



(Incorporated in the Cayman Islands on July 14, 2005)
Company Registration No.:CT-151624

RESPONSE TO SGX-ST QUERIES ON THE SHANGHAI TURBO ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The Board of Directors of Shanghai Turbo Enterprises Ltd. (the "Company") refers to the queries raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") on 28 April 2014 regarding the Company's annual report for the financial year ended 31 December 2013 (the "Annual Report") and wishes to clarify as follows:-

Query 1

Principle 9.2 of the Code of Corporate Governance 2012 states that the company should fully disclose the remuneration of each individual director and the CEO on a named basis and the company may round off the disclosed figures to the nearest thousand dollars. On page 17 of the Company's Annual Report, we note that the Company has disclosed the names and remuneration of the individual director and the CEO in bands of S\$250,000 but not fully disclose the remuneration of each individual director and the CEO. In this respect, please disclose or explain the reason(s) for the deviation from the code as required under Rule 1207(12) of the Listing Manual.

Company's response

The Company refers to SGX-ST's query above and to pages 16 and 17 of the Company's Annual Report for the financial year ended 31 December 2013.

Due to competitive reasons and confidentiality of remuneration matters, the Company is of the view that disclosure of the remuneration of each Director and the CEO, in the bands of S\$250,000 would be more appropriate.

Query 2

Principle 11.3 of the Code of Corporate Governance 2012 states that the Board should comment in the company's Annual Report on whether it has received assurance from the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and regarding the effectiveness of the company's risk management and internal control systems. On page 18 of the Company's Annual Report, we note that there was no commentary on whether there was any assurance from the CEO and the CFO. In this respect, please disclose or explain the reason(s) for the deviation from the code.

Company's response

The Board has received assurance from the CEO and the Financial Controller that the Company's risk management and internal control systems in place are adequate and effective in addressing the material risks and also that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances.



Shanghai Turbo

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BY ORDER OF THE BOARD

Liu Ming
Chairman and CEO

5 May 2014