

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

**RESPONSES TO SGX QUERIES ON THE COMPANY'S AUDITOR ISSUED A
DISCLAIMER OF OPINION OVER THE COMPANY'S USE OF THE GOING
CONCERN ASSUMPTION FOR THE FINANCIAL YEAR 2022 ANNUAL REPORT**

Query a:

The Board of Directors' assessment of the Group's ability to continue operating as a going concern and the bases for the said assessment.

Company's Response to Query a:

(1) The Company has high-quality customer resources both at home and abroad, it has sufficient orders in hand and stable production conditions currently. And its sales are growing steadily, accounts receivable can be collected in time, so it has a continuous and stable cash flow income.

(2) The Company's liabilities are mainly short-term loans from banks and accounts payable from suppliers.

At present, the Company's assets are all in good condition, it has good credit and has never been late in repayment of loans. Meanwhile, the Chinese government also requires banks and other financial institutions to increase support for manufacturing enterprises in terms of loan quotas and interest rates, so the Company does not have the risk of repayment of short-term loans.

The Company's purchase cost increased as the sales increased, so the account payable also increased. But with the reasonable payment terms, the company always pay the suppliers on time, there's no legal proceeding occurred due to default on paying suppliers in recent years.

(3) Cash and Bankable bills on the Company's books have been stable for a long time at more than 10 million CNY. Meanwhile, the receivables collection is stable monthly, so the company has a safe cash flow guarantee.

(4) Based on the above key financial indicators, the Board believes that the Group is fully capable of operating as a going concern.

Query b:

The Board of Directors' opinion as to whether trading of the Company's shares should be suspended pursuant to Listing Rule 1303(3).

Company's Response to Query b:

Based on the assessment of the Company's financial position in question (a), the Board of Directors considers that there is no uncertainty in the Company's operating and financial position and therefore there is no need to suspend trading in the shares.

Query c:

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 c:

Based on the financial position of the Company as described in question (a), the Board has confirmed the required information for disclosure.

BY ORDER OF THE BOARD

Zhang Wenjun
Non-Executive Non-Independent Director
12 December 2023