

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

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**ENTRY INTO A LOAN AGREEMENT AS AN INTERESTED PERSON TRANSACTION**

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**1. INTRODUCTION**

The board of directors (the “**Board**” or the “**Directors**”) of Shanghai Turbo Enterprises Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s wholly-owned subsidiary, Changzhou 3D Technological Complete Set Equipment Co., Ltd (“**CZ3D**” or “**Lender**”), intends to enter into a loan agreement (“**Loan Agreement**”) with Mr Liu Ming (a major shareholder, who is holding 8,240,00 shares of the Company) (the “**Borrower**”).

Pursuant to the Loan Agreement, the Lender has agreed to grant a loan in the principal amount of up to RMB3.09 million in aggregate (the “**Loan**”) to the Borrower subject to the terms and conditions set out in the Loan Agreement. A summary of the principal terms and conditions of the Loan Agreement is set out in paragraph 2 of this announcement.

**2. PRINCIPAL TERMS OF THE LOAN AGREEMENT**

The Lender	Changzhou 3D Technological Complete Set Equipment Co., Ltd (“CZ3D”)
The Borrower	Mr Liu Ming
The Loan	RMB 3.09 million
Loan Period	Subject to the terms and conditions of the Loan Agreement, the Lender shall make available and grant to the Borrower the Loan Amount of RMB3.09 million for the period up to 31 December 2022 commencing from the date of the Loan Agreement, or such other period as may be determined by the Lender.
Purpose of the Loan	The Loan shall be used for the Borrower’s personal purpose.
Drawdown	Subject to the terms and conditions of the Loan Agreement, the Lender had provided the Loan on 31 December 2021.
Interest	<p>The interest payable on the outstanding Loan for the time being (“Outstanding Amount”) shall be 4.35% per annum (“Interest Rate”). The Borrower shall pay the Interest at the Interest Rate along with the full payment which are repayable on 31 December 2022.</p> <p>The Lender expects the interest payable by the Borrower along with the full loan amount on 31 December 2022 are computed as follows:</p> <p><math>365 \text{ days} / 365 \text{ days} \times 4.35\% \times \text{RMB}3.09 \text{ million} = \text{RMB}134,415.</math></p> <p>In the event if the interest is revised by Bank of Communications, Wujin Branch in Changzhou, Jiangsu, China in future, the Interest Rate chargeable to the Borrower will be changed accordingly.</p>
Repayment Date	The Repayment Date of the Outstanding Amount and the Interest is 31 December 2022.

Bank loan from Bank of Communications To CZ3D

In the beginning of year 2021, as the Lender needed to take an additional bank loan as working capital to keep its business going, it had applied for a business loan amounting to RMB8 million from the Bank of Communications, Wujin Branch in Changzhou, Jiangsu, China ("BOC"). Despite the recommendations of credible references secured by the Lender's General Manager ("GM"), BOC requested the Lender to provide collateral for the loan of RMB8 million.

As the Lender's right-of-use assets certificate has been mortgaged to Jiangnan Bank in Zhonglouqu, Changzhou, Jiangsu, China, the Lender could only request the Borrower to put up his personal asset as the collateral to BOC.

The Borrower has then put forth his private residential property with an evaluated valuation of RMB4.4 million as collateral and secured the bank loan of RMB4.4 million from BOC.

In addition, the GM, who is holding 3,051,527 shares of the Company, has provided his personal guarantee to secure another bank loan from BOC amounting to RMB3.6 million for the Lender.

Based on the terms and conditions mandated by BOC, the Borrower and the GM have signed the loan agreements with BOC for the total bank loan amounting to RMB8 million.

The Board of the Lender had held a Board Meeting on 26 March 2021 and approved the application of loan of RMB8 million from BOC.

The total Agreeable Aggregate Loan from BOC amounting to RMB8 million will be used solely as working capital of the Lender. The loan of RMB8 million has been released to Lender based on actual usage basis as follows:

No.	Loan Amount (RMB)	Interest Rate	Started From	Ended At
1	4,400,000	4.35 %	31 March 2021	18 March 2022 (will be further extended)
2	1,600,000	4.35 %	31 March 2021	30 March 2022 (will be further extended)
3	2,000,000	4.35 %	30 July 2021	18 June 2022 (will be further extended)
4	8,000,000			

Currently, CZ3D has communicated with BOC and the above loans are expected to be renewed and further extended to a further date in 2022.

	The Board of the Lender had subsequently held another Board Meeting on 31 December 2021 and approved the loan amounting to RMB3.09 million for the period from 31 December 2021 to 31 December 2022 to the Borrower as the Board of the Lender recognizes the efforts of the Borrower who has pledged his private residential property as collateral to secure the RMB4.4 million loan from BOC for the Lender.
Governing Law	The Loan Agreement shall be governed by and construed in accordance with the laws of China.

### 3. RATIONALE FOR THE LOAN

The Loan will be utilised by the Borrower for his personal use as he had pledged his private residential property as collateral and secured the bank loan of RMB4.4 million from BOC.

Having reviewed the above, the Board is of the view that the Loan granted to the Borrower is in the interests of the Company and CZ3D. The Audit Committee shall continue reviewing the terms, rationale and benefits of the Loan and to determine if the Loan continues to be in the interests of the Company and CZ3D or if CZ3D should undertake a Prepayment of the Outstanding Principal Amount of the Loan.

### 4. DETAILS OF THE LENDER

The Lender, Mr Liu Ming, is a major shareholder who is holding 8,240,000 shares of the Company. As at 31 December 2021, the date of the Loan Agreement, the Lender has a direct interest of approximately 26.998% of the share capital of the Company. Accordingly, the Lender is deemed to be an “interested person” and the entry into the Loan Agreement is an “interested person transaction” for the purposes of Chapter 9 of the Listing Manual of The Singapore Exchange Securities Trading Limited (“SGX-ST”).

### 5. CHAPTER 9 OF THE LISTING MANUAL OF SGX-ST

Based on the 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”) was approximately RM93.84 million. At 21 May 2021, there was an interested person transactions entered into by the Group with the Borrower amounting to RMB4.11 million and expired on 31 December 2021. The loan of RMB4 million and interest payables RMB106,307 have been fully repaid on 31 December 2021.

Based on the latest audited consolidated financial statements of the Company for the financial year ended 31 December 2020 (“FY2020”), the Group’s latest audited net tangible assets (“Group NTA”) is approximately RM64.51 million.

A New Loan of RMB3.09 million granted to Mr Liu Ming and the interest payable of RMB134,415 are approximately 4.998% of the Group NTA for FY2020. 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 2021 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.

#### 6. AUDIT COMMITTEE STATEMENT

The Audit Committee of the Company, having considered, the terms, rationale and benefits of the Loan, is of the view that the Loan is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

#### 7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors or controlling Shareholders of the Company and their respective associates has any interest, direct or indirect, in the Loan Agreement (other than through their respective shareholdings in the Company, if any).

#### 8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Loan Agreement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

#### 9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Loan Agreement is available for inspection during normal business hours at the registered office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 for a period of one (1) month from the date of this announcement and 1, Harbourfront Avenue, Keppel Bay Tower, #14-03/07, Singapore 098632 for a period of two (2) months from 1 February 2022 to 31 March 2022

BY ORDER OF THE BOARD

Hong Yong  
Non-Executive Chairman and Lead Independent Director  
31 December 2021