

## 'Financial Statements and Related' Announcement

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### Issuer & Securities

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**Issuer/ Manager**

SHANGHAI TURBO ENTERPRISES LTD

**Securities**

Name	ISIN	Stock Code
SHANGHAI TURBO ENTERPRISES LTD	KYG8064W1160	AWM

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**Stapled Security**

No

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### Announcement Details

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**Announcement Sub Title**

Discrepancies between unaudited and audited accounts

**Submitted By (Co./ Ind. Name)**

Huang Wooi Teik

**Designation**

Non-Executive Chairman & Lead Independent Director

**Contact Details**

+6596756560

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

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

Please see attached.

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### Additional Details

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**For Financial Period Ended**

31/12/2019

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### Attachments

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**For Public Dissemination**

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MATERIAL DIFFERENCES BETWEEN AUDITED AND UN-AUDITED FINANCIAL  
STATEMENTS OF THE GROUP FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2019

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The Board of Directors (the “**Board**”) of Shanghai Turbo Enterprises Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) refers to the announcement made by the Company on 29 February 2020 in relation to unaudited financial statements of the Group (the “**Unaudited Financial Statements**”) for the financial year ended 31 December 2019 (“**FY2019**”).

Pursuant to Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board would like to announce that subsequent to the release of the Unaudited Financial Statements, certain adjustments were made to the Unaudited Financial Statements following the finalisation of the audit by the Company’s external auditors.

The material differences between the Un-audited Financial Statements and the audited financial statements for FY2019 (the “**Audited Financial Statements**”) arose mainly due to the under-recognition of outsourcing charges, under-accrual of legal fees, reversal of impairment loss of property, plant and equipment and reclassification adjustments.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

**2019 年度审计年度合并利润表**

	Group 集团				
	12 months ended 截止12个月				
	Audited Report 1 Jan-31 Dec 2019 RMB'000	Un-Audited Report 1 Jan-31 Dec 2019 RMB'000	Difference Between Audited Report & Un-Audited Report RMB'000	+ / (-)	Note
Revenue 销售	14,402	14,402	-	NM	
Cost of sales 销售成本	(29,534)	(29,856)	322	-1%	A
Gross loss 毛亏	(15,132)	(15,454)	322	-2%	
Other operating income 其他运营收入	2,163	1,632	531	33%	B
Selling and distribution expenses 营销费用	(5,879)	(4,946)	(933)	19%	C
Administrative expenses 行政费用	(32,244)	(32,629)	385	-1%	D
Other operating expenses 其他运营费用	(1,214)	(1,214)	-	NM	
Finance cost 财务费用	(1,414)	(1,414)	-	NM	
Impairment loss on financial assets made ,net 资产减值亏损	(1,340)	(1,038)	(302)	29%	E
Loss before income tax 税前亏损	(55,060)	(55,063)	3	0%	
Income tax & tax expenses 所得税和其它税金	(508)	(570)	62	-11%	F
Net loss after tax 税后亏损	(55,568)	(55,633)	65	0%	
Other comprehensive income: 其它综合收入					
Currency translation gain 汇兑获得	17	18	(1)	-6%	
Total comprehensive loss attributable to equity shareholders of the Company 总综合损失, 可归本公司收益持有人的亏损	(55,551)	(55,615)	64	0%	

NM - Not meaningful 没有意义

**Note :**

- A. Being under-recognition of outsourcing charges incurred during the year in the un-audited report amounting to RMB0.32 million.
- B. Being reversal of impairment loss on property, plant & equipment in the audited report amounting to RMB0.53 million arising from impairment loss on leasehold building RMB0.49 million in 2017 and impairment loss on motor vehicle RMB0.04 million in 2017.
- C. Being under-accrual of legal fees in sales and distribution expenses amounting to RMB0.93 million in the un-audited report.
- D. Being decrease in operating administration expenses amounting to RMB0.39 million in the audited report.
- E. Being increase of provision on trade receivables amounting to RMB0.30 million in the audited report.
- F. Being over-recognition of income tax credit amounting to RMB0.06 million in the un-audited report

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

(本公司及集团)的资产负债表连同上一财年度的对比表报

	Group 集团					Company 公司			Note
	Audited Report 1 Jan-31 Dec 2019 RMB'000	Un-Audited Report 1 Jan-31 Dec 2019 RMB'000	Difference Between Audited Report & Un- Audited Report RMB'000	Restated 1 Jan-31 Dec 2018 RMB'000	Restated 1 Jan-31 Dec 2017 RMB'000	Audited Report 1 Jan-31 Dec 2019 RMB'000	Un-Audited Report 1 Jan-31 Dec 2019 RMB'000	Difference Between Audited Report & Un- Audited Report RMB'000	
<b>EQUITY 股权</b>									
<b>Capital and reserves attributable to 资本及储备归属于</b>									
<b>Equity holders of the Company 公司股权持有人</b>									
Share capital 股本	55,409	55,409	-	55,409	55,409	55,409	55,409	-	
Share premium 股票溢价	78,470	78,470	-	78,470	78,470	78,470	78,470	-	
	133,879	133,879	-	133,879	133,879	133,879	133,879	-	
<b>Other Reserves 其他储备</b>									
Statutory reserve 法定储备	30,526	30,526	-	30,526	30,526	-	-	-	
Foreign exchange reserve 外汇储备	(3,355)	(3,354)	(1)	(3,372)	(3,414)	-	-	-	
	27,171	27,172	(1)	27,154	27,112	-	-	-	
Accumulated losses 留存亏损	(67,214)	(66,859)	(355)	(11,646)	(2,822)	(4,792)	(5,045)	253	G
<b>TOTAL EQUITY 总股本</b>	<b>93,836</b>	<b>94,192</b>	<b>(356)</b>	<b>149,387</b>	<b>158,169</b>	<b>129,087</b>	<b>128,834</b>	<b>253</b>	
<b>ASSETS 资产</b>									
<b>Non-current assets 非流动资产</b>									
Property, plant and equipment 产业,厂房和机器设备	74,473	73,943	530.0	87,628	103,506	-	-	-	
Subsidiaries 子公司	-	-	-	-	-	156,236	156,236	-	
Right of use of assets (2018: land use right) 土地 使用权	9,296	9,296	-	-	-	-	-	-	
Intangible assets 无形资产	-	372	(372)	9,658	9,167	-	-	-	H
	83,769	83,611	158	97,286	112,673	156,236	156,236	-	
<b>Current assets 流动资产</b>									
Inventories 存货	2,850	2,801	49	1,983	1,629	-	-	-	I
Trade receivables 应收账款	29,575	30,303	(728)	81,815	54,787	-	-	-	J
Contract assets	426	-	426	-	-	-	-	-	K
Other receivables, deposits and prepayments 其他应收, 定金和预付款	1,902	1,535	367	2,377	3,438	-	-	-	L
Intangible assets 无形资产	372	-	372	889	251	-	-	-	M
Cash and cash equivalents 现金	7,526	6,744	782	14,285	28,612	857	857	-	N
	42,651	41,383	1,268	101,349	88,717	857	857	-	
<b>TOTAL ASSETS 总资产</b>	<b>126,420</b>	<b>124,994</b>	<b>1,426</b>	<b>198,635</b>	<b>201,390</b>	<b>157,093</b>	<b>157,093</b>	<b>-</b>	
<b>LIABILITIES 负债</b>									
<b>Current liabilities 流动负债</b>									
Trade payables 应付账款	7,733	6,584	1,149	17,660	28,928	-	-	-	O
Other payables and accruals 其他应付款和计提	5,124	4,987	137	9,434	5,905	1,381	1,509	(128)	P
Provision	4,373	4,373	-	4,373	4,373	-	-	-	
Bank loan 银行贷款	13,300	13,300	-	16,000	-	-	-	-	
Contract Liabilities	496	-	496	-	-	-	-	-	Q
Due to subsidiaries (non-trade) 应付子公司 (非贸易)	-	-	-	-	-	26,625	26,750	(125)	R
Income tax payable 应付所得税	-	-	-	-	602	-	-	-	
	31,026	29,244	1,782	47,467	39,808	28,006	28,259	(253)	
<b>Non-current liability 长期负债</b>									
Deferred tax liability 递延税款	-	-	-	-	1,410	-	-	-	
Deferred government grants 递延资本补助金	1,558	1,558	-	1,781	2,003	-	-	-	
	1,558	1,558	-	1,781	3,413	-	-	-	
<b>TOTAL LIABILITIES 总负债</b>	<b>32,584</b>	<b>30,802</b>	<b>1,782</b>	<b>49,248</b>	<b>43,221</b>	<b>28,006</b>	<b>28,259</b>	<b>(253)</b>	
<b>NET ASSETS 净资产</b>	<b>93,836</b>	<b>94,192</b>	<b>(356)</b>	<b>149,387</b>	<b>158,169</b>	<b>129,087</b>	<b>128,834</b>	<b>253</b>	

Note :

G. The accumulated losses of the Group in audited report decreased was mainly due to the aggregated impact of adjustments explained for Consolidated Statement of Profit or Loss and Other Comprehensive Income :

2019: the decrease in loss for RMB0.06 million mainly due to changes in current year profit and loss accounts which it has explained at above between the audited report and un-audited report.

2018: the restatement in 2018 is as a result of under-accrual of outsourced service charges amounting to RMB 0.25 million, offset with net impact of restatements in 2017 amounting to RMB 0.21 million.

2017: the restatement in 2017 is as a result of omission of revenue in 2017 amounting to RMB 0.38m, offset with under-accrual of outsourced service charges amounting to RMB 0.17 million.

The accumulated losses of the Company decreased was mainly due to :

2019: the reverse of administration expenses amounting to RMB0.25 million

H. The non-current assets for intangible assets of the Group in audited report decreased was mainly due to :

2019: the reclassification from non-current assets to current assets for intangible assets amounting to RMB0.37 million.

I. The inventory of the Group in audited report increased was mainly due to :

2019: increase in accruals of WIP inventory arising from outsourcing charges amounting to RMB0.05 million.

J. The trade receivables of the Group in the audited report decreased was mainly due to :

2019: the reclassification from the trade receivables to contract assets amounting to RMB0.42 million and the increase of impairment loss on trade receivables amounting to RMB0.3 million.

K. The contract assets of the Group in the audited report increased was mainly due to :

2019: the reclassification from the trade receivables to contract assets amounting to RMB0.42 million. Contract assets relate primarily to the Group's right to subcontracting service work completed but not delivered the reporting date in respect of its business. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group delivers the goods to the customer and customer's acceptance.

L. The other receivables, deposits and prepayments of the Group in the audited report increased mainly due to :

2019: the reclassification from the trade payables to advances made to suppliers in other receivables amounting to RMB0.37 million.

M. The current assets for intangible assets of the Group in audited report increased was mainly due to :  
2019: the reclassification from non-current assets to current assets for intangible assets amounting to RMB0.37 million.

N. The cash and bank of the Group of the audited report increased was mainly due to :  
2019: the increase is due to adjustment for bank balance pledged for bills payable which are yet to be paid to trade creditors amounting to RMB0.78 million.

O. The trade payables of the Group in the audited report increased mainly due to :  
2019: the increase in accruals of suppliers amounting to RMB1.15 million was mainly due to adjustment for bank balance pledged for bills payable which are yet to be paid to creditors

P. The other payables and accruals of the Group in the audited report increased mainly due to :  
2019: the increase in accruals expenses amounting to RMB0.14million mainly due to the following under-recognitions in unaudited report:

- under-accrual of legal fee amounting to RMB 0.8 million,
- under-accrual of current year outsourcing charges amounting to RMB0.80 million. Offset against the following over-recognitions in unaudited report:
- labour compensation amounting to RMB 0.4 million,
- reclassification of RMB 0.5 million from other payables to contract liabilities for advance received from customers, and
- over-accrual of prior year outsourcing charges amounting to RMB 0.6 million.

The other payables and accruals of the Company in the audited report increased mainly due to :  
2019: the reverse of accruals of the Company amounting to RMB0.13 million and charge back to its subsidiaries (non-trade) amounting to RMB0.13 million.

Q. The contract liabilities of the Group in the audited report increased was mainly due to :  
2019: reclassification of RMB0.50 million from other payables to contract liabilities for advance received from customers. Contract liabilities are arising from advances from customers. The contract liabilities are recognized as revenue when the Group fulfills its performance obligation under the contract with the customer.

R. The due to subsidiaries (non-trade) of the Company in the audited report decreased mainly due to :  
2019: the reversal of legal fee and other professional fees of the Company amounting to RMB0.13 million and charge back to its subsidiaries (non-trade) amounting to RMB0.13 million.

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019**  
**2019 年度审计的合并现金流量报表**

	Group 集团				
	12 months ended 截至12个月				
	Audited Report 31 Dec 2019 RMB'000	Un-audited Report 31 Dec 2019 RMB'000	Difference Between Audited Report & Un- Audited Report RMB'000	+ / (-) %	Note
<b>OPERATING ACTIVITIES 营运活动</b>					
Loss before income tax 税前亏损	(55,060)	(55,063)	3	0%	
Adjustments for: 调整					
Impairment loss on trade receivables 应收账款减值亏损	1,340	1,038	302	29%	S
Allowances loss for inventory obsolescence 存货减值亏损	931	932	(1)	0%	
Depreciation expense 折旧	14,384	14,384	-	NM	
Amortisation of intangible assets 待摊费用无形资产	639	639	-	NM	
Amortisation of right of use of assets (2018 : land use right) 土地使用权摊销	240	240	-	NM	
Interest Income 利息收入	(87)	(59)	(28)	47%	T
Interest Expense 利息支出	1,414	1,414	-	NM	
Reversal of impairment loss on property, plant & equipment 产业厂房机器设备减值回冲	(530)	-	(530)	NM	U
Gain on disposal of property, plant & equipment 产业厂房机器设备处置收益	(5)	(5)	-	NM	
Foreign Exchange loss, net 汇兑损失	91	92	(1)	-1%	
Transfer from deferred capital grant 待摊股权资金费用	(223)	(223)	-	NM	
Operating losses before working capital changes 计算流动资金变更前运营亏损	(36,866)	(36,611)	(255)	1%	
Inventories 存货	(1,798)	(1,750)	(48)	3%	
Trade & other Receivables 应收	51,375	51,316	59	0%	
Contract assets	(426)	-	(426)	NM	
Contract liabilities	496	-	496	NM	
Trade & other Payables 应付	(14,237)	(15,103)	866	-6%	
<b>Cash used in operations 营运所使用净现金</b>	<b>(1,456)</b>	<b>(2,148)</b>	<b>692</b>	<b>-32%</b>	
Interest received 利息收入	87	59	28	47%	
Income tax 所得税	(508)	(570)	62	-11%	
<b>Net Cash used in operating activities 营运所使用净现金</b>	<b>(1,877)</b>	<b>(2,659)</b>	<b>782</b>	<b>29%</b>	
<b>INVESTING ACTIVITIES 投资活动</b>					
Purchase of property, plant and equipment 购买产业厂房, 机器设备	(759)	(759)	-	NM	
Purchase of intangible assets 购买无形资产	-	-	-	NM	
Proceeds from disposal of property, plant and equipment 产业厂房, 机器设备的处置收益	65	65	-	NM	
<b>Net cash used in investing activities 投资活动所使用净现金</b>	<b>(694)</b>	<b>(694)</b>	<b>-</b>	<b>NM</b>	
<b>FINANCING ACTIVITIES 融资活动</b>					
Net withdrawal of pledged deposits 净撤回抵押存款	1,511	2,293	(782)	-34%	V
Loan from banks 银行贷款	16,000	16,000	-	NM	
Repayment to banks 银行还款	(18,700)	(18,700)	-	NM	
Interest Expense 利息支出	(1,414)	(1,414)	-	NM	
<b>Net cash used in financing activities 融资活动所使用的现金净额</b>	<b>(2,603)</b>	<b>(1,821)</b>	<b>(782)</b>	<b>43%</b>	
<b>Net decrease in cash and cash equivalents 现金及现金等价物净减少</b>	<b>(5,174)</b>	<b>(5,174)</b>	<b>-</b>	<b>NM</b>	
Cash and cash equivalents at beginning of the year 期初的现金及现金等价物	11,552	11,552	-	NM	
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	(74)	(74)	-	NM	
Cash and cash equivalents at end of the year 期末的现金及现金等价物	6,304	6,304	-	NM	
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				
	Audited Report 31 Dec 2019 RMB'000	Un-audited Report 31 Dec 2019 RMB'000	Difference Between Audited Report & Un-	+ / (-) %	Note
Cash and cash equivalent 现金及现金等价物	6,304	6,304	-	NM	
Pledged cash placed with bank 银行保证金	1,222	440	782	178%	L
	7,526	6,744	782	12%	

Note :

- S. Being increase of provision on trade receivables amounting to RMB0.30 million in the audited report.
- T. Being under recorded of the interest income amounting to RMB0.03 million in the un-audited report.
- U. Being reversal of impairment loss on property, plant & equipment in the audited report amounting to RMB0.53 million arising from impairment loss on leasehold building RMB0.49 million in 2017 and impairment loss on motor vehicle RMB0.04 million in 2017.
- V. The cash and bank of the Group of the audited report increased was mainly due to : 2019: the reclassification from the bill payables amounting to RMB0.78 million.

**BY ORDER OF THE BOARD  
SHANGHAI TURBO ENTERPRISES LTD.**

Mr Huang Wooi Teik  
Non-Executive Chairman & Lead Independent Director  
18 June 2019

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*It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*