

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

PROPOSED PLACEMENT OF 3,051,527 NEW ORDINARY SHARES (THE "PLACEMENT SHARES") IN THE CAPITAL OF SHANGHAI TURBO ENTERPRISES LTD. AT A PLACEMENT PRICE OF S\$0.423 FOR EACH PLACEMENT SHARE (THE "PROPOSED PLACEMENT")

1. INTRODUCTION

- 1.1. The board of directors ("**Board**" or "**Directors**") of Shanghai Turbo Enterprises Ltd. (the "**Company**", and together with its subsidiaries, collectively the "**Group**") wishes to announce that the Company had on 27 April 2021 entered into a subscription agreement ("**Subscription Agreement**") with Gao Zhong ("**Subscriber**").
- 1.2. Subject to and upon the terms of the Subscription Agreement, the Subscriber has agreed to subscribe and pay for, and the Company have agreed to allot and issue to the Subscriber, an aggregate of 3,051,527 Placement Shares at the price of S\$0.423 for each Placement Share ("**Placement Price**"), amounting to an aggregate consideration of S\$1,290,795.92.
- 1.3. The Placement Shares shall be issued as fully paid and free from all claims, mortgages, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with the existing ordinary shares in the capital of the Company ("**Shares**"), except that, subject to completion of the Proposed Placement ("**Completion**"), the Placement Shares shall rank for, including without limitation, any entitlements, distributions, dividends or rights, the record date in respect of which falls on or after the date of Completion.
- 1.4. As at the date of this announcement, the Company has an issued and paid-up share capital of 27,468,473 Shares. Immediately after Completion and assuming that no further Shares are issued prior thereto, the Company's issued and paid-up share capital will increase to 30,520,000 Shares ("**Enlarged Share Capital**"). The Placement Shares represent approximately 11.11% of the existing issued and paid-up share capital of the Company and will represent approximately 10.00% of the Enlarged Share Capital.
- 1.5. The Company will be making an application to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for approval-in-principle for the listing and quotation of the Placement Shares on the Mainboard of the SGX-ST ("**AIP**"). The Company will make the necessary announcement in due course when the AIP has been obtained from the SGX-ST.
- 1.6. The Proposed Placement will be undertaken pursuant to the private placement exemption under Section 272B of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"). As such, no prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the Proposed Placement. No placement agent has been appointed in respect of the Proposed Placement.

2. AUTHORITY TO ISSUE SHARES

- 2.1. The Placement Shares will be allotted and issued pursuant to the general mandate obtained from shareholders of the Company ("**Shareholders**") at the extraordinary general meeting of the Company held on 31 March 2021 for the issuance of Shares (including the making or granting of offers, agreements or options that might or would require Shares to be issued) (the "**General Mandate**").
- 2.2. Pursuant to the General Mandate, the Directors are authorised to, among other things, allot and issue Shares not exceeding 50.0% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) as at 31 March 2021, after adjusting for (a) new Shares arising from the conversion or exercise of any convertible securities; (b) new

Shares arising from exercising share options or vesting of share awards; and (c) any subsequent bonus issue, consolidation or subdivision of Shares (the "**Base Figure**"), of which the aggregate number of Shares to be issued other than on a pro rata basis to existing Shareholders shall not exceed 20.0% of the Base Figure.

- 2.3. As at 31 March 2021, being the date the General Mandate was approved by Shareholders, the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) was 27,468,473 Shares. As at the date of this announcement, the Company has not issued any new Shares pursuant to the General Mandate. Accordingly, the total number of Shares that may be issued pursuant to the General Mandate is 13,734,236 Shares, of which the maximum number of Shares that may be issued other than on a pro rata basis is 5,493,694 Shares.
- 2.4. The proposed allotment and issuance of 3,051,527 Placement Shares will fall within the maximum number of 5,493,694 Shares that may be issued pursuant to the General Mandate other than on a pro rata basis, and as such, the prior approval of Shareholders is not required for the issuance of the Placement Shares under the Proposed Placement.

3. PRINCIPAL TERMS OF THE PROPOSED PLACEMENT

3.1. Placement Price

The Placement Price of S\$0.423 for each Placement Share represents a discount of approximately 10% to the volume weighted average price of S\$0.47 for trades done on SGX-ST on 27 April 2021, being the full market day on which the Subscription Agreement was signed.

3.2. Conditions precedent to Completion

Pursuant to the terms of the Subscription Agreement, Completion is conditional upon:

- (a) the AIP being obtained and not having been revoked or amended and, where such approval is subject to conditions that are required to be fulfilled on or before the completion date, their being so fulfilled or waived by the SGX-ST; and
- (b) the allotment, issue and subscription of the Placement Shares not being prohibited by the Companies Act (2021) of the Cayman Islands, the memorandum and articles of association of the Company, or any statute, order, rule, regulation or directive promulgated or issued after the date of the Subscription Agreement by any legislative, executive or regulatory body or authority of Singapore or the Cayman Islands which is applicable to the Company or the Subscriber.

4. FURTHER INFORMATION ON THE SUBSCRIBER

- 4.1. The Subscriber is the general manager of Changzhou 3D Technology Complete Set Equipment Co., Ltd, the Company's wholly-owned subsidiary. The Subscriber was appointed to the position on 5 November 2020. As at the date of this announcement, the Subscriber does not hold any Shares.
- 4.2. Prior to approaching the Subscriber, the Company had explored investment opportunities with third party investors. The negotiations with such investors eventually fell through and subsequently, the Company decided to explore opportunities internally for employees who are willing to invest in the Company. Following initial discussions, the Subscriber expressed his interest to invest in the Company through the Proposed Placement as a form of support and, to the best knowledge of the Company, for his own private investment purposes only. The Subscriber has represented and warranted to the Company that he is not subscribing for the Placement Shares under a trust arrangement or as a nominee, or as an agent for or otherwise on behalf of any other person or entity, and is subscribing for the Placement

Shares solely for his own beneficial account and not with a view to another person acquiring an interest (as defined in Section 4(1) of the SFA) in the Placement Shares.

- 4.3. The Subscriber is not a person to whom the Company is prohibited from issuing Shares to, as provided for in Rule 812 of the listing manual of the SGX-ST ("**Listing Manual**"). In addition, the Placement Shares will not be issued to transfer a controlling interest in the Company.
- 4.4. Save as set out above, the Subscriber has no connection with the Company, its Directors and substantial shareholders (including any business relationship) as at the date of this announcement.

5. RATIONALE AND USE OF PROCEEDS

- 5.1. The Directors are of the view that the Proposed Placement is beneficial to the Group as it will increase 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.
- 5.2. The estimated net proceeds from the Proposed Placement (after deducting professional fees and related expenses of approximately S\$55,375 are approximately S\$1,235,420.92 (the "**Net Proceeds**").
- 5.3. The Company intends to utilise the entire amount of the Net Proceeds for general working capital purposes.
- 5.4. The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the Net Proceeds are materially disbursed, including whether the use was in accordance with the stated use and in accordance with the percentage allocated as announced and will provide a status report on the utilisation of such Net Proceeds in its interim and full year financial statements and annual report(s). Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the relevant announcements and annual report(s). Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.
- 5.5. Pending the deployment of the Net Proceeds, such Net Proceeds may be placed as deposits with banks and/or financial institutions or invested in short-term money markets or debt instruments or for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem fit from time to time.

6. CONFIRMATION BY THE BOARD

The Board is of the opinion that, as at the date of this announcement:

- (a) after taking into consideration the Group's present internal resources and present bank facilities available to the Group, the Group has sufficient working capital to meet its present requirements. Notwithstanding the above, the purpose of the Proposed Placement is to raise funds for general working capital purposes, as disclosed in paragraph 5.3 of this announcement; and
- (b) after taking into consideration the Group's present internal resources, the present bank facilities available to the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

7. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

7.1. The financial effects of the Proposed Placement on the Group as set out below are for illustrative purposes only and are not intended to reflect the actual future financial performance or position of the Group immediately after Completion. The financial effects of the Proposed Placement set out below have been prepared based on (i) the Group's audited consolidated financial statements for the financial year ended 31 December 2019 ("FY2019"), being the latest announced consolidated full-year financial statements of the Group; and (ii) the exchange rate of S\$1.00 to RMB4.80 (where applicable).

7.2. Share Capital

The effect of the Proposed Placement on the number of issued shares of the Company is as follows:

	Before the Proposed Placement	After the Proposed Placement
As at 31 December 2019	27,468,473	30,520,000

7.3. Net Tangible Assets ("NTA")

The effects of the Proposed Placement on the consolidated NTA per Share of the Group as at 31 December 2019, assuming that the Proposed Placement had been effected on 31 December 2019, are summarised below:

	Before the Proposed Placement	After the Proposed Placement
Consolidated NTA (RMB '000)	93,836	99,877
Number of Shares	27,468,473	30,520,000
Consolidated NTA per Share (RMB)	3.4161	3.2725

7.4. Earnings per Share ("EPS")

The effects of the Proposed Placement on the consolidated EPS of the Group for FY2019, assuming that the Proposed Placement had been effected at the beginning of the financial year, are summarised below:

	Before the Proposed Placement	After the Proposed Placement
Loss attributable to equity holders of the Company (RMB'000)	67,214	61,173
Weighted average number of Shares	27,468,473	30,520,000
Consolidated EPS (RMB cents)	-244.70	-200.44

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors nor (in so far as the Directors are aware) any substantial shareholder of the Company or their respective

associates (a) has any interest, whether direct or indirect, in the Proposed Placement, other than through their respective shareholdings in the Company, if any; and (b) has any connection (including business relationship) with the Subscriber.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Subscription Agreement is available for inspection 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 (with prior appointment) during normal business hours for a period of three (3) months from the date of this announcement.

10. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. There is no certainty or assurance that the Proposed Placement will be completed. The Company will make the necessary announcements, in compliance with the requirements of the Listing Manual, as and when there are material developments in respect of the Proposed Placement and other matters contemplated in this announcement. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubt about the actions they should take.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company 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 Proposed Placement, the Company and its subsidiaries, and the Directors of the Company 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 of the Company has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

BY ORDER OF THE BOARD

Hong Yong
Non-Executive Chairman and Lead Independent Director
27 April 2021