

SHANGHAI TURBO ENTERPRISES LTD.

(Company Registration No.: CT-151624)

Incorporated in the Cayman Islands

RESPONSE TO SGX QUERIES ON THE COMPANY'S AUDITOR'S OPINION ON THE FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (FY2023)

Query

It is disclosed in the Announcement that "Notwithstanding the Auditor's disclaimer of opinion regarding the Group's ability to continue as a going concern, the management is of the view that the use of going concern basis is appropriate and there is no material uncertainty exists based on the following facts and as disclosed in Note 2.2 to the Audited Financial Statements".

Please disclose the following:-

- a) the Board of Directors' opinion as to whether trading of the Company's shares should be suspended pursuant to Listing Rule 1303(3); and
- b) the Board of Directors' confirmation as to whether sufficient information has been disclosed to enable trading of the Company's shares to continue in an orderly manner; and the bases for its views..

Company's Response to Query

1. 审计师意见的客观性

审计师在其报告中指出“未对集团持续经营能力发表意见”，此系基于审计准则要求的审慎性原则。该表述反映审计师需更多时间验证公司应对未来不确定性的措施，并非否定公司持续经营能力。

Objectivity of the Auditor's Opinion

The auditor stated in its report that it "did not express an opinion on the Group's ability to continue as a going concern." This conclusion is based on the principle of prudence required by auditing standards. The statement reflects the auditor's need for additional time to verify the Company's measures addressing future uncertainties, and does not constitute a denial of the Group's going concern ability.

2. 管理层判断的合理性 董事会经审慎评估，确认无需申请停牌，理由如下：

《上市规则》第 1303(3)条适用于存在重大不确定性且可能严重损害持续经营能力的情形。而本公司：

- 审计师未发表意见所涉的 2023 年度财务数据具有历史性，且公司已在财务报表附注 2.2 中披露充分保障措施，实质消除持续经营的不确定性；

- 2025 年 2 月 20 日公告的 2024 年度未经审计财务报告（公告编号：[SG250220OTHR6CQA]）显示营收同比增长 4%；表明公司持续经营能力未受实质性影响。

Rationality of Management's Judgment

Following prudent evaluation, *the Board of Directors confirms that there is no need to apply for a trading halt*, based on the following reasons:

- Rule 1303(3) of the Listing Rules applies to circumstances involving material uncertainties that may significantly impair the ability to continue as a going concern. However, in the Company's case:

- The 2023 financial data referenced in the auditor's non-opinion is historical in nature. The Company has disclosed sufficient safeguard measures in Note 2.2 of the financial statements that substantially eliminate going concern uncertainties;

- The 2024 Annual Unaudited Financial Report (Announcement No.: [SG250220OTHR6CQA]) released on February 20, 2025, has reported 4% year-on-year revenue growth, demonstrating that the Company's going concern ability remains unimpaired.

3. 增强市场信心的配套措施

为消除市场疑虑，董事会将推进以下安排：

- 2023 年度股东大会：于 2025 年 8 月中下旬正式发布；
- 与股东大会当日同时召开专项信息说明会
 - 议程：
 - 详解持续经营保障措施；
 - 展示 2024 年度、2025 年一季度核心经营数据及现金流改善实证；
 - 开放股东问答，管理层现场回应股东质疑，就业务前景进行深度沟通。

Measures to Enhance Market Confidence

To address market concerns, the Board will advance the following arrangements:

- 2023 Annual General Meeting (AGM): To be held in mid-to-late August 2025;
- Special Information Briefing: To be convened on the same day as the AGM.

Agenda:

- Detailed explanation of going concern safeguard measures;
- Presentation of core operational data and evidence of cash flow improvements for 2024 and Q1 2025;
- Open Q&A session for shareholders, with on-site responses by management to address inquiries and facilitate in-depth communication on business prospects.

Zhang Wenjun

Non-Executive chairman and Lead Independent Director

18 July 2025