

SHANGHAI TURBO ENTERPRISES LTD.

(Company Registration No.: CT-151624)

Incorporated in the Cayman Islands

RESPONSE TO SGX QUERIES ON THE COMPANY'S UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 ("FY2023")

Query #1(a)(b)

It is disclosed in query 2 that "The assessment of land use rights as at 31 December 2023 has not commenced yet, and the Company will engage a professional evaluation agency to carry out the assessment and finalize it prior to the completion of the annual audit report for FY2023.

(a) Given that the evaluation results for the financial year ended 31 December 2023 has not commenced, please clarify how the Company has assessed the recoverable value of its land use rights as at 31 December 2023, and its basis of assessment.

(b) Please also provide an indicative timeline for the preparation of the evaluation report to be completed before the release of the FY2023 audited financial statements.

Company's Response to Query #1(a)

The evaluation of land use rights is a highly professional work, and the Company will engage a professional evaluation agency to evaluate. The value of the land use rights as at 31 December, 2023 reported in the unaudited financial statement is based on the results of the evaluation of the land use right value as at 31 December, 2022.

The Company will complete the evaluation of land use rights as at 31 December, 2023 before the completion of the audited financial statements, and will disclose the evaluation results in it.

Company's Response to Query #1(b)

The Company plans to engage an evaluation agency to start by 30 April, 2024, and to complete the evaluation report by 30 June, 2024.

Query #2(a)(b)

It is disclosed in query 3 that "The assessment of property, plant and equipment as at 31 December 2023 has not commenced yet, and the Company will engage a professional evaluation agency to carry out the assessment and finalize it prior to the completion of the annual audit report for FY2023."

(a) Given that the assessment of property, plant and equipment for FY2023 has not commenced, please disclose the methodologies used in its impairment assessment, as well as Board's confirmation as to whether it is satisfied with the reasonableness of the methodologies used as well as the carrying value of its property, plant and equipment.

(b) Please also provide an indicative timeline for the preparation of the evaluation report to be completed before the release of the FY2023 audited financial statements.

Company's Response to Query #2(a)

As the impairment assessment is a professional work, the impairment of property, plant and equipment as at 31 December, 2023 reported in the unaudited financial statements is based on the appraisal results of the related assets as at 31 December, 2022.

The Company will complete the impairment assessment of property, plant and equipment as at 31 December, 2023 before the completion of the audited financial statements, and will disclose the appraisal results in it.

The Board approved the data in report.

Company's Response to Query #2(b)

The Company plans to engage an evaluation agency to start by 30 April, 2024, and to complete the evaluation report by 30 June, 2024.

Query #3

Taking into consideration the Company's responses to query 8, please provide the Board's confirmation on whether the Company is able to operate as a going concern.

Company's Response to Query #3

Currently the Company has a good development trend with sufficient orders, the stable production and operation, the increasing capacity and the stable cash flow, so the Board considers that the Company is fully able to operate as a going concern.

FOO CHEE MENG

Non-Executive Independent Director

18 March 2024