

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::SECOND QUARTER AND/ OR HALF YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

SHANGHAI TURBO ENTERPRISES LTD

Securities

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Additional Details

For Financial Period Ended

30/06/2021

Attachments

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Shanghai Turbo

SHANGHAI TURBO ENTERPRISES LTD.

No.9 Yinghua Road, Zhonglou Economic Development Zone
Changzhou, Jiangsu Province, 213016, the PRC

**SHANGHAI TURBO ENTERPRISES LTD.
Registration No. CT-151624
(Incorporated in the Cayman Islands)
AND SUBSIDIARIES**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
30 JUNE 2021**



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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	The Group		
		6 months ended 30 June 2021	6 months ended 30 June 2020	Change +/-(-)
		RMB'000	RMB'000	%
Revenue	4	26,270	9,841	167%
Cost of sales		(21,139)	(13,102)	61%
Gross profit / (loss)		5,131	(3,261)	NM
Other income / (expenses)		1,322	422	213%
Distribution and marketing expenses		(1,609)	(1,090)	48%
General and administrative expenses		(12,645)	(12,122)	4%
Finance expenses		(1,267)	(902)	40%
Loss before income tax	6	(9,068)	(16,953)	47%
Tax expenses	7	-	-	NM
Loss for the financial period, net of tax		(9,068)	(16,953)	47%
Other comprehensive (expenses) / income				
Items that may be reclassified to profit or loss in subsequent period (net of tax)				
Currency translation differences on consolidation of foreign entities (net)		(484)	(10)	-4740%
Total other comprehensive loss for the period		(484)	(10)	-4740%
Total comprehensive loss for the period		(9,552)	(16,963)	44%
Profit / (Loss) attributable to				
- Owners of the Company		(7,236)	(13,149)	45%
- Non-controlling interest		(1,832)	(3,804)	52%
Total comprehensive loss attributable to :				
- Owners of the Company		(7,622)	(13,157)	42%
- Non-controlling interest		(1,930)	(3,806)	49%
Earnings per share for profit / (loss) for the period attributable to the owners of the Company during the year :				
Basic (RMB in cent)		(29.712)	(61.718)	52%
Diluted (RMB in cent)		(29.712)	(61.718)	52%
Basic (SGD in cent)		(6.186)	(12.850)	52%
Diluted (SGD in cent)		(6.186)	(12.850)	52%

NM - Not meaningful



B. Condensed interim statements of financial position

	Note	The Group		The Company	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Current assets					
Cash and bank balances	15	6,534	3,811	470	1,392
Trade and other receivables	14	29,735	23,777	-	-
Inventories	13	8,179	7,773	-	-
Total current assets		44,448	35,361	470	1,392
Non-current assets					
Subsidiaries	12	-	-	161,889	156,236
Property, plant and equipment	10	55,768	61,400	-	-
Right-of-use assets	11	8,935	9,055	-	-
Financial assets at fair value through other comprehensive income		-	-	-	-
Total non-current assets		64,703	70,455	161,889	156,236
Total assets		109,151	105,816	162,359	157,628
LIABILITIES					
Current liabilities					
Trade and other payables	16	26,958	26,104	1,798	1,681
Provision	17	4,373	4,373	-	-
Borrowings	18	15,490	9,497	-	-
Due to subsidiaries (non-trade)		-	-	27,985	28,180
Total current liabilities		46,821	39,974	29,783	29,861
Non-current liabilities					
Deferred government grants		1,335	1,335	-	-
Total liabilities		48,156	41,309	29,783	29,861
NET ASSETS	9	60,995	64,507	132,576	127,767
EQUITY					
Equity attributable to equity holders of the Company					
Share capital	19	60,318	55,409	60,318	55,409
Share premium	20	79,803	78,470	79,803	78,470
Retained losses		(105,712)	(96,442)	(7,227)	(6,000)
Other Reserves					
Statutory reserve		30,526	30,526	-	-
Foreign exchange translation reserve		(3,940)	(3,456)	(318)	(112)
		26,586	27,070	(318)	(112)
Total equity		60,995	64,507	132,576	127,767



C. Condensed interim statements of changes in equity

The Group							
		Share capital	Share premium	Statutory reserve	Foreign exchange translation reserve	Retained losses	Total equity
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2021							
Balance at 1 January 2021		55,409	78,470	30,526	(3,162)	(96,958)	64,285
Issue of share capital		4,909	1,333	-	-	-	6,242
Total Comprehensive loss for the financial period		-	-	-	(778)	(8,754)	(9,532)
Balance at 30 June 2021		60,318	79,803	30,526	(3,940)	(105,712)	60,995
2020							
Balance at 1 January 2020		55,409	78,470	30,526	(3,354)	(66,859)	94,192
Total Comprehensive loss for the financial period		-	-	-	(11)	(17,307)	(17,318)
Balance at 30 June 2020		55,409	78,470	30,526	(3,365)	(84,166)	76,874
The Company							
		Share capital	Share premium	Statutory reserve	Foreign exchange translation reserve	Retained losses	Total equity
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2021							
Balance at 1 January 2021		55,409	78,470	-	(113)	(6,000)	127,766
Issue of share capital		4,909.00	1,333.00	-	-	-	6,242.00
Total Comprehensive loss for the financial period		-	-	-	(205)	(1,227)	(1,432)
Balance at 30 June 2021		60,318	79,803	-	(318)	(7,227)	132,576
2020							
Balance at 1 January 2020		55,409	78,470	-	-	(2,103)	131,776
Total Comprehensive loss for the financial period		-	-	-	-	(1,670)	(1,670)
Balance at 30 June 2020		55,409	78,470	-	-	(3,773)	130,106



D. Condensed interim consolidated statements of cash flows

	Note	The Group		
		6 months ended	6 months ended	Change
		30 June 2021	30 June 2020	+ / (-)
		RMB'000	RMB'000	%
Cash flows from operating activities				
Loss before tax		(9,068)	(16,953)	47%
Adjustment for :				
Depreciation of property, plant and equipment		5,569	6,577	-15%
Amortisation of intangible assets		-	320	-100%
Amortisation of right of use of assets		120	120	0%
Interest Expense		811	902	-10%
Gain / (loss) on disposal of property, plant & equipment		18	-	NM
Transfer from deferred capital grant		(223)	-	NM
Operating loss before working capital changes		(2,773)	(9,034)	-69%
Decrease / (increase) in inventories		(406)	(5,210)	-92%
Decrease / (increase) in trade & other Receivables		(6,597)	13,985	NM
(Decrease) / increase in trade & other Payables		1,494	4,759	-69%
Cash generated from / (used in) operations		(8,282)	4,500	NM
Net taxation paid		-	-	NM
Net Cash from operating activities		(8,282)	4,500	NM
Cash flow from investing activities				
Purchase of property, plant and equipment		-	(17)	NM
Proceeds from disposal of property, plant and equipment		45	1	4400%
Increase in share capital paid through special placement		4,909	-	NM
Increase in share premium paid through special placement		1,333	-	NM
Net cash generated from / (used in) investing activities		6,287	(16)	NM
Cash flow from financing activities				
Withdrawal of pledged deposits		-	440	NM
Loan from banks		5,993	-	NM
Repayment to banks		-	(7,303)	NM
Interest Expense		(811)	(902)	-10%
Net cash generated from / used in financing activities		5,182	(7,765)	NM
Net (decrease) / increase in cash and cash equivalents		3,187	(3,281)	NM
Cash and cash equivalents at beginning of the period		3,811	7,086	-46%
Effects of exchange rate changes in cash and cash equivalents		(464)	(9)	5056%
Cash and cash equivalents at end of the period		6,534	3,796	72%
Effects of exchange rate changes in cash and cash equivalent				
<i>NM - Not meaningful</i>				



Cash and bank balances comprise the following:

	Note	The Group		
		6 months ended 30 June 2021	6 months ended 30 June 2020	Change +/(-)
		RMB'000	RMB'000	%
Cash and cash equivalent		6,534	3,796	72%
Pledged cash placed with bank		-	-	
		6,534	3,796	72%

NM - Not meaningful



E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Shanghai Turbo Enterprises Ltd. (the “Company”) is a limited liability company domiciled and incorporated in the Cayman Islands and listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is located at No.9, Yinghua Road, Zhonglou Economic Development Zone, Changzhou City, Jiangsu Province, 213016, The People’s Republic of China (“PRC”).

The principal activity of the Company is that of investment holding. The Company has invested in Best Success (Hong Kong) Limited in Hong Kong as investment holding company and Best Success (Hong Kong) Limited has further invested in Changzhou 3D Technological Complete Set Equipment Co., Ltd (“CZ3D”) as manufacturing of vane products and relating subcontracting services.

The Group is a precision engineering group that specializes in the production of precision vane products, mainly stationary vanes, moving vanes and nozzles. These vanes are the key components of steam turbine generators used for power generation in power plants, power stations and / or substations. They are also essential components mounted onto steam turbine generators to maximize the efficiency of steam flow in the generation of electricity.

2. Basic of preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore and International Financial Reporting Standards (“IFRSs”). All references to SFRS(I)s and IFRSs are referred to as SFRS(I)s in these condensed interim financial statements unless otherwise specified. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Chinese Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) as indicated, unless otherwise stated which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

On 1 January 2020, the Group adopted the new or amended SFRS and IFRS, the Interpretations of IFRS (“IFRIC”) that are mandatory for application from that date. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS and IFRIC. The adoption of these new or amended SFRS, IFRS and IFRIC did not result in substantial changes to the Group’s and Company’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.



2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

3. Seasonal operation

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.



4. Segment and revenue information

The Group is organised into one main business segment only.

4.1 Reportable Segment

	Note	Segment 1 RMB'000	Consolidation RMB'000
1 January 2021 to 30 June 2021			
Total segment revenue		26,270	26,270
Dividend income			
Interest income			
Miscellaneous income		1,322	1,322
Total other income		1,322	1,322
Total revenue and other income		27,592	27,592
Depreciation		(5,689)	(5,689)
Finance expense		(1,267)	(1,267)
Segment profit		20,636	20,636
Unallocated expenses		(29,704)	(29,704)
Loss before taxation		(9,068)	(9,068)
Taxation		-	-
Earnings / (loss) for the interim period		(9,068)	(9,068)
Segment assets		109,151	109,151
Total assets per statement of financial position		109,151	109,151
Expenditures for segment non-current assets - Additions to PPE		-	-
Segment liabilities		46,821	46,821
Deferred government grants		1,335	1,335
Total liabilities per statement of financial position		48,156	48,156

		Segment 1 RMB'000	Consolidation RMB'000
1 January 2020 to 30 June 2020			
Total segment revenue		9,841	9,841
Dividend income			
Interest income			
Miscellaneous income		422	422
Total other income		422	422
Total revenue and other income		10,263	10,263
Depreciation		(7,017)	(7,017)
Finance expense		(902)	(902)
Segment profit		2,344	2,344
Unallocated expenses		(19,297)	(19,297)
Loss before taxation		(16,953)	(16,953)
Taxation		-	-
Earnings / (loss) for the interim period		(16,953)	(16,953)
Segment assets		106,914	106,914
Total assets per statement of financial position		106,914	106,914
Expenditures for segment non-current assets - Additions to PPE		17	17
Segment liabilities		28,482	28,482
Deferred government grants		1,558	1,558
Total liabilities per statement of financial position		30,040	30,040



4.2 Reportable Segment

	Note	The Group	
		6 months ended 30 June 2021	
		Segment 1	Total
		RMB'000	RMB'000
Types of goods or services			
Sale of goods		26,270	26,270
Total revenue		26,270	26,270
Geographical information :			
China		26,270	26,270
Korea		-	-
Japan		-	-
Total revenue		26,270	26,270

	Note	The Group	
		6 months ended 30 June 2020	
		Segment 1	Total
		RMB'000	RMB'000
Types of goods or services			
Sale of goods		9,841	9,841
Total revenue		9,841	9,841
Geographical information :			
China		7,995	7,995
Korea		233	233
Japan		1,613	1,613
Total revenue		9,841	9,841

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020.

	Note	The Group		The Company	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		RMB'000	RMB'000	RMB'000	RMB'000
Financial Assets					
Cash and bank balances and trade and other receivables		36,269	27,588	470	1,392
Financial Liabilities					
Trade and other payables and borrowings (Amortised cost)		46,821	39,974	1,798	1,681



6. Profit before taxation

6.1 Significant items

	Note	The Group		
		6 months ended 30 June 2021	6 months ended 30 June 2020	Change + / (-)
		RMB'000	RMB'000	%
Expenses				
Interest on borrowings		(811)	(902)	-10%
Depreciation of property, plant and equipment and amortisation on use of rights		(5,689)	(7,017)	-19%
Gain / (loss) on disposal of property, plant & equipment		(18)	-	NM

6.2 Related party transaction

There is no material related party transaction apart from those disclosed elsewhere in the financial statements.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Note	The Group		
		6 months ended 30 June 2021	6 months ended 30 June 2020	Change + / (-)
		RMB'000	RMB'000	%
Current income tax expense		-	-	NM
Deferred income tax expense relating to origination and reversal of temporary differences		-	-	NM
		-	-	NM

8. Dividends

	Note	The Group		
		6 months ended 30 June 2021	6 months ended 30 June 2020	Change + / (-)
		RMB'000	RMB'000	%
Ordinary dividends paid:		-	-	NM
Interim dividend		-	-	NM
Dividend per share (net of tax)		-	-	NM



9. Net Assets Value

	Note	The Group		The Company	
		30 June 2021	31 December	30 June 2021	31 December
		RMB	RMB	RMB	RMB
Net assets value per ordinary share		1.999	2.348	4.344	4.651

10. Right-of-use assets

	Note	The Group		The Company	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		RMB'000	RMB'000	RMB'000	RMB'000
Cost					
Beginning of financial year		12,547	12,547	-	-
End of interim period		12,547	12,547	-	-
Accumulated depreciation and impairment losses					
Beginning of financial year		3,492	3,251	-	-
Depreciation charge for the interim period		120	241	-	-
End of interim period		3,612	3,492	-	-
Net book value		8,935	9,055	-	-

The Group has 50-year land use right over a plot of state-owned land in the PRC where the Group's manufacturing and storage facilities reside. The land use right has a remaining tenure of 35 years (2020: 36 years).

As at 30 June 2021, the entire land use right is pledged in connection with a bank facility including both bill payable facilities and bank loans.

Impairment testing of land use right

No impairment loss is recognised in 2Q FY2021 (2020: Nil), as the Group has estimated the recoverable amount of the land use rights to be higher than the net carrying amount. The recoverable amount of the land use rights was based on its fair value on 31 December 2019. Valuations are performed by Avista Group, an independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the land use rights being valued. The valuations are based on comparable market transactions that consider the sales of similar assets that have been transacted in the open market.

11. Property, plant and equipment

Property, plant and equipment ("PPE"), right of use of assets and intangible assets as at YTD 2Q FY2021 was RMB60.70 million as compared to RMB70.46 million as at YTD 4Q FY2020. The decrease was mainly due to lower depreciation in YTD 2Q FY2021 amounting to RMB5.70 million.



12. Subsidiaries

	Note	The Group		The Company	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		RMB'000	RMB'000	RMB'000	RMB'000
Unquoted equity shares at cost		-	-	161,889	156,236
Purchase consideration					
Cash paid		-	-	156,236	156,236
Additional as at 25 June 2021		-	-	5,653	-
Total		-	-	161,889	156,236

Name of subsidiaries	Note	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interest	
				30 June 2021	31 December 2020
				%	%
Held by the Company					
Best Success (Hong Kong) Limited ("BS")	(1)	Investment holdings	Hong Kong	100	100
Held by BS					
Changzhou 3D Technological Complete Set Equipment Co., Ltd ("CZ3D")	(2)	Manufacturing of vane products and relating subcontracting services	China	100	100

(1) Audited by S. W. Chan & Co, Hong Kong and reviewed by Crowe Horwath First Trust LLP for consolidation purpose.

(2) Audited by Changzhou Xinhuarui CPAs (常州新华瑞联合会计师事务所), a firm of Certified Public Accountants registered in the PRC for statutory purpose and by RT LLP for consolidation purpose.

Impairment assessment of investment in subsidiaries

No impairment loss is recognised in 2021 and 2020, as the Group has estimated the recoverable amount of the investment in subsidiaries to be higher than the net carrying amount.

13. Inventories

	Note	The Group		The Company	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		RMB'000	RMB'000	RMB'000	RMB'000
Statements of Financial Position :					
Inventories :					
Raw material		40	1,551	-	-
Work-in-progress		6,186	2,702	-	-
Finished goods		1,953	3,520	-	-
Total		8,179	7,773	-	-

As at YTD 2Q FY2021, inventories stood at RMB8.18 million (YTD 4Q FY2020: RMB7.77 million) mainly consist of WIP inventory amounting to RMB6.19 million (YTD 4Q FY2020: RMB2.70 million), newly purchased raw materials amounting to RMB0.04 million (YTD 4Q FY2020: RMB1.55 million) and finished goods amounting to RMB1.95 million (YTD 4Q FY2020: RMB3.52 million) to fulfill the sales orders.



14. Trade and other receivables

	Note	The Group		The Company	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables					
Bill receivables		5,063	2,834	-	-
Trade receivables		19,580	20,119	-	-
Total trade receivables		24,643	22,953	-	-
Other receivables					
Advances to suppliers		433	367	-	-
Advances to employees		264	71	-	-
Prepayments		295	261	-	-
Tender deposits		100	100	-	-
Other receivables		4,000	25	-	-
Total other receivables		5,092	824	-	-
Total trade and other receivables		29,735	23,777	-	-

	Note	The Group		The Group	
		30 June 2021	30 June 2021	31 December	31 December
		RMB'000	%	RMB'000	%
Trade receivables					
Customer :					
A		16,723	70%	21,662	94%
B		19	0%	630	3%
Others		7,091	30%	661	3%
Total		23,833	100%	22,953	100%
Aged (Days)					
0-90		12,813	54%	10,689	47%
91-180		5,235	22%	7,051	31%
181-270		3,162	13%	2,934	13%
More Than 270		2,623	11%	2,279	10%
Total		23,833	100%	22,953	100%

Trade receivables :

Reflecting the current business turnover, trade receivables increased from RMB22.95 million in YTD 4Q FY2020 to RMB24.64 million in YTD 2Q FY2021 due to the Subsidiary's collection of debts amounting to RMB24.56 million during YTD 2Q FY2021. The Subsidiary currently has bill receivables on hand amounting to RMB5.06 million which will be due on 30 June 2021.

These outstanding amounts are not owing to any related parties.

These debtors are not related to any directors, key executives, substantial shareholders or their respective associates.

These customers are still in operation.

Based on the assessment performed by the management on the current trade receivables, they are still recoverable although payment may be slow, barring any unforeseen circumstances or changes to the business environment and sluggish market conditions. The management is of the view that the Group has unconditional rights on trade receivables including unbilled trade receivables as at 30 June 2021.



The Board of Directors of the Company (“the Board”) has assessed the recoverability of the Group’s trade receivables based on the contracts signed with the customers and the acceptance of the goods by the customer. The Board will, together with management, closely monitor the recovery of the Group’s trade receivables.

Other receivables :

Other receivables amounting to RMB5.09 million in YTD 2Q FY2021 as compared to RMB0.82 million in YTD 4Q FY2020 as the Subsidiary has provided loan to interest party transaction amounting to RMB4 million since 21 May 2021 to 31 December 2021 (YTD 2Q FY2021: RMB4 million, YTD 4Q FY2020: RMB0), an increase in cash advances to employees while the employees are visiting the customers at outstations during such period (YTD 2Q FY2021: RMB0.26 million; YTD 4Q FY2020: RMB0.07 million); increase in advances to suppliers (YTD 2Q FY2021: RMB0.43 million, YTD 4Q FY2020: RMB0.37 million) and prepayments (YTD 2Q FY2021: RMB0.29 million, YTD 4Q FY2020: RMB0.26 million).

15. Cash and bank balances

	Note	The Group		The Company	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		RMB'000	RMB'000	RMB'000	RMB'000
Cash in hand		38	5	-	-
Bank balances		6,496	3,806	470	1,392
Cash and bank balances as stated in the statement of financial position		6,534	3,811	470	1,392
Less: Pledged deposits		-	(589)	-	-
Cash and cash equivalents as stated in the consolidated statement of cash flows		6,534	3,222	470	1,392

16. Trade and other payables

	Note	The Group		The Company	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		RMB'000	RMB'000	RMB'000	RMB'000
Trade payables					
Bill payables		456	180	-	-
Trade payables		19,181	17,505	-	-
Total trade payables		19,637	17,685	-	-
Other payables					
Accrued operating expenses		2,891	2,488	-	-
Accrued employee benefits		2,145	2,450	-	-
Advance from customers		75	811	-	-
Shipping fee payable		5	5	-	-
Security fee payable		136	109	-	-
Legal and professional fee payable		472	1,076	-	-
Electricity bill payable		302	217	-	-
Labor union expenditure payable		49	44	-	-
Value-Added Tax payables		1	548	-	-
Other taxes payable		262	308	-	-
Other payables		1,245	671	-	-
Total other payables		7,321	8,419	1,798	1,681
Total trade and other payables		26,958	26,104	1,798	1,681



Trade payables

The trade payables increased by RMB1.94 million from RMB17.69 million in YTD 4Q FY2020 to RMB19.64 million in YTD 2Q FY2021 due to increase in procurement for trading activities during YTD 2Q FY2021.

Other payables :

Other payables and accruals decreased by RMB1.10 million from RMB8.42 million as at YTD 4Q FY2020 to RMB7.32 million in YTD 2Q FY2021. This was mainly due to accruals of staff costs amounting to RMB2.15 million (YTD 4Q FY2020: RMB2.45 million), other tax payables amounting to RMB0.26 million (YTD 4Q.FY2020: RMB0.31 million) and VAT tax payables amounting to RMB0.0011 million (YTD 4Q FY2020: RMB0.55 million).

17. Provisions

CZ3D was served with a notice dated 2017 by the local government agency which required the subsidiary to provide compliance documents relating to its leasehold buildings in accordance with relevant laws and regulations in PRC (“the Notice”). The buildings were constructed in 2003 without obtaining relevant permits from government.

Provision for government fine

As at 31 December 2017, the management estimated and provided for government fine of RMB 4,373,000 which is 10% of the replacement cost estimated by a certified cost engineer. In accordance with relevant laws and regulations as advised by CZ3D’s legal counsel, 10% is the upper limit of the fine prescribed, ranging from 5% to 10% of replacement cost.

Contingent liability on rectification cost

In addition to the fine, in order to apply for building permit of the relevant properties, it may be necessary to incur costs to improve or reinforce the properties to comply with relevant regulations (“rectification costs”), if any and as noted by government agency.

The management has obtained legal opinion from the subsidiary’s legal counsel stating that the Notice indicates the local government has commenced administrative enforcement procedures for relevant properties. It is still at the stage of investigation and evidence collection, and has yet to reach the stage to file “letter of statement of averment”, nor represents final administrative conclusive document. The legal counsel advised that CZ3D shall actively apply for and complete the necessary legal procedures for the relevant properties and, if the government agency continues to conduct investigations, the subsidiary can explain to the government on the progress of the legal procedures of the relevant properties and strive for understanding. Since 2017 and up to the date these financial statements are authorised for issue, the management confirms that CZ3D has received neither further information regarding the investigation nor notification of the specific necessary rectification from the government agency.



18. Borrowings

	Note	The Group		The Company	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		RMB'000	RMB'000	RMB'000	RMB'000
Borrowings		15,490	9,497	-	-
Amount repayables within one year or on demand					
Secured		9,490	9,497	-	-
Unsecured		6,000	-	-	-
Total		15,490	9,497	-	-
Unsecured loan as at 30 July 2021		8,000	-	-	-

The bank borrowings and credit facilities of the Group are secured over certain right-of-use assets of the Group.

Notes :

In 2Q FY2018, Changzhou 3D Technological Complete Set Equipment Co., Ltd (“the Subsidiary”) had obtained 2 trade facilities totaling RMB16 million from Jiangnan Rural Commercial Bank (“the 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 were pledged with machineries and was paid off on 21 June 2019 while the other loan of RMB10 million was paid off on 4 July 2019.

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

The Subsidiary has repaid loans amounts of RMB2.70 million during 4Q FY2019, RMB0.90 million in January 2020 and RMB0.90 million in February 2020. The outstanding loan payable amounted to RMB11.5 million as at 31 March 2020.

The Subsidiary has repaid loan of RMB5.50 million in May 2020. The Subsidiary has also fully repaid the short term loan of RMB6 million due on 19 June 2020. 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 RMB3.50 million charged against its current land use rights. The loan from the Bank has increased from RMB6 million at 19 June 2020 to RMB9.50 million at 12 August 2020.

The Subsidiary has further obtained a new non-secured loan amounting to RMB6 million at 31 March 2021 from Bank Of Communications Limited in Changzhou, China.

The Subsidiary has repaid the loan of RMB6 million to Jiangnan Rural Commercial Bank and it has renewed on 15 June 2021 to 8 November 2021 with the interest rate 5.21% per annum amounting to RMB5.99 million. After that, the loan of RMB3.50 million has repaid at 26 July 2021 and it has renewed up to 8 November 2021 with the interest rate of 5.21%. The secured loan in Jiangnan Rural Commercial Bank amounting to RMB9.49 million is charged against its current land use rights.

The Subsidiary has further obtained a new non-secured loan amounting to RMB2 million at 30 July 2021 from Bank Of Communications Limited in Changzhou, China. The total unsecured loan from Bank Of Communications Limited amounting to RMB8 million.



19. Share capital

	Note	The Group		The Company	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		No. of shares	No. of shares	No. of shares	No. of shares
Authorized		200,000,000	200,000,000	200,000,000	200,000,000
Issued and fully paid					
At beginning		27,468,473	27,468,473	27,468,473	27,468,473
Additional : share capital paid at 24 May 2021		3,051,527	-	3,051,527	-
At end of the period		30,520,000	27,468,473	30,520,000	27,468,473

	Note	The Group		The Company	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		USD'000	RMB'000	RMB'000	RMB'000
Issued and fully paid @ USD0.25 per share					
At beginning		6,867	6,867	6,867	6,867
Additional : share capital paid at 24 May 2021		763	-	763	-
At end of the period		7,630	6,867	7,630	6,867

	Note	The Group		The Company	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		RMB'000	RMB'000	RMB'000	RMB'000
Issued and fully paid					
At beginning		55,409	55,409	55,409	55,409
Additional : share capital paid at 24 May 2021		4,909	-	4,909	-
At end of the period		60,318	55,409	60,318	55,409

The Company did not hold any treasury shares as at 30 June 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 31 December 2020.

20. Share premium

	Note	The Group		The Company	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		RMB'000	RMB'000	RMB'000	RMB'000
Issued and fully paid					
At beginning		78,470	78,470	78,470	78,470
Additional : share capital paid at 24 May 2021		1,333	-	1,333	-
At end of the period		79,803	78,470	79,803	78,470



21. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

The financial effects of the above transaction have not been included in this interim financial statements for the period ended 30 June 2021. The operating results and assets and liabilities of the company will be reflected in the second half 2021 financial statements and full year financial statements for 2021.

The Subsidiary has further obtained a new non-secured loan amounting to RMB2 million at 30 July 2021 from Bank Of Communications Limited in Changzhou, China. The total unsecured loan from Bank Of Communications Limited amounting to RMB8 million.



F. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of Shanghai Turbo Enterprises Ltd. and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Overview

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

Revenue

2Q FY2021 vs 2Q FY2020

Revenue increased by 167% from RMB9.84 million in 2Q FY2020 to RMB26.27 million in 2Q FY2021 mainly due to the Subsidiary's prompt delivery of orders as requested by the 2 major local customers during 2Q FY2021. During 2Q FY2021, the Subsidiary has aggressively bid for tenders and the major customer has awarded the Subsidiary with a tender amounting to RMB28 million (2Q FY2020: RMB59.45 million). The Subsidiary has also signed a few contracts amounting to RMB10.22 million in 2Q FY2021 (2Q FY2020: RMB26.63 million) and delivered goods amounting to RMB17.31 million during 1Q FY2021 (1Q FY2020: RMB6.86 million).

Cost of Sales

2Q FY2021 vs 2Q FY2020

Cost of sales increased by 61% from RMB13.10 million in 2Q FY2020 to RMB21.14 million in 2Q FY2021 mainly due to the increase in revenue from RMB9.84 million in 2Q FY2020 to RMB26.27 million in 2Q FY2021. The cost of sales in 2Q FY2021 represented 80% as compared to revenue and the cost of sales in 2Q FY2020 represented 133% as compared to revenue.

Gross profit / (gross loss)

2Q FY2021 vs 2Q FY2020

The Group achieved a gross profit amounting to RMB5.13 million in 2Q FY2021 as compared to a gross loss of RMB3.26 million in 2Q FY2020. The gross profit was due to cost cutting measures on purchasing of certain raw material such as cutters and spare parts for production. In addition, the Subsidiary has closely monitored the direct and in-direct overheads for this quarter

Other operating income

2Q FY2021 vs 2Q FY2020

Other operating income increased by 213% from RMB0.42 million in 2Q FY2020 to RMB1.32 million in 2Q FY2021. The other operating income consists mainly of sales of scraps and wastage iron (2Q FY2021: RMB1.09 million; 2Q FY2020: RMB0.42 million) including receipt of out of court settlement (2Q FY2021: RMB0.23 million; 2Q FY2020: RMB0). The Group has received out of court settlement amounting to RMB0.23 million on 5 February 2021 and 23 February 2021 through Mr. Liu Ming.



Selling and distribution expenses

2Q FY2021 vs 2Q FY2020

Selling and distribution expenses increased by 34% from RMB1.09 million in 2Q FY2020 to RMB1.46 million in 2Q FY2021 mainly due to increase in sales quality control expenses (2Q FY2021: RMB0.25 million; 2Q FY2020: RMB0), entertainment expenses (2Q FY2021: RMB0.82 million; 2Q FY2020: RMB0.70 million), travelling expenses (2Q FY2021: RMB0.03 million; 2Q FY2020: RMB0.02 million) and decrease in staff costs (2Q FY2021: RMB0.32 million; 2Q FY2020: RMB0.35 million).

Administrative expenses

2Q FY2021 vs 2Q FY2020

Administrative expenses increased from RMB12.12 million in 2Q FY2020 to RMB12.65 million in 2Q FY2021. The decrease was mainly due to the decrease in legal fee (2Q FY2021: RMB0.15 million; 2Q FY2020: RMB0.74 million), audit fee (2Q FY2021: RMB0.02 million; 2Q FY2020: RMB0.65 million), office expenses (2Q FY2021: RMB0.01 million; 2Q FY2020: RMB0.05million) and increase in travelling expenses (2Q FY2021: RMB0.06 million; 2Q FY2020: RMB0.05 million), staff cost (2Q FY2021: RMB2.81 million; 2Q FY2020: RMB2.53 million).

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

2Q FY2021

The Group's net cash used in operating activities amounting to RMB7.97 million arising from loss before income tax adjusted for non-cash effects items of RMB2.55 million after accounting of negative changes in working capital amounting to RMB5.42 million.

The Group's has investing activities in 2Q FY2021. There was a special placement incurred on 24 May 2021, share capital paid received amounting to RMB4.91 million and share premium received amounting to RMB1.33 million during that day. The Group has received proceed from plant and machinery amounting to RMB0.05 million during 2Q FY2021.

The Group's net cash generated from financing activities amounting to RMB5.81 million mainly due to a new non-secured loan amounting to RMB5.99 million obtained by Subsidiary during 2Q FY2021 with interest payment of bank loan amounting to RMB0.81million in 2Q FY2021.

In 2Q FY2021, the Group had a positive cash inflow of RMB3.50 million.

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

(i) Updates on the efforts taken to resolve each outstanding audit issue

In the Group's latest audited financial statements for the financial year ended 31 December 2020 ("FY2020"), RT LLP ("the External Auditor") has issued a disclaimer of opinion in respect of: (i) Going concern assumption, (ii) Impairment testing on property, plant and equipment, (iii) Impairment assessment of investment in subsidiaries, and (iv) Opening balances and comparative figures.

Going concern assumption

The Group has successfully renewed the secured loan facility with Jiangnan Rural Commercial Bank at an interest rate of 5.21% per annum. In 2021, the Group has further obtained an un-secured loan for RMB8 million from Bank of Communications with an interest rate of 4.35% per annum. The Group has received an un-secured loans of RMB6 million on 31 March 2021 and RMB2 million on 30 July 2021 respectively. The Group is able to maintain and work on improving its liquidity position for the continuing operational existence of its subsidiary, Changzhou 3D Technological Complete Set Equipment Co., Ltd. ("CZ3D"). The Group has addressed the immediate issues described on the going concern comments given by the auditor, RT LLP (the "Auditor"). Based on the information available, the Board of the Directors ("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 resolve 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

The Board confirms that all impact of outstanding audit issues on financial statements in relation to FY2020 have been adequately disclosed.

4. 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 operating period and the next 12 months

Overall, the country's gross domestic product increased 7.9% in the second quarter from a year ago, the National Bureau of Statistics said on 15 July 2021. That fell short of Reuters' estimate of 8.1% growth for the April to June period. Second-quarter GDP rose 1.3% from the first quarter, faster than the 0.6% pace between the first quarter of this year and fourth quarter of 2020. However, the latest quarterly increase was still slower than the 2.6% pace of the fourth quarter. The Group is not directly involved in the sectors most severely impacted by COVID-19 pandemic.

The Group has taken the aggressive progress in bidding the tender awards from the major customers since 2019 to 2021. The awarded contracts from 2019 to 2021 amounting to RMB158.27 million, the contract to be signed on hand amounting to RMB68.15 million as at 30 June 2021. The goods delivered to the major customers from 2019 to 30 June 2021 amounting to RMB47.44 million.

The Group has further improved the control in procurement and production to reduce the gross loss margin towards the production. The Subsidiary has gross profit amounting to RMB5.31 million for the period from 1 January 2021 to 30 June 2021. It has proved that the management team has taken efforts to improve the efficiency for the production of the Group.

5. Dividends information

(a) Current Financial Period Reported On

None

(b) Corresponding Period of the Immediately Preceding Financial Year

None

(c) Date payable

Not applicable

(d) Record date

Not applicable

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

No dividend has been declared as the Group has been incurring losses since year 2017.



6. Interested person transaction

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

There is material related party transactions apart from those disclosed elsewhere in the financial statements.

The Group has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the Audit Committee (“AC”), and that the transactions are conducted on an arm’s length basis and are not prejudicial to the interests of the shareholders. All interested person transactions are subject to review by the AC to ensure compliance with the established procedures.

Pursuant to Rule 907 of the Listing Manual of SGX-ST, the aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920 of the Listing Manual) are as follows:-

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders’ mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under Shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Loan to major shareholder, holding 26.998%, Mr. Liu Ming	RMB4,106,784	Not Applicable

The Group has not obtained a general mandate from shareholders for Interested Person Transactions. All Interested Person Transactions are subject to review by the Board and the AC.

Based on the latest audited consolidated financial statements of the Company for the financial year ended 31 December 2019, the Group’s latest audited net tangible assets (“Group NTA”) is approximately RM93.84 million as at 31 December 2019.

There are no interested person transactions entered into by the Group with the Borrower and his associates (excluding transactions which are less than S\$100,000 and the Loan Agreement which is the subject of this announcement) for the current financial year commencing 1 January 2020 up to the date of this announcement on 27 May 2021.

The Loan of RMB4 million provided to Mr. Liu Ming and the interest payable of RMB106,307 are approximately 4.376% of the Group NTA. Accordingly, no approval of the shareholders of the Company (“Shareholders”) is required to be sought for the Loan pursuant to Rule 906(1)(b) of the Listing Manual of SGX-ST. This announcement is being made by the Company pursuant to Rule 905(2) of the Listing Manual of SGX-ST as the aforesaid percentage figure exceeded the relevant threshold of 3.0%.

For the financial year commencing 1 January 2020 up to the date of this announcement, the aggregate value of all transactions entered into by the Group with all interested persons (excluding transactions which are less than S\$100,000 and the Loan Agreement which is the subject of this announcement) is stated as above.

The Group has not obtained a general mandate from shareholders for Interested Person Transactions. All Interested Person Transactions are subject to review by the Board and the AC.



7. Update on use of net proceeds from placement

The Board refers to the previous announcements released on 25 June 2021 and 19 July 2021 in relation to the Use of Net Proceeds of approximately S\$1,235,420.92 raised from the Placement of 3,051,527 new ordinary shares at S\$0.423 each in the issued and paid-up share capital of the Company on 24 May 2021 (the "Net Proceeds") and wishes to provide an update on the use of Net Proceeds as of date of this announcement:

Description	SGD	RMB	HKD
Net Proceeds Raised as at 25 May 2021	1,235,420.92	*5,968,194.92	*7,224,741.54
Working Capital Required and Utilized on 25 June 2021	#1,206,703.83	5,653,548.77	6,903,340.00
Balance of Net Proceeds as at 30 June 2021	28,717.09	314,646.15	321,401.54
Working Capital Required and Utilized on 19 July 2021	28,717.09	314,646.15	321,401.54

Notes :

* The calculation is based on the Monetary Authority of Singapore's ("MAS") exchange rates as at 25 May 2021 with SGD1 = RMB4.8309 and SGD1 = HKD5.848.

The amount is extracted from the bank debit advice as at 25 June 2021.

The balance of the Net Proceeds as at 25 June 2021 amounting to SGD28,717.09 was placed in the escrow account maintained with The United Overseas Bank Limited in Singapore. The amount of SGD28,717.09 has been utilized to make the partial payment of Directors' Fees for the financial year ending 31 December 2021 which was approved at the Extraordinary General Meeting held on 31 March 2021 and due for payment on 30 June 2021. This amount has been deducted from the Company's bank account on 19 July 2021.

The above utilizations are in line with the intended uses of the Net Proceeds stated in the Company's announcement released on 27 April 2021.

THE PLACEMENT

On 24 May 2021, the Company issued 3,051,527 new ordinary shares via share placement to one investor at an issue price of SGD0.423 per share, raising gross proceeds of approximately SGD1,290,795.92 ("the Placement"). The estimated Net Proceeds from the Placement (after deducting professional fees and related expenses of approximately S\$55,375) are approximately S\$1,235,420.92.

The Board of CZ3D has requested the Company to raise working capital for its daily operation amounting to RMB5,653,548.80 with the purpose of repayment of trade payables and procurement of machinery on 18 June 2021.

The Board of CZ3D has further commented that such working capital should be deposited to CZ3D through increasing of share capital by its foreign investor, Best Success (Hong Kong) Limited ("BS"). BS is holding 100% shareholdings of CZ3D and it is a company incorporated in Hong Kong.

On 31 May 2021, the Board of BS held a Board Meeting and a Board Minutes were recorded. 2 members of the Board of BS were present at the Board Meeting and 1 member was absent on 31 May 2021. The Board Minutes dated 31 May 2021 were notarized through the lawyer of Hong Kong, Liang Jin Ming, on 16 June 2021 and validated by The Ministry of Justice of The People's Republic of China entrusted Hong Kong lawyers with notarized documents used in the Mainland, China Legal Services (Hong Kong) Co., Ltd., Shenzhen No. 32951 《中华人民共和国司法部委托香港律师办理内地使用的公证文书，中国法律服务（香港）有限公司，深办第 32951 号》 dated 17 June 2021.



On 18 June 2021, the Board of CZ3D held a Board Meeting and 2 Board Resolutions were signed by 2 out of 3 members of the Board of CZ3D. One resolution agreed that BS will increase the share capital of RMB5,653,548.80 of CZ3D and CZ3D will use the share capital of RMB5,653,548.80 to make the repayment to trade payables accounts as well as procurement of machineries.

On 25 June 2021, after reviewing the Board Resolutions of CZ3D, Board Minutes of BS and Notarized Documents of BS, the Board of the Company, 3 out of 4 have agreed to transfer the money of HKD6,903,340 equivalent to RMB5,653,548.80 to BS. The Board of the Company has agreed to use the Net Proceeds of HKD6,903,340 equivalent to RMB5,653,548.80 to increase the share capital of BS. Then, when BS received the Net Proceeds of HKD6,903,340, BS will transfer the sum to the bank account of CZ3D to increase the share capital of CZ3D to RMB5,653,548.80. Thereafter, CZ3D will use the money to pay the trade payables accounts and procurement of machineries.

The Company has utilized the Net Proceeds through injection of share capital of HKD6,903,340 (RMB5,653,548.77) from the Company to BS. Then, BS will further inject the share capital of RMB5,653,548.77 to CZ3D. Under China's Banking Rule and Regulations, as the Company does not have any direct relationship with CZ3D, the Net Proceeds could not transfer from the Company to CZ3D directly. Hence, the Net Proceeds has to be channeled through BS to CZ3D and CZ3D has lodged a report with Changzhou Municipal Bureau of Industry and Commerce (常州市工商局) to allow CZ3D to open a foreign investor injection fund bank account to receive the Net Proceeds amounting RMB5,653,548.77 from BS.

On 28 June 2021, Changzhou Municipal Bureau of Industry and Commerce (常州市工商局) has grant approval to approved CZ3D to update its share capital paid from RMB111,846,451.77 to 117,500,000 and the amount must deposit during July 2021. On 19 July 2021, CZ3D has received the share capital paid RMB5,653,548.77 from BS.

On 7 July 2021, CZ3D has successfully opened such foreign investor injection fund bank account with China Construction Bank and BS has transferred the amount of RMB5,653,548.77 to CZ3D at 4.16 pm on 13 July 2021 and this amount has been credited to CZ3D's foreign investor injection fund bank account on 19 July 2021.

On 13 July 2021, CZ3D has received the new purchased plant and machineries amounting to RMB1.95 million and it has completed fixed and used at 1 August 2021.

RATIONALE AND USE OF NET PROCEEDS

The Board of the Company is of the view that the Placement is beneficial to the Group as it has increased the resources and working capital available to the Company so as to pursue acquisition and/or business opportunities and improve cash flow, as part of management's strategy to achieve long-term growth and deliver shareholder value.

The estimated Net Proceeds from the Placement (after deducting professional fees and related expenses of approximately S\$55,375) are approximately S\$1,235,420.92 (the "Net Proceeds").

The Company intends to utilize the entire amount of the Net Proceeds for general working capital purposes to be used by the Company and CZ3D.

The Company has utilized the Net Proceeds through injection of share capital of HKD6,903,340 (RMB5,653,548.80) from the Company to BS. Then, BS will further inject the share capital of RMB5,653,548.80 to CZ3D. Under China's Banking Rule and Regulations, as the Company does not have any direct relationship with CZ3D, the Net Proceeds cannot be directly transferred from the Company to CZ3D. Therefore, the Net Proceeds must be channelled through BS. Thereafter, BS can then transfer it to CZ3D. CZ3D must lodge a report with Changzhou Municipal Bureau of Industry and Commerce (常州市工商局) and CZ3D has to open a foreign investor injection fund bank account to receive the Net Proceeds amount of RMB5,653,548.80 from BS.

The Company will comply with the rules and regulations of Cayman Islands, Singapore, Hong Kong and China on the utilization of the Net Proceeds.

The above utilization is in line with the intended uses of the Net Proceeds stated in the Company's announcement released on 27 April 2021.



8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Hong Yong
Director

Simon Poh Siew Beng
Director

Singapore
13 August 2021