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

RESPONSES TO SGX QUERIES

The Board of Directors (the "Board") of Shanghai Turbo Enterprises Ltd. (the "Company") wishes to announce the following Company's responses to the queries raised by The Singapore Exchange Securities Trading Limited ("SGX-ST"):

SGX-ST's Question 1:

Please disclose the date of submission of the written resignation report of the Finance Director of the Company.

Company's Response：

The Company received the written resignation report from Ms. Leow Siew Phaik on 1 September 2022.

SGX-ST's Question 2:

It is stated in the Announcement that, "the Company has taken proper actions to accomplish the handover as soon as possible". Please elaborate on the actions taken to accomplish the handover, including the status of handover by the Finance Director.

Company's Response

The CZ3D finance department that worked closely with Ms. Leow during her tenure has assumed all the financial functions of Ms. Leow under the close supervision of Shanghai Turbo's Board of Directors and Audit Committee.

SGX-ST's Question 3:

Please re-announce the Resignation of Finance Director, using appendix 7.4.2 Announcement of Cessation.

Company's Response

The Company had re-announce the Resignation of Finance Director, using appendix 7.4.2 Announcement of Cessation at 5:33pm on September 20th, 2022.

SGX-ST's Question 4:

It is disclosed in the 7 July Announcement that, "The Letter had requested for a sum of RMB704,362 (being outstanding director's fees for the financial year 2020) ("Outstanding Amount") due to them relating to the professional services rendered for the financial year ended 31 December 2020 since they were appointed as the directors of the Company during the annual general meeting held on 30 April 2019."

Please provide the background on the non-payment of fees to the Ex-Directors.

Company's Response

The 2019 annual report shows annual sales of RMB 14.4 million, sales expenses of RMB 5.88 million and general administrative expenses of RMB 32.24 million. As a result, the company suffered a loss of RMB 55.57 million in 2019 that trigger sharp deterioration of the company's financial figures.

The 2020 annual report shows first quarter sales of RMB 2.27 million and sales administrative expenses of RMB 7.33 million resulting in a loss of RMB 10.35 for the first quarter – the financial figures showed no sign of improvement.

From the above data generated during the tenure of the previous Board Of Directors, it was clear that the company's production and operation conditions was deteriorating continuously while production and sales were basically stagnant. Worst of all the management expenses were totally out of control. The Board Of Directors failed it's mandates in governing the company's operation and management. Based on the above, vast majority of shareholders at the AGM voted against paying the director fee to the previous Board Of Directors.

SGX-ST's Question 5:

It is disclosed in the 7 July Announcement that, "The Company is unable to pay RMB704,362 to RSS by 5:00 p.m. on 11 July 2022 as the directors need to respect the decisions of the shareholders' resolutions for the meetings held on 30 June 2020, 31 March 2021 and 30 August 2021."

Please disclose the percentage of votes against the respective resolutions and the reasons for shareholders voting against the resolutions, if any.

Company's Response

Shanghai Turbo held three shareholders' meetings on 30 June 2020, 31 March 2021, and 30 August 2021 respectively. The results of the three voting are as follows:

10. **DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2020 – ORDINARY RESOLUTION 10**

Ordinary Resolution 10 was to seek shareholders' approvals for the payment of Directors' Fees for the financial year ending 31 December 2020.

Chairman read out the results of the poll as follows:

	Number of Shares	Percentage (%)
For	10,764,540	45.32
Against	12,987,800	54.68
Total Number of Valid Shares Cast	23,752,340	100.00

It was noted that 54.68% of the votes voted AGAINST the resolution.

The Chairman declared Ordinary Resolution 10 NOT CARRIED.

3. **DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 – ORDINARY RESOLUTION 3**

Ordinary Resolution 3 was to seek shareholders' approvals for the payment of Directors' Fees of RMB1,950,000 for the financial year ended 31 December 2020.

Chairman read out the results of the poll as follows:

	Number of Shares	Percentage (%)
For	10,764,540	45.12
Against	13,091,400	54.88
Total Number of Valid Shares Cast	23,855,940	100.00

6. **DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 – ORDINARY RESOLUTION 6**

Ordinary Resolution 6 was to seek shareholders' approvals for the payment of Directors' Fees of RMB1.95 million for the financial year ended 31 December 2020.

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Chairman read out the results of the poll as follows:

	Number of Shares	Percentage (%)
For	200	0.00
Against	16,141,227	100.00
Total Number of Valid Shares Cast	16,141,427	100.00

It was noted that 100.00% of the votes voted AGAINST the resolution.

The Chairman declared Ordinary Resolution 6 NOT CARRIED.

The board of directors fully respects the decision of all shareholders at the general meeting. (For the same reasons as above).

SGX-ST's Question 6:

Please clarify if the Remuneration Committee has reviewed the basis for the non-payment of fees to the Ex-Directors and whether it is satisfied with the basis for the non-payment, including its assessment on the merits of not paying the director fees.

Company's Response

The remuneration committee also tried to communicate with shareholders through the board of directors about not paying the former directors' fees for 2020. The shareholders clearly stated that the reasons for non-payment were: while the former board of directors was in office, the company's production and operation conditions continued to deteriorate, production and sales were basically stagnant, and other incidents occurred. High management costs. The board of directors has not played its due role in the operation and management of the company.

Based on the above, the Board of Directors and the Compensation Committee fully support the shareholders' decision.

BY ORDER OF THE BOARD
SHANGHAI TURBO ENTERPRISES LTD.

HONG YONG
Non-Executive Chairman & Lead Independent Director

23 September 2022