69	4.80
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 30 June 2019

截止 2019 年 6 月 30 日的利润表

Overview

The Group's revenue is derived from bidding for projects in open tender exercises conducted by the customers and as such, quarterly results would not accurately reflect the full-year performance. Full-year to full-year comparisons are more appropriate for analytical purposes.

Revenue 销售

2Q FY2019 vs 2Q FY2018

Revenue decreased by 59% from RMB8.70 million in 2Q FY2018 to RMB3.58 million in 2Q FY2019. This is due in part to the low order backlog as well as the Group's inability to secure sufficient tender awards during 2Q FY2019 as compared to 2Q FY2018 as the industry is still undergoing consolidation and fierce price competition persists. During 2Q FY2019 its sole operating business unit, Changzhou 3D Technological Complete Set Equipment Co. Ltd., underwent changes of its management team and the resulting management transition delays deprived the Company from participating in various open tenders from 10 May 2019 to 18 June 2019 conducted by one of the Company's core and major customer. In addition, the Group has lost 2 more major customers in the 2Q FY2019 as compared to 2Q FY2018



1H FY2019 vs 1H FY2018

Revenue decreased by 57% from RMB14.03 million in 1H FY2018 to RMB6.04 million in 1H FY2019 due mainly to the Group inability to tender for project awards of a major customer who only restored the Company's qualification on 30 January 2019 and the problems encountered by the Company in 2Q FY2019 arising from the management transition in China during the 2Q FY2019. In addition, the Group has lost 3 more major customers in the 1H FY2019 as compared to 1H FY2018

Cost of Sales 销售成本

2Q FY2019 vs 2Q FY2018

Cost of sales decreased by only 23% from RMB11.74 million in 2Q FY2018 to RMB9.06 million in 2Q FY2019, disproportionate to the higher reduction in sales versus 2Q FY2018. Cost of sales exceeded revenue due to higher percentage production costs relative to Sales arising from the lower volume of production and combination of the Group's deliberate strategy of securing more contracts to keep existing manpower fully engaged even if the Company has to bid at low pricing. In addition, we have outsourced certain cutting jobs to certain sub-contractors due to the Company's lack of high technological machineries as well as skilled labour required to fulfill the jobs secured for 2Q FY2019. The Group is targeting to reduce outsourced tasks in 2Q FY2019 and in fact minor achievement was shown in 2Q FY2019.

1H FY2019 vs 1H FY2018

Cost of sales decreased by only 37% from RMB18.51 million in 1H FY2018 to RMB11.66 million in 1H FY2019, disproportionate to the higher reduction in sales versus 1H FY2018. Cost of sales exceeded revenue due the reasons explained for 2Q FY2019.

Gross loss 毛亏

2Q FY2019 vs 2Q FY2018

The Group's gross loss increased by 80% amounting to RMB5.48 million in 2Q FY2019 as compared to a loss of RMB3.04 million in 2Q FY2018. The gross loss is due to a combination of factors; extreme price competition resulting from open bidding system adopted by major customers and hence, lower contract prices of projects secured, reliance on key customers which exploited the industry's consolidation to depress our prices and higher cost of sales mentioned earlier.

1H FY2019 vs 1H FY2018

The Group's gross loss increased by 25% amounting to RMB5.61 million in 1H FY2019 as compared to a loss of RMB4.48 million in 1H FY2018. The explanations for 2Q FY2019 is applicable to 1H FY2019.



Other operating income 其他运营收入

2Q FY2019 vs 2Q FY2018

Other operating income increased by 58% from RMB0.15 million in 2Q FY2018 as compared to RMB0.24 million in 2Q FY2019. The other operating income consists mainly of the sales of the scrap and wastage iron in production. During 2Q FY2019, the Group has introduced open bidding to secure the best prices for such sales. The sales of such items on bidding system commenced in April 2019 in 2Q FY2019.

1H FY2019 vs 1H FY2018

Other operating income increased by 211% from RMB0.21 million in 1H FY2018 as compared to RMB0.67 million in 1H FY2019. The explanation for sales of scrap and wastage iron is also the main cause accounting for the increase of other operating income in 1H FY2019.

Selling and distribution expenses 营销费用

2Q FY2019 vs 2Q FY2018

Selling and distribution expenses decreased by 82% from RMB2.29 million in 2Q FY2018 to RMB0.43 million in 2Q FY2019 due to control exercised over entertainment expenses imposed on the sales team members and decreased in travelling expenses in 2Q FY2019. In addition, we have re-classified the transportation cost from selling and distribution to cost of sales.

1H FY2019 vs 1H FY2018

Selling and distribution expenses decreased by 62% from RMB3.38 million in 1H FY2018 to RMB1.28 million in 1H FY2019 due to same reason stated for 2Q FY2019.

Administrative expenses 行政费用

2Q FY2019 vs 2Q FY2018

Administrative expenses increased by 78% from RMB6.63 million in 2Q FY2018 as compared to total incurred by the Group of RMB11.79 million in 2Q FY2019. The increase was mainly due to the reclassification of unabsorbed depreciation from the production cost amounting to RMB1.91 million. The Group has spent RMB1.20 million on employment cost (2Q FY2018 : RMB0.94 million), RMB1.09 million on legal expenses (2Q FY2018 : RMB0.53 million), audit fee RMB0.75 million (2Q FY2018 : RMB0.20 million).



1H FY2019 vs 1H FY2018

Administrative expenses increased by 70% from RMB12.83 million in 1H FY2018 as compared to total incurred by the Group of RMB21.84 million in 1H FY2019. The increase was mainly due to the cost incurred by the Group in engaging a professional firm at RMB3.25 million to perform debt collection from a debtor whose debt was outstanding for more than 2 years. In addition, the increase was also due to the re-classification of unabsorbed depreciation from the production cost amounting to RMB5.23 million. The Group has spent RMB2.77 million on employment cost (1H FY2018 : RMB2.08 million), RMB1.09 million on legal expenses (1H FY2018 : RMB0.94 million) and audit fee RMB0.75 million (1H FY2018 : RMB0.20 million).

Impairment loss on financial assets write back / (made), net 资产减值回冲/(亏损)

2Q FY2019 vs 2Q FY2018

The impairment written back in 2Q FY2018 amounted to RMB12.78 million consists of payments received on trade receivables in 2Q FY2018 amounting to RMB8.35 million and inventory write back amounting to RMB4.43 million which was sold in 2Q FY2018.

1H FY2019 vs 1H FY2018

The impairment written back in 1H FY2018 amounted to RMB20.30 million consists of payments received on trade receivables in 1H FY2018 amounting to RMB9.35 million and inventory write back amounting to RMB10.95 million which was sold in 1H FY2018.

Statement of Financial Position as at 30 June 2019

截止 2019 年 6 月 30 日的资产负债表

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

Property, plant and equipment (PPE) as at 1H FY2019 was RMB81.27 million as compared to RMB87.63 million as at 4Q FY2018. The decrease was mainly due to depreciation in 1H FY2019 amounting to RMB7.15 million, disposal of fixed assets with NBV of RMB58K which accounted for the gain on disposal of RMB5K, offset by the acquisition of new plant and machinery amounting to RMB0.52 million and a company car amounting to RMB0.23 million.

Inventories 存货

As at 1H FY2019, inventories stood at RMB7.41 million which mainly consists of newly purchased raw materials amounting to RMB2.23 million and spare parts amounting to RMB2.66 million to fulfill the sales orders.



Trade receivables 应收账款

Trade receivables decreased from RMB81.44 million in 4Q FY2018 to RMB48.90 million in 1H FY2019 mainly due to the Group receipts of cash amounting to RMB37.25 million from various customers as at 30 June 2019. As an update, the Group has received settlement of bill receivables amounting to RMB9.15 million from a long outstanding debtor on 31 July 2019. The Group has bill receivables on hand amounting to RMB15 million which will be due during the year ended 31 December 2019.

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

Other receivables, deposits and prepayments amounting to RMB 2.76 million in 1H FY2019, an increase from RMB2.37 million in 4Q FY2018, mainly due to a reduction in net VAT of RMB0.29 million and prepayment of RMB0.13 million.

Trade payables 应付账款

The trade payables decreased from RMB17.66 million in 4Q FY2018 to RMB11.10 million in 1H FY2019 due to payments made to various suppliers.

Other payables and accruals & provision 其他应付和计提

Other payables and accruals totaling RMB6.95 million in 1H FY2019, represents a decrease from RMB9.01 million in 4Q FY2018 mainly due to the reversal of over accrual of expenses amounting to RMB6.11 million in relation to professional fees for debt collection.

Bank loans 银行贷款

The bank loans as at 1H FY2019 refers to loans from Jiangnan Rural Commercial Bank totaling RMB10 million for trade facilities purposes.

Statement of Cash Flows for the period ended 30 June 2019

截止2019年6月30日的资金流量表

2Q FY2019

The Group's net cash outflow from operating activities amounted to RMB2.90 million arising from loss before income tax adjusted for non-cash effects items of, RMB13.33 million offset by cash used from working capital RMB10.43 million.

The Group's net cash used in investing activities amounting to RMB0.32 million was mainly applied on acquisition of new plant and machinery for RMB0.38 million and disposal of used fork lift for RMB55K.

The Group's net cash outflow from financing activities amounted to RMB6.61 million arising from the re-payment of bank loans amounting to RMB6 million and bank loan interest RMB0.45 million.



In 2Q FY2019, the Group had a net cash outflow of RMB9.65 million.

1H FY2019

The Group's net cash outflow from operating activities amounted to RMB2.39 million arising from loss before income tax adjusted for non-cash effects items of, RMB20.48 million offset by cash used from working capital RMB18.10 million.

The Group's net cash used in investing activities amounting to RMB0.68 million was mainly applied on acquisition of new plant and machinery for RMB0.52 million and a company car for RMB0.23 million and disposal of used fork lift for RMB55K and a laptop for RMB8K.

The Group's net cash outflow from financing activities amounted to RMB6.61 million arising from the re-payment of bank loans amounting to RMB6 million and bank loan interest RMB0.61 million.

In 1H FY2019, the Group had a net cash outflow of RMB9.65 million.

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

如以前曾向股东披露预测或前景申明，列出它与实际业绩的差别

Not applicable. 不适用

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

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

China's GDP grew by 6.2% in the second quarter of 2019 which is the slowest in almost three decades, weighed down by trade tensions. Furthermore, the business environment continues to be challenging and highly competitive in the landscape that the Group is operating in. The uncertainty resulting from the "trade war" between United States and China had also casted dark clouds ahead for the Chinese economy in general.

The Group will continue intensify bids for tender for orders with the current major customers and new customers to increase the revenue and generating profit for the Group.

During August 2019, the subsidiary was awarded a cash prize of RMB100K by the local tax authority as a subsidy to reward our research and development efforts.



The newly appointed board of directors have been maintaining close monitoring and reviewing of the Group's operational performance and cash flows. Based on several reviews of the new budget and resulting cash flows prepared by the new management in China, the Board is cautiously confident that the Group will be able to resolve its cash flow crisis for the rest of FY2019. The cash flows data prepared by the Group takes into account inter alia, cost control measures, specific settlement of debts agreed by a major customer and the higher sales target to be delivered by the new management.

The Group has collected from the said major customer an old debt amounting to RMB9.15 million as at 31 July 2019.

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

None 无

(c) Date payable 付款期

Not applicable 不适用

(d) Book closure date 股息权截止日

Not applicable 不适用

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

如果没有宣布/推荐股息，请此刻声明。

No dividend has been declared or recommended in 2Q FY2019. 没有宣布建议派发股息。
It is due to the Group's continuous losses incurred for the year-to-date.

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 of Interim Financial Statements for the period ended 30 June 2019 (“2Q FY2019”)

确认2019年2季度财年报表

Pursuant to SGX-ST Listing Rule 705(5), the directors of Shanghai Turbo Enterprises Limited do hereby confirm that to the best of their knowledge, nothing has come to the attention of the board of directors which may render the 2Q FY2019 financial results to be materially false or misleading. This confirmation has been made without an audit of these financial statements.

根据新交所上市规则第 705（5），上海动力发展有限公司董事特此确认，据他们所知，没有发现 2019 年 2 季度的财务报告含有重大的虚假或误导性。这些财务报表还没有经过审计。

15. 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）。

“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

Loh Kai Keong

Independent Director (AC Chairman) 独立董事(审计委员会主席)

14 August 2019

2019 年 8 月 14 日