

GENERAL ANNOUNCEMENT::UPDATE ON USE OF NET PROCEEDS FROM PLACEMENT

Issuer & Securities

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SHANGHAI TURBO ENTERPRISES LTD

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Submitted By (Co./ Ind. Name)

Hong Yong

Designation

Non-Executive Chairman & Lead Independent Director

Description (Please provide a detailed description of the event in the box below)

Please see attached.

Attachments

[STE - UPDATE ON USE OF NET PROCEEDS FROM PLACEMENT.pdf](#)

Total size =134K MB

SHANGHAI TURBO ENTERPRISES LTD.

(Company Registration No.: CT-151624)

Incorporated in the Cayman Islands

UPDATE ON USE OF NET PROCEEDS FROM PLACEMENT

The Board of Directors (the “Board”) of Shanghai Turbo Enterprises Ltd. (the “Company”) refers to the net proceeds of approximately S\$1,235,420.92 raised from the Placement of 3,051,527 new ordinary shares at S\$0.423 each in the issued and paid-up share capital of the Company on 24 May 2021 (the “Net Proceeds”) and wishes to provide an update on the use of Net Proceeds as follows:

Description	SGD	RMB	HKD
Net Proceeds as at 25 May 2021	1,235,420.92	*5,968,194.92	*7,224,741.54
Working Capital Required	#1,206,703.83	5,653,548.80	6,903,340.00
Balance of Net Proceeds as at 30 June 2021	28,717.09	314,646.12.54	321,401.54

Notes :

* The calculation is based on the Monetary Authority of Singapore’s (“MAS”) exchange rates as at 25 May 2021 with SGD1 = RMB4,8309 and SGD1 = HKD5.848.

The amount is extracted from the bank debit advice as at 25 June 2021.

The balance of the Net Proceeds is placed in the escrow account maintained with The United Overseas Bank in Singapore.

THE PLACEMENT

On 24 May 2021, the Company issued 3,051,527 new ordinary shares via share placement to one investor at an issue price of SGD0.423 per share, raising gross proceeds of approximately SGD1,290,795.92 (“the Placement”). The estimated Net Proceeds from the Placement (after deducting professional fees and related expenses of approximately S\$55,375) are approximately S\$1,235,420.92.

The Board of Changzhou 3D Technological Complete Set Equipment Co., Ltd (“CZ3D”) has requested the Company to raise working capital for its daily operation amounting to RMB5,653,548.80 with the purpose of repayment of trade payables and procurement of machinery on 18 June 2021.

The Board of CZ3D has further commented that such working capital should be deposited to CZ3D through increasing of share capital by its foreign investor, Best Success (Hong Kong) Limited (“BS”). BS is holding 100% shareholdings of CZ3D and it is a company incorporated in Hong Kong.

On 31 May 2021, the Board of BS held a Board Meeting and a Board Minutes were recorded. 2 members of the Board of BS were present at the Board Meeting and 1 member was absent on 31 May 2021. The Board Minutes dated 31 May 2021 were notarized through the lawyer of Hong Kong, Liang Jin Ming, on 16 June 2021 and validated by The Ministry of Justice of the People's Republic of China entrusted Hong Kong lawyers with notarized documents used in the Mainland, China Legal Services (Hong Kong) Co., Ltd., Shenzhen No. 32951 《中华人民共和国司法部委托香港律师办理内地使用的公证文书，中国法律服务（香港）有限公司，深办第32951号》 dated 17 June 2021.

On 18 June 2021, the Board of CZ3D held a Board Meeting and 2 Board Resolutions were signed by 2 out of 3 members of the Board of CZ3D. One resolution agreed that BS will increase the share capital of RMB5,653,548.80 of CZ3D and CZ3D will use the share capital of RMB5,653,548.80 to make the repayment to trade payables accounts as well as procurement of machineries.

On 25 June 2021, after reviewing the Board Resolutions of CZ3D, Board Minutes of BS and Notarized Documents of BS, the Board of the Company, 3 out of 4 have agreed to transfer the money of HKD6,903,340 equivalent to RMB5,653,548.80 to BS. The Board of the Company has agreed to use the Net Proceeds of HKD6,903,340 equivalent to RMB5,653,548.80 to increase the share capital of BS. Then, when BS received the Net Proceeds of HKD6,903,340, BS will transfer the sum to the bank account of CZ3D to increase the share capital of CZ3D to RMB5,653,548.80. Thereafter, CZ3D will use the money to pay the trade payables accounts and procurement of machineries.

RATIONALE AND USE OF NET PROCEEDS

The Board of the Company is of the view that the Placement is beneficial to the Group as it has increased the resources and working capital available to the Company so as to pursue acquisition and/or business opportunities and improve cash flow, as part of management's strategy to achieve long-term growth and deliver shareholder value.

The estimated Net Proceeds from the Placement (after deducting professional fees and related expenses of approximately S\$55,375) are approximately S\$1,235,420.92 (the "Net Proceeds").

The Company intends to utilize the entire amount of the Net Proceeds for general working capital purposes to be used by the Company and CZ3D.

The Company has utilized the Net Proceeds through injection of share capital of HKD6,903,340 (RMB5,653,548.80) from the Company to BS. Then, BS will further inject the share capital of RMB5,653,548.80 to CZ3D. Under China's Banking Rule and Regulations, as the Company does not have any direct relationship with CZ3D, the Net Proceeds cannot be directly transferred from the Company to CZ3D. Therefore, the Net Proceeds must be channelled through BS. Thereafter, BS can then transfer it to CZ3D. CZ3D must lodge a report with Changzhou Municipal Bureau of Industry and Commerce (常州市工商局) and CZ3D has to open a foreign investor injection fund bank account to receive the Net Proceeds amount of RMB5,653,548.80 from BS.

The Company will comply with the rules and regulations of Cayman Islands, Singapore, Hong Kong and China on the utilization of the Net Proceeds.

The above utilization is in line with the intended uses of the Net Proceeds stated in the Company's announcement released on 27 April 2021.

BY ORDER OF THE BOARD SHANGHAI TURBO ENTERPRISES LTD.

Hong Yong
Non-Executive Chairman and Lead Independent Director
25 June 2021