



Shanghai Turbo continues to face challenging conditions

Y/E 31 Dec (RMB million)	1Q2017	1Q2016	Change %
Revenue	14.6	22.8	(36)
Cost of sales	(11.1)	(16.8)	(34)
Gross Profit	3.5	6.1	(43)
Other income	0.2	0.3	(36)
Other operating income	0.1	0.1	7
Selling and distribution expenses	(0.7)	(0.8)	(19)
Administrative expenses	(2.6)	(5.0)	(47)
Finance costs	(0.1)	-	NM
Profit before income tax	0.4	0.7	(43)
Income tax	-	(0.1)	NM
Net profit after tax	0.4	0.6	(32)
EPS* (RMB cents)	1.43	2.10	
NAV per share*(RMB)	11.74	11.91	

* Based on average weighted number of 27,468,476 ordinary shares for the period ended 31 March 2017 (31 March 2016: 27,468,476 shares)

12 May 2017 - SGX Mainboard-listed **Shanghai Turbo Enterprises Ltd.** (“Shanghai Turbo”, and together with its subsidiaries, the “Group”) 上海动力发展有限公司, a leading manufacturer of precision vane products for steam turbine power generators in China, eked out a small net profit of RMB 0.4 million for the three months ended 31 March 2017 (“1Q2017”), with revenue and margins both affected by highly challenging market conditions.

1Q2016 Financial Performance

Group revenue declined by 36% compared to the previous year (“1Q2016”), reflecting a decrease in both domestic and overseas orders in this quarter. Overseas orders amounted to RMB 2.6 million in 1Q2017, compared to RMB 8.9 million in 1Q2016.

Gross profit margin was 23.8% in 1Q2017, compared to 26.6% in 1Q2016, as continued pricing pressure in the market resulted in the Group taking in more orders with lower margins.

Administrative expenses decreased by RMB 2.4 million, mainly due to a partial reversal in deferred tax expenses.

Financial Position

The Group's trade receivables amounted to RMB 148.1 million as at 31 March 2017, a decrease of RMB 16.0 million compared to the end of FY2016. This cash inflow was balanced out by the settlement of trade and other payables and accruals, which were reduced by RMB 16.8 million over the same period. The Group had cash and cash equivalents of RMB 48.9 million as at 31 March 2017.

Outlook

The Group will continue to vigorously pursue business opportunities, but the operating environment is expected to remain highly challenging, particularly in the domestic market where government policy is moving strongly towards clean energy generation.

About Shanghai Turbo Enterprises Limited (Bloomberg: SHTE SP; Reuters: SHTU.SI)

Shanghai Turbo is a precision engineering group that specialises in the production of precision vane products, namely stationary vanes, moving vanes and nozzles. These vanes are the key components of steam turbine generators used for power generation in power plants, power stations and/or substations. They are also essential components mounted onto steam turbine generators to maximise the efficiency of steam flow in the generation of electricity.

Founded in 1997, Shanghai Turbo is based in Changzhou City, Jiangsu, China. Its manufacturing facilities are equipped with the latest advanced precision engineering machinery from Japan, Switzerland, Germany, Italy, and Korea. Shanghai Turbo is capable of providing a complete set of vane products for steam turbine power generators each with a generating capacity of up to 600 MW of electricity. For single products, Shanghai Turbo is capable of producing for steam turbine generators with generating capacity of up to 1,000 MW of electricity.

Shanghai Turbo was listed on the Singapore Exchange on 16 January 2006. For more information, please visit <http://www.shanghaiturbo.com>.

Invitation to Shareholders

Shanghai Turbo invites any shareholders travelling around Shanghai or Changzhou to visit our factory premises in Changzhou, Jiangsu Province, China. Please visit our website for the contact information and more details on how to get there from Shanghai.

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