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Issuer: Shanghai Turbo Enterprises Ltd.

Stock code: AWM

Meeting details:

Date: 29 August 2025

Time: 10.00 a.m.

Venue: Singapore Zen Cultural Centre @ Orchid Country Club, 1 Orchid Club Road, #01-33B,
Social Recreation Clubhouse, Singapore 769162

Q1. For the financial year ended 31 December 2023, the group recorded revenue of RMB 78.99 million, an increase of 23.6%. The group reported a profit of RMB 7.15 million, but this was largely due to a RMB 5.26 million reversal of impairment loss and a RMB 3.75 million one-off gain from recovery of misappropriated funds from former key management personnel. Excluding these, the group would have recorded an operating loss of RMB (1.86) million.

- (i) **For shareholders' better understanding, can management elaborate on the key drivers of the recurring operating losses despite revenue growth to nearly RMB 80 million?**
- (ii) **What was the utilisation rate of the group's manufacturing facilities during the year, and how does this compare with optimal capacity?**
- (iii) **Can management clarify whether the group's products and services align with China's environmental and sustainability priorities? How is Changzhou3D Technological Complete Set Equipment Co., Ltd (CZ3D) positioned competitively in this space?**
- (iv) **The group has announced plans to invest RMB 167 million in a new project in Deyang, Sichuan Province. What financial, operational and regulatory risks has the board identified in relation to this expansion, especially given the group's historical operating track record?**

The company announced its unaudited FY2024 results on 20 February 2025, reporting a net loss of RMB (6.2) million. For the 6 months ended 30 June 2025, a further loss of RMB (1.73) million (unaudited) was recognised.

- (v) **When will the audited FY2024 results be released and when does the board expect to convene the FY2024 annual general meeting?**

Q2. The independent auditors have issued a disclaimer of opinion on the financial statements for the financial year ended 31 December 2023. The basis for disclaimer of relates to three key issues: (1) trade receivable balance and revenue; (2) use of going concern basis; and (3) impairment assessment of the investment in a subsidiary.

In particular, the auditors highlighted the following:

... sales to Customer A accounted for 77% of the group's revenue for the financial year ended 31 December 2023. We have obtained written reply from Customer A which confirms materially different balances as at 31 December 2023 and 31 December 2022 from the group's recorded balances. As [at] the date of this report, management was unable to reconcile the customer's confirmed balances against the recorded balances for both years.

- (i) **Can the audit committee (AC) explain how it supported the independent auditors during the audit process? How does the AC explain the material discrepancy between the customer's confirmed balances and the company's records, and what are the plausible explanations?**
- (ii) **Are the customer's confirmed balances materially higher or lower than the numbers presented in the annual report?**
- (iii) **Given the disclaimer of opinion, how does the audit committee expect shareholders and other stakeholders to have confidence in the integrity of the financial statements?**
- (iv) **Can the AC confirm whether Changzhou Xinhuarui United Certified Public Accountants act as the statutory auditors of CZ3D (the group's main operating subsidiary in the PRC) and also serve as group's internal auditors? Is this practice aligned with global standards for audit and internal audit, and does their dual role pose a real risk of conflict?**
- (v) **What reasons did Crowe Horwath First Trust LLP provide to the AC for not seeking re-appointment, especially since they were only appointed on 16 December 2024?**

Q3. Mr Tan Juay Kiat was appointed as a director of the company on 1 June 2024. The director's biography is set out on page 10 of the annual report, and further information on the director relating to his re-election can be found on pages 35 to 40.

The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)

The Board of Directors of the Company (the "Board"), having considered the recommendations of the Nominating Committee, and having assessed Mr Tan Juay Kiat ("Mr Tan")'s qualifications, experience and suitability, is of the view that he has the requisite experience and capabilities to assume the duties and responsibilities as Non-Executive Independent Director of the Company and a member of the Audit Committee.

The Board considers Mr Tan to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.

(Source: <https://links.sgx.com/1.0.0/corporate-announcements/Q3WNLJ5ANWUJ81B1/3d74fcc912fad1131ff0acd2685b5fad20d557681aacdac775bf901d55b0b91a>)

- (i) **Can the board provide greater clarity on the rationale, selection criteria and search and nomination process that led to the appointment of the new independent director, as required under the SGX appointment announcement template?**
- (ii) **Given that Mr Tan Juay Kiat previously served as managing director and legal representative of CZ3D in 2020/2021, how does the board assess whether his independence could be impaired, or be seen to be impaired, in substance or perception?**
- (iii) **As a first time director, how does Mr Tan Juay Kiat intend to strengthen board effectiveness, particularly in light of the group's recurring losses, the auditors' highlighting of material uncertainty on going concern, and the company's net liability position of RMB (23.6) million?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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