



Shanghai Turbo Enterprises Ltd.

c/o Changzhou 3D Technological Complete Set Equipment Co. Ltd.

No. 9, Yinghua Road, Zhonglou Economic Development Zone,
Changzhou City, Jiangsu Province, The People's Republic of China,

SHANGHAI TURBO ENTERPRISES LTD.

(Company Registration No.: CT-151624)

Incorporated in the Cayman Islands

Legal Suit against Mr Liu Ming and 6 other defendants by Changzhou 3D Technological Complete Set Equipment Company Limited (CZ3D) since August 2017

31 December 2019 – The Board of Directors (the “Board”) of Shanghai Turbo Enterprises Ltd (the “Company”, and together with its subsidiaries, “the Group”) wishes to update the shareholders about the legal case in China.

The Board wishes to announce that apart from the legal suit in Singapore, CZ3D had instituted its own legal action in China in August 2017 against Mr Liu Ming, Ms Huang Xia, Mr Shen Liangda, Mr Ying Baoneng, Mr Liu Ning, Ms Pan Haiya and Mr Chen Jianbo in relation to the handover dispute of the CZ3D’s factory from 15 April 2017 to 19 September 2017. Save for Mr Chen, the six defendants were CZ3D ex-employees. The case was filed in the Zhonglou District People’s Court in Changzhou.

CZ3D sued the 7 defendants for civil trespass, on a joint and several liabilities basis, for the period from 15 April 2017 to 19 September 2017 claiming the following damages:-

- 1) Wages of CZ3D’s workers amounting to RMB 7,715,444.15;
- 2) Consequential profits (estimated up to 15 September 2017) amounting to RMB 12,750,000.00;
- 3) Security guard fees amounting to RMB 2,388,875.00 from 15 April 2017 to 15 September 2017;
- 4) Temporary offsite office rental for employees amounting to RMB 128,376.00;
- 5) Return of vehicle, Land Rover SUV, licence plate 苏 D98915 by Mr Liu Ming; and
- 6) Court costs for legal suit amounting to RMB 156,421.00.

Since August 2017, Zhonglou District People’s Court conducted 4 hearing sessions in 2018 and one hearing session in 2019, on 13 November 2019. As the legal case has dragged on for more than 2 years without any judgment, an unusual long delay as we understand it, the Board has since May 2019 been pressing CZ3D’s management and its legal advisors for expeditious court judgment

Separately, on 10 April 2019, the Police Bureau, a Branch of the Zhonglou District People’s Court conducted a review and certified that the current civil trespass action against the 7 defendants does not constitute or amount to any criminal acts by the 7 defendants.



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On 4 September 2019, the Zhonglou District People's Court organized a meeting to seek a mediation settlement between CZ3D as plaintiff and the 7 defendants. However, due to the short notice given, both sides came unprepared and this meeting did not produce any tangible result.

On 6 September 2019, vehicle Land Rover, licence plate 苏 D98915 was returned to the CZ3D premises.

On 17 December 2019, the Zhonglou District People's Court delivered a 46-page judgment. It was found that Mr Liu Ming, Ms Huang Xia, Mr Shen Liangda and Mr Ying Baoneng were liable to compensate CZ3D for the following claims: (i) temporary offsite office rental amounting to RMB 72,300; (ii) CZ3D security guard fee amounting to RMB 432, 000; and (iii) Court costs amounting to RMB 8,843.

The claims for workers' wages and profits were not allowed. The claims against Ms Pan Haiya, Mr Liu Ning and Mr Chen Jianbo were dismissed.

Of the RMB 23,139,116.15 claimed as compensation against 7 defendants, CZ3D is adjudged aggregate compensation of RMB 504,300, jointly and severally, by Mr Liu Ming, Ms Huang Xia, Mr Ying Baoneng and Mr Shen Liangda. For Court cost, CZ3D has to pay for RMB 147,578 versus RMB 8,843 to be paid by the 4 defendants. CZ3D has to date spent about RMB 1.03 million of legal expenses.

Having considered the Zhonglou District Court decision together with its advisors, CZ3D's Board has decided to accept the Zhonglou District Court decision. The Board supports CZ3D's decision based on economic reasons, continued impact to the business caused by prolonged litigation and uncertain judicial outcome in an appeal.

Parties have up to 15 days from the judgment date of 17 December 2019 to lodge their appeal(s), if any, and within 10 days thereon to pay up the compensation in accordance with the Court judgment.

At the end of the 15-day period from 17 December 2019, Legal advisor informs CZ3D's management that he has received no news from the Court if Mr Liu Ming, Ms Huang Xia, Mr Ying Baoneng and Mr Shen Liangda, individually or as a group, have filed appeal against the Court judgement. The Board has instructed CZ3D's management and its legal advisor to continue monitoring Court advice regarding any appeal and the appropriate time in enforcing the award of compensation in its favour. The Board will update shareholders of the progress in relation to the Chinese court judgment.

By Order of the Board

Shanghai Turbo Enterprises Limited

Huang Wooi Teik

Non-Executive Chairman and Lead Independent Director

Date: 31 December 2019