



PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

The directors are pleased to announce the results for the third quarter from 1 July 2015 to 30 September 2015 ("3Q15") and the results for the nine months from 1 January 2015 to 30 September 2015 ("9M15"). The comparatives are for the third quarter from 1 July 2014 to 30 September 2014 ("3Q14") and the nine months from 1 January 2014 to 30 September 2014 ("9M14"). These figures have not been audited.

- 1(a) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Group					
	1.1.2015 to 30.9.2015	1.1.2014 to 30.9.2014	Change	1.7.2015 to 30.9.2015	1.7.2014 to 30.9.2014	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Turnover	434,878	649,928	(33.1%)	129,685	182,376	(28.9%)
Cost of sales	(298,618)	(449,585)	(33.6%)	(90,792)	(126,277)	(28.1%)
Gross profit	136,260	200,343	(32.0%)	38,893	56,099	(30.7%)
Gross profit margin (%)	31.3%	30.8%	0.5%	30.0%	30.8%	(0.8%)
Other income	10,469	5,920	76.8%	4,366	1,672	161.1%
Distribution and selling expenses	(38,088)	(44,345)	(14.1%)	(14,306)	(12,742)	12.3%
Administrative expenses	(45,819)	(55,901)	(18.0%)	(14,980)	(18,756)	(20.1%)
Other operating expenses, net	(6,296)	(7,642)	(17.6%)	(2,553)	(543)	370.2%
Finance expenses	(12,034)	(3,772)	219.0%	(3,397)	(1,251)	171.5%
Profit before tax	44,492	94,603	(53.0%)	8,023	24,479	(67.2%)
Income tax expense	(12,029)	(19,569)	(38.5%)	(1,000)	(4,966)	(79.9%)
Profit for the period	32,463	75,034	(56.7%)	7,023	19,513	(64.0%)
Net Profit margin (%)	7.5%	11.5%	(4.0%)	5.4%	10.7%	(5.3%)
Profit attributable to:						
Equity holders of the company	32,463	75,034	(56.7%)	7,023	19,513	(64.0%)



Consolidated Statement of Profit or Loss and Other Comprehensive Income (cont'd)

	Group					
	1.1.2015 to 30.9.2015	1.1.2014 to 30.9.2014	Change	1.7.2015 to 30.9.2015	1.7.2014 to 30.9.2014	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Profit for the period	32,463	75,034	(56.7%)	7,023	19,513	(64.0%)
<i>Other comprehensive income:</i>						
Items that are or may be subsequently classified to profit and loss:						
Currency translation differences arising on consolidation	889	574	54.9%	145	(24)	704.2%
Total comprehensive income for the period	<u>33,352</u>	<u>75,608</u>	<u>(55.9%)</u>	<u>7,168</u>	<u>19,489</u>	<u>(63.2%)</u>
Total comprehensive income attributable to:						
Equity holders of the company	<u>33,352</u>	<u>75,608</u>	<u>(55.9%)</u>	<u>7,168</u>	<u>19,489</u>	<u>(63.2%)</u>

Explanatory Notes

On 12 April 2006, the Company was converted to a public limited company. The Company was admitted to the Official List of the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 27 April 2006. World Precise Machinery (China) Co., Ltd. ("WPMC"), World Heavy Machine Tools (China) Co., Ltd. ("WHMT"), World CNC Machine Tool (Jiangsu) Co., Ltd. ("WCNC"), World Precise Machinery Marketing Company ("WPMM"), World Precise Machinery (Shenyang) Co., Ltd. ("WPMS") and World Precise Machinery Parts (Jiangsu) Co., Ltd. ("WPMP") which are incorporated in the People's Republic of China ("PRC"), are wholly-owned subsidiaries of the Company.

(B) Profit Before Tax

This is determined after charging/ (crediting) the following:

	Group			
	1.1.2015 to 30.9.2015	1.1.2014 to 30.9.2014	1.7.2015 to 30.9.2015	1.7.2014 to 30.9.2014
	RMB '000	RMB '000	RMB '000	RMB '000
Allowance for doubtful debts (trade)	3,032	4,201	1,920	-
Amortisation of land use rights	2,535	2,038	759	751
Amortisation of intangible assets	4,338	897	1,541	299
Bad debts written off (trade)	1,716	2,167	389	131
Depreciation of property, plant and equipment	42,361	39,341	14,147	14,030
Interest expenses on bank loans	11,594	6,572	3,077	4,236
Interest income on bank balances	(188)	(204)	(90)	(51)
Net foreign exchange loss/(gain)	1,027	602	188	(60)
Property, plant and equipment written off	281	908	39	368



1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30.9.2015 RMB '000	31.12.2014 RMB '000	30.9.2015 RMB '000	31.12.2014 RMB '000
Non current assets				
Property, plant and equipment	728,562	764,895	-	-
Land use rights	132,121	134,656	-	-
Investment in subsidiaries	-	-	701,866	730,845
Intangibles assets	32,883	25,181	-	-
	<u>893,566</u>	<u>924,732</u>	<u>701,866</u>	<u>730,845</u>
Current assets				
Inventories	375,308	347,792	-	-
Land use rights	3,003	3,003	-	-
Trade receivables	248,235	300,980	-	-
Other receivables	35,934	26,116	61	13
Due from related parties (trade)	31,368	11,986	-	-
Due from related parties (non-trade)	140	46	-	-
Due from a subsidiary (non-trade)	-	-	71	74
Cash and bank balances	37,765	50,916	1,250	4,946
	<u>731,753</u>	<u>740,839</u>	<u>1,382</u>	<u>5,033</u>
Total assets	<u>1,625,319</u>	<u>1,665,571</u>	<u>703,248</u>	<u>735,878</u>
Non current liabilities				
Bank loans	80,000	130,000	-	-
Deferred tax liability	2,992	2,160	-	-
	<u>82,992</u>	<u>132,160</u>	<u>-</u>	<u>-</u>
Current liabilities				
Trade payables	218,840	185,455	-	-
Other payables	129,214	126,686	1,075	1,138
Due to related parties (trade)	3,853	2,548	-	-
Due to related parties (non-trade)	651	731	-	-
Due to subsidiaries (non-trade)	-	-	4,835	5,401
Bank loans	85,000	105,000	-	-
Tax payable	2,788	4,362	-	-
	<u>440,346</u>	<u>424,782</u>	<u>5,910</u>	<u>6,539</u>
Total liabilities	<u>523,338</u>	<u>556,942</u>	<u>5,910</u>	<u>6,539</u>
Net current assets/(liabilities)	<u>291,407</u>	<u>316,057</u>	<u>(4,528)</u>	<u>(1,506)</u>
Net Assets	<u>1,101,981</u>	<u>1,108,629</u>	<u>697,338</u>	<u>729,339</u>



	Group		Company	
	30.9.2015	31.12.2014	30.9.2015	31.12.2014
	RMB '000	RMB '000	RMB '000	RMB '000
Equity attributable to the equity holders of the Company				
Share capital	250,660	250,660	250,660	250,660
Retained earnings	688,177	701,575	521,392	525,303
Statutory reserves	156,613	150,752	-	-
Currency translation reserve	6,531	5,642	(74,714)	(46,624)
Total Equity	1,101,981	1,108,629	697,338	729,339

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

	As at 30 September 2015		As at 31 December 2014	
	Secured	Unsecured	Secured	Unsecured
	RMB '000	RMB '000	RMB '000	RMB '000
Non current liabilities				
Bank loans	80,000	-	130,000	-
Current liabilities				
Bank loans	85,000	-	105,000	-

Details of any collateral

As at 30 September 2015, bank loans comprised the following:

- 1) RMB145.0 million is secured by a guarantee issued by a subsidiary, World Precise Machinery (China) Co., Ltd. (沃得精机(中国)有限公司), and land and building of World Precise Machinery (Shenyang) Co., Ltd. (沃得精机(沈阳)有限公司). The loan is repayable quarterly with effect from 1Q2014 and has a maturity date in 3Q2017.
- 2) RMB10.0 million is secured by personal guarantee by the Group's non-executive director, Mr. Wang Wei Yao and his spouse, Mrs Zhang Ah Mei, all of whom are related parties of the Group. The loan is repayable in 4Q2015.
- 3) RMB10.0 million is secured by personal guarantee by the Group's non-executive director, Mr. Wang Weiyao and his spouse, Mrs. Zhang Ahmei, all of whom are related parties of the Group. The loan is repayable in 2Q2016.

Note:

As at 30 September 2015, trade payables include bills payable amounting to RMB39.9 million (FY2014: RMB20.0 million) which are secured by fixed deposits amounting to RMB2.0 million (FY2014: RMB2.0 million).



1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	9M15	9M14	3Q15	3Q14
	1.1.2015 to 30.9.2015 RMB '000	1.1.2014 to 30.9.2014 RMB '000	1.7.2015 to 30.9.2015 RMB '000	1.7.2014 to 30.9.2014 RMB '000
Cash flow from operating activities				
Profit before tax	44,492	94,603	8,023	24,479
Adjustment for:				
Amortisation of land use rights	2,535	2,038	759	751
Amortisation of intangible assets	4,338	897	1,541	299
Depreciation of property, plant and equipment	42,361	39,341	14,147	14,030
Interest expense	11,594	6,572	3,077	4,236
Interest income	(188)	(204)	(90)	(51)
Property, plant and equipment written off	281	908	39	368
Operating profit before working capital changes	105,413	144,155	27,496	44,112
Inventories	(27,516)	17,512	7,282	(9,816)
Receivables	23,361	(70,695)	(3,675)	(14,892)
Payables	38,947	35,276	18,432	16,097
Currency translation adjustments	891	575	117	(23)
Cash generated from operations	141,096	126,823	49,652	35,478
Interest received	188	204	90	51
Income taxes paid	(12,771)	(16,983)	(1,698)	(2,988)
Net cash from operating activities	128,513	110,044	48,044	32,541
Cash flow from investing activities				
Purchase of property, plant and equipment (Note A)	(8,028)	(52,337)	(3,678)	(9,126)
Acquisition of intangible assets	(12,040)	-	(6,005)	-
Net cash used in investing activities	(20,068)	(52,337)	(9,683)	(9,126)
Cash flow from financing activities				
Proceeds from bank loans	20,000	20,000	10,000	10,000
Repayment of bank loans	(90,000)	(62,500)	(25,000)	(22,500)
Cash deposits released from pledge	2,000	3,588	2,000	1,000
Cash deposits pledged	(2,000)	(2,000)	(2,000)	(2,000)
Interest paid	(11,594)	(11,359)	(3,077)	(4,236)
Dividend paid	(40,000)	(25,000)	-	-
Net cash used in financing activities	(121,594)	(77,271)	(18,077)	(17,736)



	Group			
	9M15	9M14	3Q15	3Q14
	1.1.2015 to 30.9.2015 RMB '000	1.1.2014 to 30.9.2014 RMB '000	1.7.2015 to 30.9.2015 RMB '000	1.7.2014 to 30.9.2014 RMB '000
Net (decrease)/increase in cash and cash equivalents	(13,149)	(19,564)	20,284	5,679
Cash and cash equivalents at beginning of the period	48,916	31,696	15,453	6,453
Effect of exchange rate changes on cash and cash equivalents	(2)	(1)	28	(1)
Cash and cash equivalents at end of the period	35,765	12,131	35,765	12,131
Cash and cash equivalents per consolidated statement of cash flows	35,765	12,131	35,765	12,131
Cash deposits pledged	2,000	2,000	2,000	2,000
Cash and cash equivalents as per consolidated financial positions	37,765	14,131	37,765	14,131

Note A

	9M15	9M14	3Q15	3Q14
	1.1.2015 to 30.9.2015 RMB '000	1.1.2014 to 30.9.2014 RMB '000	1.7.2015 to 30.9.2015 RMB '000	1.7.2014 to 30.9.2014 RMB '000
	Total additions to property, plant and equipment	6,309	45,837	3,245
Add/(less): Unpaid portion	1,809	9,011	(892)	(212)
(Less)/add: Prepayments	(90)	2,276	1,325	(461)
Less: Interest capitalised	-	(4,787)	-	-
Purchase of plant, property and equipment per consolidated statement of cash flows	8,028	52,337	3,678	9,126



1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

Total attributable to equity holders of the Company

	Share capital RMB'000	Retained earnings RMB'000	Statutory reserves RMB'000	Currency translation reserve RMB'000	Total equity RMB'000
Balance as at 1.1.2015	250,660	701,575	150,752	5,642	1,108,629
Profit for the period	-	32,463	-	-	32,463
<i>Other comprehensive income</i>					
Currency translation differences arising on consolidation	-	-	-	889	889
Total comprehensive income for the period	-	32,463	-	889	33,352
Dividend paid	-	(40,000)	-	-	(40,000)
Transfer to statutory reserves	-	(5,861)	5,861	-	-
Balance as at 30.9.2015	250,660	688,177	156,613	6,531	1,101,981

Total attributable to equity holders of the Company

	Share capital RMB'000	Retained earnings RMB'000	Statutory reserves RMB'000	Currency translation reserve RMB'000	Total equity RMB'000
Balance as at 1.1.2014	250,660	671,500	137,810	5,558	1,065,528
Profit for the period	-	75,034	-	-	75,034
<i>Other comprehensive income</i>					
Currency translation differences arising on consolidation	-	-	-	574	574
Total comprehensive income for the period	-	75,034	-	574	75,608
Dividend paid	-	(25,000)	-	-	(25,000)
Transfer to statutory reserves	-	(8,943)	8,943	-	-
Balance as at 30.9.2014	250,660	712,591	146,753	6,132	1,116,136



Company

	Share capital RMB'000	Retained earnings RMB'000	Currency translation reserve RMB'000	Total equity RMB'000
Balance as at 1.1.2015	250,660	525,303	(46,624)	729,339
Profit for the period	-	36,089	-	36,089
<i>Other comprehensive loss</i>				
Currency translation differences	-	-	(28,090)	(28,090)
Total comprehensive income for the period	-	36,089	(28,090)	7,999
Dividend paid	-	(40,000)	-	(40,000)
Balance as at 30.9.2015	250,660	521,392	(74,714)	697,338
	Share capital RMB'000	Retained earnings RMB'000	Currency translation reserve RMB'000	Total equity RMB'000
Balance as at 1.1.2014	250,660	524,586	(18,659)	756,587
Profit for the period	-	23,565	-	23,565
<i>Other comprehensive income</i>				
Currency translation differences	-	-	2,292	2,292
Total comprehensive income for the period	-	23,565	2,292	25,857
Dividend paid	-	(25,000)	-	(25,000)
Balance as at 30.9.2014	250,660	523,151	(16,367)	757,444

Explanatory Notes:

Statutory Reserves

The non-distributable statutory reserves represent amounts set aside in compliance with the local laws in the PRC where the subsidiaries operate. The subsidiaries are considered foreign investment enterprises and the percentage of appropriation from the net profit after tax to the various reserve funds are determined by the Board of Directors of the subsidiaries.

In accordance with the Foreign Enterprise Law applicable to subsidiaries in the PRC, the subsidiaries are required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10 per cent of the statutory after tax profits of each subsidiary as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the registered capital of each subsidiary.

The SRF may be used to offset accumulated losses or increase the registered capital of the company, subject to approval from relevant PRC authorities and is not available for dividend distribution to the shareholders. The PRC enterprises are prohibited from distributing dividends unless the losses (if any) of previous years have been made good.



- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During the three months ended 30 September 2015, there has been no change in the issued and paid-up share capital of the Company. There are also no outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at the end of the immediately preceding year.**

	As at 30 September 2015	As at 31 December 2014
Total number of issued shares	400,000,000	400,000,000
Less: treasury shares	-	-
Total number of issued shares excluding treasury shares	400,000,000	400,000,000

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current period reported on.**

The Company does not have any outstanding treasury shares as at the end of the current period reported on.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Group's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements as of 31 December 2014.



5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In the current financial period, the Group has adopted all new and revised Financial Reporting Standards (“FRS”) and Interpretation of FRS (“INT FRS”) that are relevant to its operations and effective for annual periods beginning on 1 January 2015. The adoption of the new/revised FRS and INT FRS does not result in any significant changes to the accounting policies of the Group and has no material effect on the amounts reported for the current and prior periods.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	1.1.2015 to 30.9.2015	1.1.2014 to 30.9.2014	1.7.2015 to 30.9.2015	1.7.2014 to 30.9.2014
(a) Based on weighted average number of ordinary shares on issue (RMB); and	0.08	0.19	0.02	0.05
(b) On a fully diluted basis (RMB)	0.08	0.19	0.02	0.05
Weighted average number of shares	400,000,000	400,000,000	400,000,000	400,000,000

7. Net asset value (for the issuer and group) per ordinary share based on total number of issued share capital excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30.9.2015	31.12.2014	30.9.2015	31.12.2014
	RMB	RMB	RMB	RMB
Net asset value per ordinary share based on issued share capital at the end of the respective periods:	2.75	2.77	1.74	1.82
No. of shares in computing NAV	400,000,000	400,000,000	400,000,000	400,000,000

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.



REVIEW OF PERFORMANCE

(A) Consolidated Statement of Profit or Loss and Other Comprehensive Income

(i) Turnover

For the 3 months ended 30 September 2015 ("3Q15"), the Group's turnover decreased by 28.9% to RMB129.7 million from RMB182.4 million in the 3 months ended 30 September 2014 ("3Q14").

In terms of sales performance for 3Q15, sales of conventional stamping machines decreased by 49.7% while sales of high performance and high tonnage stamping machines decreased by 27.2%.

For the 9 months ended 30 September 2015 ("9M15"), the Group's turnover decreased by 33.1% to RMB434.9 million from RMB649.9 million in the 9 months ended 30 September 2014 ("9M14").

In terms of sales performance for 9M15, sales of conventional stamping machines decreased by 36.6% while sales of high performance and high tonnage stamping machines decreased by 35.6%.

Overall, the decrease in number of units sold in high performance and high tonnage stamping machines and conventional stamping machines and downward revision in the average selling prices of the stamping machines, contributed to the overall decrease in turnover.

The Group's turnover was mainly derived from sales at Guangdong, Jiangsu, Bohai Rim areas and Zhejiang.

(ii) Gross Profit

The Group's gross profit for 3Q15 decreased by 30.7% to RMB38.9 million from RMB56.1 million in 3Q14 in tandem with the decrease in turnover. Gross profit margin decreased by 0.8% to 30.0% in 3Q15 from 30.8% in 3Q14.

In terms of gross profit margin for 3Q15 year-on-year, gross profit margin for conventional stamping machines decreased by 0.6% to 24.1% in 3Q15 from 24.7% in 3Q14 while gross profit margin for high performance and high tonnage stamping machines decreased by 2.5% to 27.9% in 3Q15 from 30.4% in 3Q14.

The Group's gross profit for 9M15 decreased by 32.0% to RMB136.3 million from RMB200.3 million in 9M14 in tandem with the decrease in turnover. The gross profit margin for 9M15 increased by 0.5% to 31.3% from 30.8% in 9M14.

In terms of gross profit margin for 9M15, gross profit margin for conventional stamping machines increased by 0.8% to 25.2% in 9M15 from 24.4% in 9M14 while gross profit margin for high performance and high tonnage stamping machines decreased by 0.5% to 30.7% in 9M15 from 31.2% in 9M14.

Overall, the increase in the Group's gross profit margin was mainly due to a decrease in raw material costs which was partially offset by a downward revision in average selling prices of stamping machines.



(iii) Other Income

The Group's other income increased by 161.1% to RMB4.4 million in 3Q15 compared to RMB1.7 million in 3Q14.

In 9M15, the Group's other income increased by 76.8% to RMB10.5 million from RMB5.9 million in 9M14.

Overall, the increase was mainly due to an increase in processing fee received and rental income received from related parties which was partially offset by a decrease in government grant and subsidies received.

(iv) Distribution and Selling Expenses

In 3Q15, the Group's distribution and selling expenses increased by 12.3% to RMB14.3 million from RMB12.7 million in 3Q14.

The increase was mainly due to an increase in sales commission payable to sales personnel for improved trade receivables collection.

In 9M15, the Group's distribution and selling expenses decreased by 14.1% to RMB38.1 million from RMB44.3 million in 9M14. As a percentage of total revenue, distribution and selling expenses increased by 2.0% to 8.8% in 9M15 from 6.8% in 9M14.

Overall, the decrease was mainly due to a decrease in sales commission payable to the sales personnel in tandem with a decrease in turnover, transport expenses, travelling expenses and warranty services expense which was partially offset by an increase in publicity and exhibition expenses.

(v) Administrative Expenses

In 3Q15, the Group's administrative expenses decreased by 20.1% to RMB15.0 million from RMB18.8 million in 3Q14.

In 9M15, the Group's administrative expenses decreased by 18.0% to RMB45.8 million from RMB55.9 million in 9M14. As a percentage of total revenue, administrative expenses increased by 1.9% to 10.5% in 9M15 from 8.6% in 9M14.

The decrease was mainly due to a decrease in research and development costs for stamping machines which was partially offset by an increase in staff related costs.

Despite a decrease in research and development costs for stamping machines, the Group continues to enhance its technical capabilities to launch higher value added stamping machines through its research and development.

(vi) Depreciation and Amortisation Expenses

In 3Q15, the Group's depreciation and amortisation expenses increased by 9.1% to RMB16.4 million from RMB15.1 million in 3Q14.



In 9M15, the Group's depreciation and amortisation expenses increased by 16.5% to RMB49.2 million from RMB42.3 million in 9M14.

The increase was mainly due to additional depreciation charges incurred by its subsidiary in Shenyang, PRC which started its trial production in 2Q2014 and an increase in amortisation charged for intangible assets acquired in 4Q2014 and 3Q2015.

(vii) Other Operating Expenses, net

In 3Q15, the Group's net other operating expenses increased by 370.2% to RMB2.6 million from RMB0.5 million in 3Q14.

The increase was mainly due to an increase in allowance for doubtful debts.

In 9M15, the Group's net other operating expenses decreased by 17.6% to RMB6.3 million from RMB7.6 million in 9M14.

Overall, the decrease was mainly due to a decrease in allowance for doubtful debts and bad debts written off, which was partially offset by an increase in foreign exchange loss.

(viii) Finance Expenses

In 3Q15, the Group's finance expenses recorded an increase of 171.5% to RMB3.4 million from RMB1.3 million in 3Q14.

In 9M15, the Group's finance expenses recorded an increase of 219.0% to RMB12.0 million from RMB3.8 million in 9M14.

The increase was mainly due to no capitalisation of interest expenses relating to the Shenyang plant as trial production had started in 2Q2014 and the interest paid for early redemption of bill receivables which was partially offset by a gradual decrease in interest expenses resulting from the gradual decrease in bank loans.

(ix) Profit Before Tax

Overall, the Group's profit before tax ("PBT") had decreased in tandem with the Group's gross profit for 3Q15 and 9M15.

In 3Q15, the Group's PBT decreased by 67.2% to RMB8.0 million from RMB24.5 million in 3Q14.

In 9M15, the Group's PBT decreased by 53.0% to RMB44.5 million from RMB94.6 million in 9M14.

(x) Income Tax Expense

Overall, the Group's tax expenses had decreased in tandem with the Group's PBT for 3Q15 and 9M15.



In 3Q15, the Group's tax expense decreased by 79.9% to RMB1.0 million from RMB5.0 million in 3Q14.

In 9M15, the Group's tax expense decreased by 38.5% to RMB12.0 million from RMB19.6 million in 9M14.

WPMC, WHMT and WCNC enjoyed preferential income tax rate of 15% as WPMC, WHMT and WCNC have been regarded as High-Tech Enterprise.

WPMM, WPMS and WPMP were subjected to tax at the statutory tax rate of 25%.

(xi) Net Profit After Tax

Overall, the Group's net profit after tax ("NPAT") had decreased in tandem with the Group's PBT for 3Q15 and 9M15.

In 3Q15, the Group's NPAT decreased by 64.0% to RMB7.0 million from RMB19.5 million in 3Q14. Net profit margin decreased by 5.3% to 5.4% from 10.7% in 3Q14.

In 9M15, the Group's NPAT decreased by 56.7% to RMB32.5 million from RMB75.0 million in 9M14. Net profit margin decreased by 4.0% to 7.5% from 11.5% in 9M14.

(B) Consolidated Statement of Financial Position (30 September 2015 vs 31 December 2014)

For the period under review, the Group's non-current assets decreased by approximately RMB31.2 million mainly due to the depreciation and amortisation charges net of the acquisition of property, plant and equipment and intangible assets in respect of its subsidiaries.

For the period under review, the Group's non-current liabilities decreased by RMB49.2 million mainly due to an increase in reclassification of long-term bank loans due within a year to current bank loans which was offset by an increase in deferred tax liability of RMB0.8 million. The bank loans were used to fund the acquisition of property, plant and equipment for its subsidiary in Shenyang, PRC.

The Group's total current assets decreased by approximately RMB9.1 million from RMB740.8 million as at 31 December 2014 to RMB731.7 million as at 30 September 2015. This was attributable to a decrease in trade receivables (which was mainly due to tighten debt collection control imposed by the Company and in tandem with decrease in sales) and cash and cash equivalent (explained in the consolidated cash flow statement) which were offset by an increase in inventories (as a result of decrease in sales), other receivables (which was mainly due to an increase in prepayment for raw materials) and amounts due from related parties (trade and non-trade related).

However, the Group's total current liabilities increased by approximately RMB15.6 million from RMB424.8 million as at 31 December 2014 to RMB440.3 million as at 30 September 2015. This was attributable to an increase in trade payables (mainly due to increase in bill payables, please see page 4 of Result Announcement and slow payments to suppliers), other payables (mainly due to increase in advanced receipts from customers and operating expenses) and amounts due to related parties (trade) which were offset by a decrease in bank loans (mainly due to repayment of bank loans), amounts due to related parties (non-trade related) and tax payables.



The Group is in a net current assets position as at 30 September 2015 of RMB291.4 million.

(C) Consolidated Cash Flow Statement

For the 3 months ended 30 September 2015, the Group recorded a net cash increase of approximately RMB20.3 million. This was mainly due to: -

- a) the net cash inflow arising from operating activities which amounted to RMB48.1 million. The reasons were discussed in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position.
- b) the net cash outflow arising from financing activities amounting to RMB18.1 million which arose mainly from net repayment of bank loans and interest paid.
- c) the net cash outflow arising from investing activities amounting to RMB9.7 million which was mainly due to the acquisition of property, plant and equipment and intangible assets.

For the 9 months ended 30 September 2015, the Group recorded a net cash decrease of approximately RMB13.1 million. This was mainly due to: -

- a) the net cash inflow arising from operating activities which amounted to RMB128.5 million. The reasons were discussed in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position.
- b) the net cash outflow arising from financing activities amounting to RMB121.6 million which arose mainly from net repayment of bank loans, interest paid and dividend paid.
- c) the net cash outflow arising from investing activities amounting to RMB20.0 million which was mainly due to the acquisition of property, plant and equipment and intangible assets.

Cash and cash equivalent as at 30 September 2015 stood at RMB37.8 million (of which RMB2.0 million was pledged for bills payable.)

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The 9M15 Financial Results announcement is in line with the statement made in Paragraph 10 of the 1H15 Financial Results announcement dated 12 August 2015 i.e. Barring any unforeseen circumstances, the Group is optimistic to remain profitable in FY2015.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.



The PRC's economic growth eased to 6.9% in the third quarter year-on-year, the slowest since 2009 as its manufacturing output continues to remain weak.¹ Industrial production growth in September of 2015 was recorded below analysts' expectation at 5.7% over the same month in the previous year.² As a result, the Group saw a drop in new order book due to the weakness in manufacturing as firms cut back on investments in capital goods.

Despite the slower growth, this is the first time service and consumption sectors accounted for more than half of the PRC's gross domestic product as the PRC's economy rebalances away from exports and towards consumption and investments continue to grow.³ Recently, the PRC has announced its aim to double its 2010 GDP and per-capita income of both urban and rural residents by 2020 in the 13th Five Year Plan. Underpinned by growing real per capita disposable income, macro deceleration will eventually ease off as growing domestic consumption continues to drive the PRC's economy. According to China Association of Automobile Manufacturers, auto sales has pick up 2.1% year-on-year in September which was attributable to sales growth in passenger car and new energy vehicle.⁴ Meanwhile, sales of home appliances have been gaining momentum during the past nine months.⁵

While the above developments are set to reignite spending on capital goods, it will take some time before these opportunities are eventually translated into real business for the Group. As a result, the Group will thread on cautiously in the coming months as we continue to focus on research and development and product diversification.

Barring any unforeseen circumstances, the Group is optimistic to remain profitable in FY2015.

The Group's order book stood at RMB73.1 million as at 7 November 2015.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? **Yes**

Name of dividend	Interim
Dividend Type	Cash; Tax-Exempt (One-Tier) dividend
Dividend Amount	RMB0.125 (equivalent to S\$0.0275) per share
Tax Rate	Tax-Exempt (One-Tier) dividend

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? **Yes**

Name of dividend	Interim
Dividend Type	Cash; Tax-Exempt (One-Tier) dividend
Dividend Amount	RMB0.10 (equivalent to S\$0.0208) per share
Tax Rate	Tax-Exempt (One-Tier) dividend

¹ <http://www.straittimes.com/business/economy/china-gdp-growth-falls-to-69-in-q3-just-above-expectations>

² <http://www.theguardian.com/business/2015/oct/19/chinese-economic-growth-slows-to-69-in-third-quarter>

³ <http://www.valuewalk.com/2015/10/chinas-gdp-growth-an-important-rebalancing-milestone/>

⁴ <http://www.caam.org.cn/zhengche/20151013/1605175033.html>

⁵ http://news.xinhuanet.com/english/2015-10/24/c_134746562.htm



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WORLD PRECISION MACHINERY LIMITED
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(c) Date payable

Wednesday, 16 December 2015.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 7 December 2015 at 5.00 p.m. for the preparation of dividend payment.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, 8 Robinson Road, #03-00 ASO Building, Singapore 048544 up to 5.00 p.m. on 7 December 2015 will be registered to determine shareholders' entitlements to the interim dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 7 December 2015 will be entitled to the interim dividend.

The interim dividend will be paid on 16 December 2015.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for IPTs.

BY ORDER OF THE BOARD

Wu Yufang
Chief Executive Officer

13 November 2015



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WORLD PRECISION MACHINERY LIMITED
(Incorporated in Singapore)
(Co. Regn. No: 200409453N)

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Confirmation Pursuant to Rule 705(5) of the Listing Manual of SGX-ST

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of WORLD PRECISION MACHINERY LIMITED which may render the interim financial results of the Group for the quarter ended 30 September 2015, to be false or misleading in any material aspect.

For and on behalf of the
Board of Directors of
WORLD PRECISION MACHINERY LIMITED

Shao Jianjun
Executive Chairman

Wu Yufang
CEO and Executive Director

13 November 2015