

'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)

Cheah Kian Choong

Designation

AC Chairman

Contact Details

+971501900419

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

30/06/2020

Attachments

For Public Dissemination

Shanghai Turbo 2Q2020 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 2020 ("2Q FY2020")
2020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 2020
2020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 | | + / (-) |
| | 30 Jun 2020 RMB'000 | 30 Jun 2019 RMB'000 | | 1 Jan-30 Jun 2020 RMB'000 | 1 Jan-30 Jun 2019 RMB'000 | |
| Revenue 销售 | 7,573 | 3,577 | 112% | 9,841 | 6,044 | 63% |
| Cost of sales 销售成本 | (8,750) | (9,057) | -3% | (13,102) | (11,657) | 12% |
| Gross loss 毛亏 | (1,177) | (5,480) | -79% | (3,261) | (5,613) | -42% |
| Other operating income 其他运营收入 | 343 | 238 | 44% | 422 | 667 | -37% |
| Selling and distribution expenses 营销费用 | (498) | (422) | 18% | (1,090) | (1,276) | -15% |
| Administrative expenses 行政费用 | (4,794) | (11,789) | -59% | (12,122) | (21,837) | -44% |
| Finance cost 财务费用 | (477) | (350) | 36% | (902) | (616) | 46% |
| Loss before income tax 税前亏损 | (6,603) | (17,803) | -63% | (16,953) | (28,675) | -41% |
| Income tax 所得税 | - | - | NM | - | - | NM |
| Net loss after tax 税后亏损 | (6,603) | (17,803) | -63% | (16,953) | (28,675) | -41% |
| Other comprehensive expenses: | | | | | | |
| 其它综合损失 | | | | | | |
| Currency translation gain/(loss) 汇兑收益/(损失) | 30 | 34 | -12% | (10) | 309 | NM |
| 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 | (6,573) | (17,769) | -63% | (16,963) | (28,366) | -40% |

NM - Not meaningful 没有意义



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

备注：税前亏损是扣除/(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 | | + / (-) |
| | 30 Jun 2020 RMB'000 | 30 Jun 2019 RMB'000 | | 1 Jan-30 Jun 2020 | 1 Jan-30 Jun 2019 | |
| Depreciation expense 折旧费用 | 3,288 | 3,330 | -1% | 6,577 | 7,153 | -8% |
| Amortisation of right of use of assets 土地使用权摊销 | 61 | 63 | -3% | 68 | 125 | -46% |
| Amortisation of intangible assets 待摊费用无形资产 | 159 | 66 | 141% | 372 | 314 | 18% |
| Interest Income 利息收入 | - | (5) | NM | - | (23) | NM |
| Interest Expense 利息费用 | 425 | 266 | 60% | 902 | 607 | 49% |
| Foreign exchange loss /(gain), net 汇兑损失/(收益) | 40 | (428) | NM | - | 26 | NM |
| Gain on disposal of property, plant and equipment 产 业厂房机器设备处置收益 | (1) | 50 | NM | - | (5) | NM |
| <i>NM - Not meaningful 没有意义</i> | | | | | | |



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 2020 RMB'000 | 31 Dec 2019 RMB'000 | 30 Jun 2019 RMB'000 | 31 Dec 2019 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 | (3,365) | (3,355) | - | - |
| | 27,161 | 27,171 | - | - |
| Accumulated losses 留存亏损 | (84,166) | (67,214) | (5,450) | (4,792) |
| TOTAL EQUITY 总股本 | 76,874 | 93,836 | 128,429 | 129,087 |
| ASSETS 资产 | | | | |
| Non-current assets 非流动资产 | | | | |
| Property, plant and equipment 产业, 厂房和机器设备 | 67,912 | 74,473 | - | - |
| Subsidiaries 子公司 | - | - | 156,236 | 156,236 |
| Right of use of assets 土地使用权 | 9,228 | 9,296 | - | - |
| Intangible assets 无形资产 | - | - | - | - |
| | 77,140 | 83,769 | 156,236 | 156,236 |
| Current assets 流动资产 | | | | |
| Inventories 存货 | 8,060 | 2,850 | - | - |
| Trade receivables 应收账款 | 16,418 | 29,575 | - | - |
| Contract assets 合同资产 | - | 426 | - | - |
| Other receivables, deposits and prepayments 其他应收, 定金和预付款 | 1,500 | 1,902 | - | - |
| Intangible assets 无形资产 | - | 372 | - | - |
| Cash and cash equivalents 现金 | 3,796 | 7,526 | 1,627 | 857 |
| | 29,774 | 42,651 | 1,627 | 857 |
| TOTAL ASSETS 总资产 | 106,914 | 126,420 | 157,863 | 157,093 |
| LIABILITIES 负债 | | | | |
| Current liabilities 流动负债 | | | | |
| Trade payables 应付账款 | 12,701 | 7,733 | - | - |
| Other payables and accruals 其他应付款和计提 | 5,411 | 5,124 | 1,290 | 1,381 |
| Provision 计提 | 4,373 | 4,373 | - | - |
| Contract liabilities 合同负债 | - | 496 | - | - |
| Bank loan 银行贷款 | 5,997 | 13,300 | - | - |
| Due to subsidiaries (non-trade) 应付子公司 (非贸易) | - | - | 28,144 | 26,625 |
| | 28,482 | 31,026 | 29,434 | 28,006 |
| Non-current liability 长期负债 | | | | |
| Deferred government grants 递延资本补助金 | 1,558 | 1,558 | - | - |
| | 1,558 | 1,558 | - | - |
| TOTAL LIABILITIES 总负债 | 30,040 | 32,584 | 29,434 | 28,006 |
| NET ASSETS 净资产 | 76,874 | 93,836 | 128,429 | 129,087 |



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 Jun 2020 | | As At 31 Dec 2019 | |
| Secured RMB'000 担保 | Unsecured RMB'000 未担保 | Secured RMB'000 担保 | Unsecured RMB'000 未担保 |
| 5,997 | NIL | 13,300 | NIL |

Amount repayable after 1 year

一年外需还的金额

| Group 集团 | | Group 集团 | |
|-----------------------|--------------------------|-----------------------|--------------------------|
| As At 30 Jun 2020 | | As At 31 Dec 2019 | |
| 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 |

Notes :

In 2Q FY2018, the Group had obtained 2 trade facilities totaling RMB16 million from Jiangnan Rural Commercial Bank. The 1st trade facility arrangement of RMB6 million was made on 21 June 2018 and the 2nd trade facility arrangement of RMB10 million was made on 5 July 2018. The facilities were collateralized by assets (machineries) of the Group. The short term loans of RMB6 million was pledged with machineries and was paid off on 21 Jun 2019 while the other one of RMB10 million was paid off on 4 July 2019.

The Group has subsequently obtained a loan facility of RMB10 million by pledging its land use right with Jiangnan Rural Commercial Bank on 4 July 2019. A 2nd loan of RMB6 million was secured from the same bank on 10 July 2019.

The Group has performed repayment of loan amounting to RMB2.7 million during 4Q FY2019, RMB0.9 million in January 2020 and RMB0.9 million in February 2020. The outstanding loan payable amount is RMB11.5 million as at 31 March 2020.

The Subsidiary has repayment of loan amounting to RMB5.5 million in May 2020. The Subsidiary has fully repaid the short term loan, RMB6 million due on 19 June 2020. After that, the bank has provided a new loan RMB6 million for one year tenure from 19 June 2020 to 18 June 2021.

The Subsidiary has further obtained a new loan amounting to RMB3.5 million charged against its current land use rights. The loan from Jiangnan Rural Commercial Bank has increased from RMB6 million at 19 June 2020 to RMB9.5 million at 12 August 2020.



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 2020
2020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 | | + / (-) |
| | 30 Jun 2020 RMB'000 | 30 Jun 2019 RMB'000 | % | 1 Jan - 30 Jun 2020 RMB'000 | 1 Jan - 30 Jun 2019 RMB'000 | % |
| OPERATING ACTIVITIES 营运活动 | | | | | | |
| Loss before income tax 税前亏损 | (6,603) | (17,803) | -63% | (16,953) | (28,675) | -41% |
| Adjustments for: 调整 | | | | | | |
| Depreciation expense 折旧 | 3,288 | 3,330 | -1% | 6,577 | 7,153 | -8% |
| Amortisation of intangible assets 待摊费用无形资产 | 213 | 248 | -14% | 372 | 314 | 18% |
| Amortisation of right of use of assets (2018: land use right) 土地使用权摊销 | 7 | 62 | -89% | 68 | 125 | -46% |
| Interest Income 利息收入 | - | (18) | NM | - | (23) | NM |
| Interest Expense 利息支出 | 477 | 341 | 40% | 902 | 607 | 49% |
| Gain on disposal of property, plant & equipment 产业厂房机器设备处置收益 | 1 | (55) | NM | - | (5) | NM |
| Foreign Exchange loss/(gain), net 汇兑损失/(收益) | (40) | 454 | -109% | - | 26 | NM |
| Operating losses before working capital changes 计算流动资金变更前的运营亏损 | (2,657) | (13,441) | -80% | (9,034) | (20,478) | -56% |
| Inventories 存货 | (2,781) | 1,705 | NM | (5,210) | (5,428) | -4% |
| Trade & other Receivables 应收 | 4,360 | 10,154 | -57% | 13,985 | 32,149 | -56% |
| Trade & other Payables 应付 | 5,520 | (1,544) | NM | 4,759 | (8,623) | NM |
| Cash generated from / (used in) operations 营运所得/ (所使用)净现金 | 4,442 | (3,126) | NM | 4,500 | (2,380) | NM |
| Interest received 利息收入 | - | 18 | NM | - | 23 | NM |
| Net Cash generated from / (used in) operating activities 营运所得/(所使用)净现金 | 4,442 | (3,108) | NM | 4,500 | (2,357) | NM |
| INVESTING ACTIVITIES 投资活动 | | | | | | |
| Purchase of property, plant and equipment 购买产业厂房, 机器设备 | (9) | (373) | -98% | (17) | (743) | -98% |
| Proceeds from disposal of property, plant and equipment 产业厂房, 机器设备的处置收益 | - | 55 | NM | 1 | 63 | -98% |
| Net cash generated from/(used in) investing activities 投资活动所得/(所使用)净现金 | (9) | (318) | -97% | (16) | (680) | -98% |
| FINANCING ACTIVITIES 融资活动 | | | | | | |
| Net withdrawal of pledged deposits 净撤回抵押存款 | - | - | NM | 440 | - | NM |
| Repayment to banks 银行还款 | (5,503) | (6,000) | -8% | (7,303) | (6,000) | 22% |
| Interest Expense 利息支出 | (477) | (341) | 40% | (902) | (607) | 49% |
| Net cash (used in) / generated from financing activities 融资活动所得/(所使用)的现金净额 | (5,980) | (6,341) | -6% | (7,765) | (6,607) | 18% |
| Net increase / (decrease) in cash and cash equivalents 现金及现金等价物净增加/(减少) | (1,547) | (9,767) | -84% | (3,281) | (9,644) | -66% |
| Cash and cash equivalents at beginning of the year 期初的现金及现金等价物 | 782 | - | NM | 7,086 | 11,552 | -39% |
| 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 | 185 | - | NM | (9) | 60 | NM |
| Cash and cash equivalents at end of the year 期末的现金及现金等价物 | (580) | (9,767) | -94% | 3,796 | 1,968 | 93% |
| 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:

| | Group 集团 | | | Group 集团 | | |
|-------------------------------------|------------------------|------------------------|---------|-----------------------------------|-----------------------------------|---------|
| | 3 months ended 截至3个月 | | + / (-) | 6 months ended 截至6个月 | | + / (-) |
| | 30 Jun 2020 RMB'000 | 30 Jun 2019 RMB'000 | % | 1 Jan - 30 Jun 2020 RMB'000 | 1 Jan - 30 Jun 2019 RMB'000 | % |
| Cash and cash equivalent 现金及现金等价物 | (581) | (9,767) | -94% | 3,796 | 1,968 | 93% |
| Pledged cash placed with bank 银行保证金 | - | (1) | NM | - | 3,123 | NM |
| | (581) | (9,768) | -94% | 3,796 | 5,091 | -25% |
| | | | | | | |

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 | Accumulated Losses 留存亏损 RMB'000 | Total 合计 RMB'000 |
| Balance as at 1 Jan 2019 (Restated) 2019年 | 55,409 | 78,470 | 30,526 | (3,372) | (11,646) | 149,387 |
| Total comprehensive expenses for the period 总综合费用本期 | - | - | - | 217 | (28,634) | (28,417) |
| Balance as at 30 Jun 2019 2019年6月末重申 | 55,409 | 78,470 | 30,526 | (3,155) | (40,280) | 120,970 |
| 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 | Accumulated Losses 留存亏损 RMB'000 | Total 合计 RMB'000 |
| Balance as at 1 Jan 2020 2020年年初重申 | 55,409 | 78,470 | 30,526 | (3,355) | (67,214) | 93,836 |
| Total comprehensive expenses for the period 总综合费用本期 | - | - | - | (10) | (16,952) | (16,962) |
| Balance as at 30 Jun 2020 2020年6月末 | 55,409 | 78,470 | 30,526 | (3,365) | (84,166) | 76,874 |
| 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 | Accumulated Losses 留存亏损 RMB'000 | Total 合计 RMB'000 |
| Balance as at 1 Jan 2019 2019年年初 | 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) |
| Balance as at 30 Jun 2019 2019年6月末 | 55,409 | 78,470 | - | - | (5,074) | 128,805 |
| 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 | Accumulated Losses 留存亏损 RMB'000 | Total 合计 RMB'000 |
| Balance as at 1 Jan 2020 2020年年初 | 55,409 | 78,470 | - | - | (4,792) | 129,087 |
| Total comprehensive expenses for the period 总综合费用本期 | - | - | - | - | (658) | (658) |
| Balance as at 30 Jun 2020 2020年6月末 | 55,409 | 78,470 | - | - | (5,450) | 128,429 |



1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, subdivision, consolidation, 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，细分，合并，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 2020 and 30 Jun 2019 发布和支付股本于2020年6月30日及2019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 2020 | 30 Jun 2019 |
| 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 modifications 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

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer opinion :

如果最新的财务报表受到负面意见、限定意见或免责声明保留意见：

(i) Updates on the efforts taken to resolve each outstanding audit issue 为解决每个未决审计问题所作的努力的最新情况。 .

In the Group's latest audited financial statements for the financial statements for the financial year ended 31 December 2019 ("FY2019"), Crowe Horwath First Trust LLP has issued a disclaimer of opinion in respect of the (i) Going concern assumption, (ii) Impairment testing on property, plant and equipment, (iii) Impairment assessment of investment in subsidiaries, and (iv) Ongoing investigation of debt collection agent fees by Public Security authorities

Going concern assumption

The Subsidiary, Changzhou 3D Technological Complete Set Equipment Co., Ltd. ("CZ3D") has further obtained a new loan amounting to RMB3.5 million charged against its current land use rights. The loan from Jiangnan Rural Commercial Bank has increased from RMB6 million at 19 June 2020 to RMB9.5 million at 12 August 2020 to facilitate the trading activities. Based on the information available, the Board is of the opinion that the Company should be able to operate as a going concern, barring any unforeseen circumstances.

The Board has taken efforts to solve the audit issues raised by the external auditor under the disclaimer of opinion.

(ii) Confirmation from the Board that the impact of outstanding audit issues on the financial statements have been adequately disclosed 董事会确认未解决审计问题对财务报表的影响已充分披露.

The Board confirms that all impact of outstanding audit issues on financial statements in relation to FY2019 have been adequately disclosed.



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 2020. Where applicable, the adoption of these IFRSs does not have any material impact on the financial statements for the 12 months ending 31 December 2020. 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2020年1月1日起使用。这些准则的采用不会对截至2020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 year 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 2020 | 30 Jun 2019 |
| Basic profit / (losses) per share (RMB) 基每股盈利/(亏损) (RMB) | (0.62) | (1.03) |
| On a fully diluted basis (RMB) 在完全稀释的基础上 (RMB) | (0.62) | (1.03) |
| 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 / (loss) 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/(亏损)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 2020 | 30 Jun 2019 | 30 Jun 2020 | 30 Jun 2019 |
| 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) | 2.80 | 4.40 | 4.68 | 4.69 |
| 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 2020

截止 2020 年 6 月 30 日的利润表

Overview 总体

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 FY2020 vs 2Q FY2019

Revenue increased by 112% from RMB3.58 million in 2Q FY2019 to RMB7.57 million in 2Q FY2020 mainly due to the Group's subsidiary in China (the Subsidiary) has delivered the orders promptly as requested by the 2 major customers during 2Q FY2020. During 2Q FY2020, the Subsidiary has aggressively bidding the tender and the major customer has awarded the tender amounting to RMB27.48 million (2Q FY2019: RMB1.86 million). The Subsidiary has signed the contracts amounting to RMB8.81 million in 2Q FY2020 (2Q FY2019: RMB1.88 million) and delivered goods amounting to RMB5.05 million during 2Q FY2020 (2Q FY2019: RMB1.87 million).

1H FY2020 vs 1H FY2019

In accordance with the Emergency Response Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Covid-19, the Jiangsu province and Changzhou City has announced on 29 January 2020 that all the factories must delay the resumption of work not earlier than 9 February 2020. The Group's subsidiary in China (the Subsidiary) resumed working on 13 February 2020.

Revenue increased by 63% from RMB6.04 million in 1H FY2019 to RMB9.84 million in 1H FY2020. This is due to after the Subsidiary factory resume for operation from 13 February 2020, the Subsidiary has aggressively bid for projects and the major customer has awarded tenders amounting to RMB59.24 million (1H FY2019: RMB5.34 million). For the same period, the Subsidiary has converted the tenders into contracts amounting to RMB19.25 million (1H FY2019: RMB4.42 million). The Subsidiary has delivered goods amounting to RMB6.86 million to the customers during 1H FY2020 (1H FY2019: RMB3.38 million).

Cost of Sales 销售成本

2Q FY2020 vs 2Q FY2019

Cost of sales decreased by 3% from RMB9.06 million in 2Q FY2019 to RMB8.75 million in 2Q FY2020 mainly due to the Subsidiary has closely monitored the direct and in-direct overhead for this quarter. Cost of sales exceeded revenue due to absorption of higher overhead relative to lower sales volume and combination of the Subsidiary's deliberate strategy of securing more contracts to keep existing manpower fully engaged even if the Company has to bid at low pricing.

1H FY2020 vs 1H FY2019

Cost of sales increased by 12% from RMB11.66 million in 1H FY2019 to RMB13.10 million in 1H FY2020, mainly due to lower production units, leading to higher cost per unit resulting from under absorption of direct and in-direct overhead for the period. Cost of sales exceeded revenue due the reasons explained for 2Q FY2020.



Gross loss 毛利

2Q FY2020 vs 2Q FY2019

The Group's gross loss decreased by 79% amounting to RMB1.18 million in 2Q FY2020 as compared to a loss of RMB5.48 million in 2Q FY2019. The gross loss is due to a combination of factors such as extremely competitive prices caused by open bidding system from our major customer and marginal contracts for slack production lines. The cost structure of the Group had also been consistently rigid due to competitive market conditions for both materials and skilled labour.

1H FY2020 vs 1H FY2019

The Group's gross loss diminished by 42% amounting to RMB3.26 million in 1H FY2020 as compared to a loss of RMB5.61 million in 1H FY2019. The explanations for 2Q FY2020 is applicable to 1H FY2020.

Other operating income 其他运营收入

2Q FY2020 vs 2Q FY2019

Other operating income increased by 44% from RMB0.24 million in 2Q FY2019 to RMB0.34 million in 2Q FY2020. The other operating income consists mainly of the sales of the scrap and wastage iron in production.

1H FY2020 vs 1H FY2019

Other operating income decreased by 37% from RMB0.67 million in 1H FY2019 to RMB0.42 million in 1H FY2020. The other operating income consists mainly of the sales of the scrap and wastage iron in production. The decrease is a result of lower volume of production during the restriction working period from 21 January 2020 to 12 February 2020 as well as restriction entrance of non-factory personnel during the emergency period of Covid-19 from 13 February 2020 to 31 March 2020.

Selling and distribution expenses 营销费用

2Q FY2020 vs 2Q FY2019

Selling and distribution expenses increased by 18% from RMB0.42 million in 2Q FY2019 to RMB0.50 million in 2Q FY2020 is mainly due to increase in number of headcount and salary for RMB0.19 million in 2Q FY2020 (2Q FY2019: RMB0.06 million) and office expenses RMB7,000 in 2Q FY2020 (2Q FY2019: RMB0).



1H FY2020 vs 1H FY2019

Selling and distribution expenses decreased by 15% from RMB1.28 million in 1H FY2019 to RMB1.09 million in 1H FY2020 is mainly due to decrease in entertainment expense RMB0.70 million in 1H FY2020 (1H FY2019: RMB1.01 million) and travelling expenses RMB15,000 in 1H FY2020 (1H FY2019: RMB39,000).

Administrative expenses 行政费用

2Q FY2020 vs 2Q FY2019

Administrative expenses decreased from RMB11.79 million in 2Q FY2019 to RMB4.79 million in 2Q FY2020. The decrease was mainly due to the decrease in legal fee amounting to RMB0.09 million in 2Q FY2020 (2Q FY2019: RMB1.09 million), audit fee RMB0.05 million in 2Q FY2020 (2Q FY2019: RMB0.74 million), office expenses RMB0.03 million in 2Q FY2020 (2Q FY2019: RMB0.09 million) and travelling expenses RMB0.03 million in 2Q FY2020 (2Q FY2019: RMB0.10 million).

1H FY2020 vs 1H FY2019

Administrative expenses decreased from RMB21.84 million in 1H FY2019 to RMB12.12 million in 1H FY2020. The decrease was mainly due to the Subsidiary has no longer engaged professional debt collector to collect the long outstanding debts from the customers. The Subsidiary has spent RMB3.25 million during 1Q FY2019 (1Q FY2020: RMB0), legal fee RMB0.83 million in 1H FY2020 (1H FY2019: RMB1.12 million), staff welfare expenses RMB0.44 million in 1H FY2020 (1H FY2019: RMB0.53 million), social benefits RMB0.64 million in 1H FY2020 (1H FY2019: RMB1.47 million) and employee compensation cost RMB0.02 million in 1H FY2020 (1H FY2019: RMB0.97 million).

For the same period, there is increase in administration expenses in depreciation cost amounting to RMB3.81 million in 1H FY2020 (1H FY2019: RMB3.26 million) and audit fee RMB0.70 million in 1H FY2020 (1H FY2019: RMB0.67 million).

Statement of Financial Position as at 30 June 2020

截止 2020 年 6 月 30 日的资产负债表

Property, plant and equipment, right of use of assets & intangible assets

产业厂房和机器设备, 土地所有权 & 无形资产

Property, plant and equipment (PPE), right of use of assets & intangible assets as at 1H FY2020 was RMB77.14 million as compared to RMB83.77 million as at YTD 4Q FY2019. The decrease was mainly due to depreciation in YTD 1Q FY2020 amounting to RMB6.63 million offset by disposal of fixed assets RMB1,000 and further offset by the acquisition of new office equipment amounting to RMB17,000.



Inventories 存货

As at 1H FY2020, inventories stood at RMB8.06 million (YTD 4Q FY2019: RMB2.85 million) which mainly consists of WIP inventory amounting to RMB5.91 million (YTD 4Q 2019: RMB2.75 million), newly purchased raw materials amounting to RMB1.97 million (YTD 4Q 2019: RMB0.05 million) and spare parts amounting to RMB0.18 million (YTD 4Q 2019: RMB0.05 million) to fulfill the sales orders.

Trade receivables 应收账款

Reflecting the lower business turnover, trade receivables decreased from RMB29.58 million in YTD 4Q FY2019 to RMB16.42 million in 1H FY2020 reflecting Subsidiary collection of a long outstanding debts amounting to RMB21.72 million during 1H FY2020. The Subsidiary currently has bill receivables on hand amounting to RMB0.72 million due from 1 July 2020 to 31 January 2021.

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

Other receivables, deposits and prepayments amounting to RMB1.50 million in 1H FY2020, a decrease from RMB1.90 million in YTD 4Q FY2019 due to the Subsidiary being able to collect temporarily cash advance to employees as well as deposit placed on certain utilities services.

The Other Receivables comprise mainly the tender deposits amounting to RMB0.50 million in 1H FY2020 (YTD 4Q FY2019: RMB0.50 million), VAT tax receivables RMB0.32 million (YTD 4Q FY2019: RMB0.29 million), prepayments RMB0.07 million (YTD 4Q FY2019: RMB0.17 million) and advances to labour union RMB0.16 million (YTD 4Q FY2019: RMB0.16 million).

Trade payables 应付账款

The trade payables increased by RMB4.97 million from RMB7.73 million in YTD 4Q FY2019 to RMB12.70 million in 1H FY2020 due to increase in procurement for trading activities in 1H FY2020.

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

Other payables and accruals increased by RMB0.28 million from RMB9.50 million as at YTD 4Q FY2019 to RMB9.78 million as at YTD 1Q FY2020. This is mainly due to increase in accruals of staff cost amounting to RMB1.50 million and decrease in VAT payables amounting to RMB0.90 million.

Bank loans 银行贷款

The bank loans as at 1H FY2020 refers to loans from Jiangnan Rural Commercial Bank totaling RMB6 million (YTD 4Q 2019: RMB13.3 million) for trade facilities purposes. There was a net repayment of loan amounting to RMB7.3 million during 1H FY2020.



The Subsidiary has performed repayment of loan amounting to RMB5.5 million in 8 May 2020 and RMB6 million in 19 June 2020. The outstanding loan payable amount is RMB6 million which it is a new loan obtained at 19 June 2020.

The Subsidiary has further obtained a new loan amounting to RMB3.5 million charged against its current land use rights. The loan from Jiangnan Rural Commercial Bank has increased from RMB6 million at 19 June 2020 to RMB9.5 million at 12 August 2020.

Statement of Cash Flows for the period ended 30 June 2020

截止2020年6月30日的资金流量表

2Q FY2020

The Group's net cash generated from operating activities amounting to RMB4.42 million arising from loss before income tax adjusted for non-cash effects items of, RMB6.60 million after accounting of positive changes in working capital amounting to RMB6.44 million.

The Group's net cash used in investing activities amounting to RMB9,000 was mainly applied on acquisition of office equipment RMB9,000.

The Group's net cash used in financing activities amounting to RMB5.98 million mainly due to an interest payment of bank loan interest amounting to RMB0.48 million. The Subsidiary has performed the net repayment of loan of RMB5.50 million in 2Q FY2020.

In 2Q FY2020, the Group had a negative cash outflow of RMB1.55 million.

1H FY2020

The Group's net cash generated from operating activities amounting to RMB4.50 million arising from loss before income tax adjusted for non-cash effects items of, RMB16.95 million after accounting of positive changes in working capital amounting to RMB13.53 million.

The Group's net cash used in investing activities amounting to RMB16,000 was mainly applied on acquisition of office equipment RMB17,000.

The Group's net cash used in financing activities amounting to RMB7.77 million mainly due to an interest payment of bank loan interest amounting to RMB0.90 million. The Subsidiary has performed the net repayment of loan of RMB7.30 million in 1H FY2020.

In 1Q FY2020, the Group had a negative cash outflow of RMB3.28 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

The world economy is expected to fall into recession this year as many governments globally have implemented lockdowns and limited business activity and social gatherings. Slowing growth in global demand is expected to hurt Chinese exports.

The Chinese economy grew by 3.2 percent year-on-year in the second quarter of 2020, rebounding from a record 6.8 percent contraction in the previous three-month period and beating market consensus of a 2.5 percent expansion. The country became the first major economy to report growth following the coronavirus pandemic, as factories and stores reopened following months of coronavirus-induced restrictions. The Group is not directly involved in the sectors most severely impacted by COVID-19.

The Group has taken the aggressive progress in bidding the tender awards from the major customer since 2019 to 2020. The awarded contract in 2019 and 2020 amounting to RMB92.57 million, the contract signed on hand for the 2 years amounting to RMB34.40 million as at 30 June 2020. The good delivered to the major customer during the 2 years up to 30 June 2020 amounting to RMB12.20 million.

The Group has further improved the control in procurement and production to reduce the gross loss margin towards the production.

The legal proceedings in the Subsidiary has ended at 9 July 2020, the Group will collect the court order fund amounting to RMB0.51 million from the 4 defendants prior to 23 October 2020.

The newly appointed directors since 9 June 2020 to 8 July 2020 have taken the efforts to closely monitor the Group's operational performance. The Board will closely monitor the development of Covid-19 and adjust its business strategy according Covid-19's impact on the financial position and operating results of the Group.



**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) Record date 股息记录截止日

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 FY2020. 没有宣布建议派发股息。
It is due to the Group is loss making and without any dividend to be declared and / or recommended in 2Q FY2020.

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 2020 ("2Q FY2020")

确认2020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 FY2020 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 2020 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

Cheah Kian Choong

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

14 August 2020

2020年8月14日