SHANGHAI TURBO ENTERPRISES LTD.
No.9 Yinghua Road, Zhonglou Economic Development Zone
Changzhou City, Jiangsu Province, 213016, the PRC
www.shanghaiturbo.com

AUDITOR'S OPINION ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 PURSUANT TO RULE 704(5) OF THE LISTING MANUAL

Pursuant to Rule 704(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board of Directors ("**Board**") of Shanghai Turbo Enterprises Limited (the "**Company**") wishes to announce that the independent joint auditors, Nexia Singapore PAC and NLA DFK Assurance PAC auditor of the Company, have issued a disclaimer of opinion in the independent auditor's report in respect of the Company's consolidated financial statements for the financial year ended 31 December 2025 ("**Independent Auditor's Report**").

The nature and contents of the disclaimer of opinion are contained in the Independent Auditors' Report annexed to this announcement.

BY ORDER OF THE BOARD

Zhang Wenjun
Non-Executive Chairman and Lead Non-Independent Director
11 September 2026

Nexia Singapore PAC

Nexia Singapore PAC
Chartered Accountants of Singapore
UEN: 202000100D
www.nexiasingapore.com

36 Robinson Road
#11-01 City House
Singapore 068877
Tel: (+65) 6336 8772

NLA | DFK

NLA DFK ASSURANCE PAC
Chartered Accountants (Singapore)
黄李 DFK 会计师事务所
(Registration No. 201802889C)

INDEPENDENT JOINT AUDITORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025
TO THE MEMBERS OF SHANGHAI TURBO ENTERPRISES LTD.

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Shanghai Turbo Enterprises Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of the financial position of the Company as at 31 December 2025 ("FY2025"), consolidated statement of comprehensive income of the Group and statements of changes in equity of the Group and the Company, and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

We do not express an opinion on the accompanying consolidated financial statements of the Group and the statement of financial position and the statement of changes of equity of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

(1) Opening balance

Limitation of scope in respect of opening balances as at 1 January 2025

As the relevant supporting documents were unavailable and management was unable to provide us with satisfactory explanations or other evidence in respect of matters relating to the opening balances as at 1 January 2025, we were unable to perform alternative audit procedures to obtain sufficient appropriate audit evidence regarding the cut-off of revenue and trade receivables, as stated in matter (2) of the *Basis for Disclaimer of Opinion* section below.

As this matter remains unresolved, we are unable to determine whether the related opening balances as at 1 January 2025 are fairly stated. Any adjustments to the accumulated losses as at 1 January 2025 would have consequential effects on the current year's consolidated financial statements. Since the opening balances as at 1 January 2025 entered into the determination of the financial performance, changes in equity and cash flows of the Group for the financial year ended 31 December 2025, we are unable to determine whether adjustments might have been necessary in respect of the Group's financial statements for the financial year ended 31 December 2025.

Basis for Disclaimer of Opinion (Continued)

(2) Trade receivable balance and revenue

As at 31 December 2025, the Group's trade receivables and contract assets, included a balance of RMB30,532,000 (net of allowance for impairment losses of RMB8,547,000) owed by a major customer (Customer A) (2024: RMB18,261,000 (net of allowance for impairment losses of RMB8,057,000)). As disclosed in **Note 30 (iii)** to the financial statements, sales to Customer A accounted for 78% of the Group's revenue for the financial year ended 31 December 2025 ("FY2025") (2024: 78%).

As at the date of this report, we are unable to obtain sufficient appropriate audit evidence to determine the timing of the transfer of control of the promised goods to Customer A and accordingly, whether revenue had been recognised in the appropriate reporting period in accordance with the International Financial Reporting Standards ("IFRS").

Consequently, we were unable to determine whether any adjustments were necessary in respect of:

a) the revenue for FY2025 and the corresponding effects on the carrying amounts of trade receivables and contract assets as at 31 December 2025; and

b) the potential effect on the opening balances of trade receivables, contract assets and accumulated losses as at 1 January 2025 as well as any consequential impact to the financial statements of FY2025.

(3) Borrowings under entrusted payment arrangements

As disclosed in **Note 14** to the financial statements, the Group had borrowings amounting to RMB89,876,000 (2024: RMB42,500,000) as at 31 December 2025, of which RMB17,500,000 comprised borrowings obtained under entrusted payment arrangements with several banks.

During the financial year, certain loan proceeds amounting to RMB17,500,000 (2024: RMB12,500,000) were remitted by the banks to designated suppliers before remitting back to the Group on the same day. Based on the audit evidence available to us, we were unable to determine the purpose of the entrusted payment arrangements, or whether the transactions complied with the terms and conditions of the relevant loan agreements.

We were unable to obtain sufficient appropriate audit evidence whether these arrangements resulted in any breach of contractual terms. Neither were we able to perform other satisfactory alternative audit procedures to address these matters. Accordingly, we were unable to determine whether any adjustments or additional disclosures were required in respect of the Group's borrowings including the compliance with loan covenants and the appropriateness of the going concern assessment.

Basis for Disclaimer of Opinion (Continued)

(4) Provision for government fine and contingent liability

As disclosed in **Note 15** to the financial statements, a subsidiary of the Group, Changzhou 3D Technological Complete Set Equipment Co., Limited ("Changzhou 3D"), received a notice from a local government authority in 2017 relating to certain leasehold buildings constructed without obtaining the relevant permits and approvals required under applicable laws and regulations in the People's Republic of China ("PRC"). On 13 May 2019, Changzhou 3D received a notice imposing a fine of RMB3,060,000, which remains unpaid as at 31 December 2025.

As at the date of this report, no further correspondence, enforcement notices, rectification orders or updates had been received by Changzhou 3D from the relevant government authority. Management did not seek confirmation from the relevant government authority regarding the current status of the matter. Consequently, we were unable to obtain sufficient appropriate audit evidence to determine whether the notice and fine remain valid and enforceable, whether the provision recognised by the Group remains appropriate, and whether any additional liabilities, penalties, rectification costs or disclosures may be required in the financial statements.

As a result, we were unable to determine whether any adjustments to, or additional disclosures in, the accompanying financial statements were required, and the effect, if any, of this matter on the accompanying financial statements.

(5) Use of going concern basis

The following conditions, among other factors as disclosed in **Note 2.2**, indicates the existence of events or conditions that may cast significant doubt on the ability of the Group and the Company to continue as going concerns:

a) The Group's and the Company's current liabilities exceeded their current assets by RMB27,180,000 and RMB39,764,000, respectively, as at 31 December 2025.

b) The Group is in a net operating cash outflow position of RMB19,896,000 in FY2025.

As a result of the conditions stated above, and in conjunction with our concerns regarding the trade receivables and revenue recorded and entrusted payment arrangement as detailed in matters (2) and (3) above, including whether the borrowings had become repayable on demand as at 31 December 2025, we were unable to obtain sufficient appropriate audit evidence regarding the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements, or whether any adjustments to the carrying amounts and classifications of assets and liabilities, or additional disclosures, might have been necessary.

Because of the significance and pervasiveness of the possible effects of the matters described above, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the accompanying consolidated financial statements, and the statement of financial position and changes in equity of the Company as of and for the financial year ended 31 December 2025.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the financial statements in accordance with International Standards on Auditing ("ISAs") and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

The engagement partners on the audit resulting in this independent joint auditors' report are Mr. Koh Wee Kwang from Nexia Singapore PAC and Mr. Kenneth Ng Boon Chong from NLA DFK Assurance PAC.

Nexia Singapore PAC

Nexia Singapore PAC
Public Accountants and
Chartered Accountants
Singapore

NLA DFK

NLA DFK Assurance PAC
Public Accountants and
Chartered Accountants
Singapore

Date: 10 September 2026