



**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 2016 to 30 September 2016 ("3Q16") and the results for the nine months from 1 January 2016 to 30 September 2016 ("9M16"). The comparatives are for the third quarter from 1 July 2015 to 30 September 2015 ("3Q15") and the nine months from 1 January 2015 to 30 September 2015 ("9M15"). 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					
	9M16	9M15	Change	3Q16	3Q15	Change
	1.1.2016 to 30.9.2016	1.1.2015 to 30.9.2015		1.7.2016 to 30.9.2016	1.7.2015 to 30.9.2015	
RMB '000	RMB '000	%	RMB '000	RMB '000	%	
Turnover	526,590	434,878	21.1%	160,671	129,685	23.9%
Cost of sales	(404,867)	(298,618)	35.6%	(129,988)	(90,792)	43.2%
Gross profit	121,723	136,260	(10.7%)	30,683	38,893	(21.1%)
Gross profit margin (%)	23.1%	31.3%	(8.2%)	19.1%	30.0%	(10.9%)
Other income	9,704	10,469	(7.3%)	2,752	4,366	(37.0%)
Distribution and selling expenses	(37,674)	(38,088)	(1.1%)	(11,555)	(14,306)	(19.2%)
Administrative expenses	(41,602)	(45,819)	(9.2%)	(14,080)	(14,980)	(6.0%)
Other expenses, net	(10,016)	(6,296)	59.1%	(2,817)	(2,553)	10.3%
Finance expenses	(6,063)	(12,034)	(49.6%)	(1,653)	(3,397)	(51.3%)
Profit before tax	36,072	44,492	(18.9%)	3,330	8,023	(58.5%)
Tax (expense)/credit	(6,792)	(12,029)	(43.5%)	138	(1,000)	(113.8%)
Profit for the period	29,280	32,463	(9.8%)	3,468	7,023	(50.6%)
Net Profit margin (%)	5.6%	7.5%	(1.9%)	2.2%	5.4%	(3.2%)
Profit attributable to:						
Equity holders of the Company	29,280	32,463	(9.8%)	3,468	7,023	(50.6%)



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

	Group					
	9M16	9M15	Change	3Q16	3Q15	Change
	1.1.2016 to 30.9.2016	1.1.2015 to 30.9.2015		1.7.2016 to 30.9.2016	1.7.2015 to 30.9.2015	
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Profit for the period	29,280	32,463	(9.8%)	3,468	7,023	(50.6%)
<i>Other comprehensive income:</i>						
Items that are or may be subsequently classified to profit and loss:						
Currency translation differences arising on consolidation	1,737	889	95.4%	106	145	(26.9%)
Total comprehensive income for the period	31,017	33,352	(7.0%)	3,574	7,168	(50.1%)
Total comprehensive income attributable to:						
Equity holders of the Company	31,017	33,352	(7.0%)	3,574	7,168	(50.1%)

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 China, are wholly-owned subsidiaries of the Company. With effect from 1 December 2015, WHMT, WCNC and WPMM were amalgamated into WPMC.

(B) Profit Before Tax

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

	Group			
	9M16	9M15	3Q16	3Q15
	1.1.2016 to 30.9.2016	1.1.2015 to 30.9.2015	1.7.2016 to 30.9.2016	1.7.2015 to 30.9.2015
	RMB '000	RMB '000	RMB '000	RMB '000
Allowance for doubtful debts (trade)	2,000	3,032	-	1,920
Amortisation of land use rights	2,278	2,535	336	759
Amortisation of intangible assets	5,378	4,338	2,205	1,541
Bad debts written off (trade)	1,346	1,716	-	389
Bad debts written off (non-trade)	2,702	-	2,702	-
Depreciation of property, plant and equipment	40,856	42,361	13,446	14,147
Interest expense	5,851	11,594	1,643	3,077
Interest income	(77)	(188)	(16)	(90)
Net foreign exchange loss	2,198	1,027	92	188
Property, plant and equipment written off	1,173	281	(821)	39



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	
	30.9.2016 RMB '000	31.12.2015 RMB '000	30.9.2016 RMB '000	31.12.2015 RMB '000
Non current assets				
Property, plant and equipment	685,169	716,413	-	-
Land use rights	129,125	131,403	-	-
Investment in subsidiaries	-	-	770,131	722,792
Intangible assets	35,972	34,865	-	-
	<u>850,266</u>	<u>882,681</u>	<u>770,131</u>	<u>722,792</u>
Current assets				
Inventories	348,251	382,856	-	-
Land use rights	3,003	3,003	-	-
Trade receivables	198,191	189,962	-	-
Other receivables	25,106	27,084	67	2,817
Due from related parties (trade)	50,468	30,124	-	-
Due from related parties (non-trade)	151	46	-	-
Due from a subsidiary (non-trade)	-	-	87	48,567
Cash and bank balances	9,299	10,601	544	1,066
	<u>634,469</u>	<u>643,676</u>	<u>698</u>	<u>52,450</u>
Total assets	<u>1,484,735</u>	<u>1,526,357</u>	<u>770,829</u>	<u>775,242</u>
Non current liabilities				
Bank loans	-	60,000	-	-
Deferred tax liability	4,841	3,300	-	-
	<u>4,841</u>	<u>63,300</u>	<u>-</u>	<u>-</u>
Current liabilities				
Trade payables	198,891	177,192	-	-
Bills payables	26,322	31,130	-	-
Other payables	110,123	118,456	1,203	914
Due to related parties (trade)	2,298	2,645	-	-
Due to related parties (non-trade)	578	540	-	-
Due to subsidiaries (non-trade)	-	-	1,920	-
Bank loans	118,000	90,000	-	-
Tax payable	-	429	-	-
	<u>456,212</u>	<u>420,392</u>	<u>3,123</u>	<u>914</u>
Total liabilities	<u>461,053</u>	<u>483,692</u>	<u>3,123</u>	<u>914</u>
Net current assets/(liabilities)	<u>178,257</u>	<u>223,284</u>	<u>(2,425)</u>	<u>51,536</u>
Net Assets	<u>1,023,682</u>	<u>1,042,665</u>	<u>767,706</u>	<u>774,328</u>



	Group		Company	
	30.9.2016	31.12.2015	30.9.2016	31.12.2015
	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
Capital reserve	97,097	97,097	-	-
Retained earnings	543,159	568,130	520,278	575,975
Statutory reserves	123,018	118,767	-	-
Currency translation reserve	9,748	8,011	(3,232)	(52,307)
Total Equity	1,023,682	1,042,665	767,706	774,328

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

	As at 30 September 2016		As at 31 December 2015	
	Secured	Unsecured	Secured	Unsecured
	RMB '000	RMB '000	RMB '000	RMB '000
Non current liabilities				
Bank loans	-	-	60,000	-
Current liabilities				
Bank loans	118,000	-	90,000	-

Details of any collateral

As at 30 September 2016, bank loans comprised the following:

- 1) RMB80.0 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 1Q2013 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 Weiyao and his spouse, Mrs. Zhang Ahmei, all of whom are related parties of the Group. The loan is repayable in 2Q2017.
- 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 1Q2017.
- 4) RMB18.0 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 4Q2016.



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			
	9M16	9M15	3Q16	3Q15
	1.1.2016 to 30.9.2016 RMB '000	1.1.2015 to 30.9.2015 RMB '000	1.7.2016 to 30.9.2016 RMB '000	1.7.2015 to 30.9.2015 RMB '000
Cash flows from operating activities				
Profit before tax	36,072	44,492	3,330	8,023
Adjustments for:				
Amortisation of land use rights	2,278	2,535	336	759
Amortisation of intangible assets	5,378	4,338	2,205	1,541
Depreciation of property, plant and equipment	40,856	42,361	13,446	14,147
Interest expense	5,851	11,594	1,643	3,077
Interest income	(77)	(188)	(16)	(90)
Property, plant and equipment written off	1,173	281	(821)	39
Operating profit before working capital changes	91,531	105,413	20,123	27,496
Inventories	34,605	(27,516)	23,293	7,282
Receivables	(16,927)	23,361	15,520	(3,675)
Payables	11,052	38,947	(24,111)	18,432
Currency translation adjustments	1,599	891	112	117
Cash generated from operations	121,860	141,096	34,937	49,652
Interest received	77	188	16	90
Income taxes (paid)/refund	(5,680)	(12,771)	53	(1,698)
Net cash from operating activities	116,257	128,513	35,006	48,044
Cash flows from investing activities				
Purchase of property, plant and equipment (Note A)	(23,361)	(8,028)	(11,883)	(3,678)
Acquisition of intangible assets	(6,485)	(12,040)	(1,933)	(6,005)
Net cash used in investing activities	(29,846)	(20,068)	(13,816)	(9,683)
Cash flows from financing activities				
Proceeds from bank loans	38,000	20,000	10,000	10,000
Repayment of bank loans	(70,000)	(90,000)	(30,000)	(25,000)
Cash deposits released from pledge	2,000	2,000	570	2,000
Cash deposits pledged	(570)	(2,000)	(570)	(2,000)
Interest paid	(5,851)	(11,594)	(1,643)	(3,077)
Dividend paid	(50,000)	(40,000)	-	-
Net cash used in financing activities	(86,421)	(121,594)	(21,643)	(18,077)



	Group			
	9M16	9M15	3Q16	3Q15
	1.1.2016 to 30.9.2016	1.1.2015 to 30.9.2015	1.7.2016 to 30.9.2016	1.7.2015 to 30.9.2015
	RMB '000	RMB '000	RMB '000	RMB '000
Net (decrease)/increase in cash and cash equivalents	(10)	(13,149)	(453)	20,284
Cash and cash equivalents at beginning of the period	8,601	48,916	9,188	15,453
Effect of exchange rate changes on cash and cash equivalents	138	(2)	(6)	28
Cash and cash equivalents at end of the period	8,729	35,765	8,729	35,765
Cash and cash equivalents per consolidated statement of cash flows	8,729	35,765	8,729	35,765
Cash deposits pledged	570	2,000	570	2,000
Cash and cash equivalents as per consolidated financial position	9,299	37,765	9,299	37,765

Note A

	9M16	9M15	3Q16	3Q15
	1.1.2016 to 30.9.2016	1.1.2015 to 30.9.2015	1.7.2016 to 30.9.2016	1.7.2015 to 30.9.2015
	RMB '000	RMB '000	RMB '000	RMB '000
Total additions to property, plant and equipment	10,785	6,309	4,996	3,245
Add/(less): Unpaid portion	2,803	1,809	(718)	(892)
Add/(less): Prepayments	9,773	(90)	7,605	1,325
Purchase of plant, property and equipment per consolidated statement of cash flows	23,361	8,028	11,883	3,678



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

	Share capital RMB'000	Capital reserve RMB'000	Retained earnings RMB'000	Statutory Reserves RMB'000	Currency translation reserve RMB'000	Total equity attributable to equity holders of the Company RMB'000
Balance as at 1.1.2016	250,660	97,097	568,130	118,767	8,011	1,042,665
Profit for the period	-	-	29,280	-	-	29,280
<i>Other comprehensive income</i>				-		
Currency translation differences arising on consolidation	-	-	-	-	1,737	1,737
Total comprehensive income for the period	-	-	29,280	-	1,737	31,017
Dividend paid	-	-	(50,000)	-	-	(50,000)
Transfer to statutory reserves	-	-	(4,251)	4,251	-	-
Balance as at 30.9.2016	250,660	97,097	543,159	123,018	9,748	1,023,682

	Share capital RMB'000	Capital reserve RMB'000	Retained earnings RMB'000	Statutory Reserves RMB'000	Currency translation reserve RMB'000	Total equity attributable to equity holders of the Company 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)	-	-	-
Balance as at 30.9.2015	250,660	-	688,177	156,613	6,531	1,101,981



Company

	Share capital RMB'000	Retained earnings RMB'000	Currency translation reserve RMB'000	Total equity RMB'000
Balance as at 1.1.2016	250,660	575,975	(52,307)	774,328
Loss for the period	-	(5,697)	-	(5,697)
<i>Other comprehensive income</i>				
Currency translation differences	-	-	49,075	49,075
Total comprehensive (loss)/income for the period	-	(5,697)	49,075	43,378
Dividend paid	-	(50,000)	-	(50,000)
Balance as at 30.9.2016	250,660	520,278	(3,232)	767,706
	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/(loss) 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

Explanatory Notes:

Capital Reserve

Capital reserve arises from amalgamation of subsidiaries. With effect from 1 December 2015, WHMT, WCNC and WPMM were amalgamated into WPMC. This reserve is non-distributable.

Statutory Reserves

The non-distributable statutory reserves represent amounts set aside in compliance with the local laws in China where the subsidiaries operate. The subsidiaries are considered a foreign investment enterprise 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 China, the subsidiaries are required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10 per cent of the statutory after tax profits as determined in accordance with the applicable Chinese accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the registered capital of the respective subsidiaries.

The SRF may be used to offset accumulated losses or increase the registered capital of the company, subject to approval from relevant Chinese authorities and is not available for dividend distribution to the shareholders. The Chinese enterprise 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 2016, 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 2016	As at 31 December 2015
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 2015.



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 2016. 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.

	1.1.2016 to 30.9.2016	1.1.2015 to 30.9.2015	1.7.2016 to 30.9.2016	1.7.2015 to 30.9.2015
(a) Based on weighted average number of ordinary shares on issue (RMB); and	0.07	0.08	0.01	0.02
(b) On a fully diluted basis (RMB)	0.07	0.08	0.01	0.02
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	
	30.9.2016	31.12.2015	30.9.2016	31.12.2015
	RMB	RMB	RMB	RMB
Net asset value per ordinary share based on issued share capital at the end of the respective periods:	2.56	2.61	1.92	1.94
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 2016 ("3Q16"), the Group's turnover increased by 23.9% to RMB160.7 million from RMB129.7 million in the 3 months ended 30 September 2015 ("3Q15").

In terms of sales performance for 3Q16, sales of conventional stamping machines increased by 7.8% while sales of high performance and high tonnage stamping machines increased by 27.0%.

For the 9 months ended 30 September 2016 ("9M16"), the Group's turnover increased by 21.1% to RMB526.6 million from RMB434.9 million in the 9 months ended 30 September 2015 ("9M15").

In terms of sales performance for 9M16, sales of conventional stamping machines decreased by 19.1% while sales of high performance and high tonnage stamping machines increased by 26.7%.

Overall, the increase in number of units sold in high performance and high tonnage stamping machines which was partially offset by a decrease in number of units sold in conventional stamping machines and upward revision in the average selling prices of the stamping machines, contributed to the overall increase in turnover.

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

(ii) Gross Profit

The Group's gross profit for 3Q16 decreased by 21.1% to RMB30.7 million from RMB38.9 million in 3Q15. Gross profit margin decreased by 10.9% to 19.1% in 3Q16 from 30.0% in 3Q15.

In terms of gross profit margin for 3Q16 year-on-year, gross profit margin for conventional stamping machines decreased by 9.7% to 14.4% in 3Q16 from 24.1% in 3Q15 while gross profit margin for high performance and high tonnage stamping machines decreased by 6.6% to 21.3% in 3Q16 from 27.9% in 3Q15.

The Group's gross profit for 9M16 decreased by 10.7% to RMB121.7 million from RMB136.3 million in 9M15. The gross profit margin for 9M16 decreased by 8.2% to 23.1% from 31.3% in 9M15.

In terms of gross profit margin for 9M16, gross profit margin for conventional stamping machines decreased by 7.0% to 18.2% in 9M16 from 25.2% in 9M15 while gross profit margin for high performance and high tonnage stamping machines decreased by 5.5% to 25.2% in 9M16 from 30.7% in 9M15.



Overall, the decrease in the Group's gross profit margin was mainly due to an increase in raw materials costs which was partially offset by an upward revision in the average selling prices of the stamping machines together with a decrease in production of conventional stamping machines which was partially offset by an increase in production of high performance and high tonnage stamping machines.

(iii) Other Income

The Group's other income decreased by 37.0% to RMB2.8 million in 3Q16 compared to RMB4.4 million in 3Q15.

In 9M16, the Group's other income decreased by 7.3% to RMB9.7 million from RMB10.5 million in 9M15.

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

(iv) Distribution and Selling Expenses

In 3Q16, the Group's distribution and selling expenses decreased by 19.2% to RMB11.6 million from RMB14.3 million in 3Q15.

In 9M16, the Group's distribution and selling expenses decreased by 1.1% to RMB37.7 million from RMB38.1 million in 9M15. As a percentage of total revenue, distribution and selling expenses decreased by 1.6% to 7.2% in 9M16 from 8.8% in 9M15.

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

(v) Administrative Expenses

In 3Q16, the Group's administrative expenses decreased by 6.0% to RMB14.1 million from RMB15.0 million in 3Q15.

In 9M16, the Group's administrative expenses decreased by 9.2% to RMB41.6 million from RMB45.8 million in 9M15. As a percentage of total revenue, administrative expenses decreased by 2.6% to 7.9% in 9M16 from 10.5% in 9M15.

Overall, 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 and depreciation charged.

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 3Q16, the Group's depreciation and amortisation expenses decreased by 2.8% to RMB16.0 million from RMB16.4 million in 3Q15.

In 9M16, the Group's depreciation and amortisation expenses decreased by 1.5% to RMB48.5 million from RMB49.2 million in 9M15

The decrease was mainly due to certain property, plant and equipment of its subsidiaries have been fully depreciated. This was partially offset by an increase in amortisation charged for addition of intangible assets acquired in FY15.

(vii) Other Expenses, net

In 3Q16, the Group's net other expenses increased by 10.3% to RMB2.8 million from RMB2.6 million in 3Q15.

In 9M16, the Group's net other expenses increased by 59.1% to RMB10.0 million from RMB6.3 million in 9M15.

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

(viii) Finance Expenses

In 3Q16, the Group's finance expenses recorded a decrease of 51.3% to RMB1.7 million from RMB3.4 million in 3Q15.

In 9M16, the Group's finance expenses recorded a decrease of 49.6% to RMB6.1 million from RMB12.0 million in 9M15.

The decrease was mainly due to a gradual decrease in interest expenses relating to a gradual decrease in bank loans which was partially offset by an interest paid for early redemption of bill receivables.

(ix) Profit Before Tax

Overall, the Group's profit before tax ("PBT") had decreased in tandem with the Group's gross profit for 3Q16 and 9M16.

In 3Q16, the Group's PBT decreased by 58.5% to RMB3.3 million from RMB8.0 million in 3Q15.

In 9M16, the Group's PBT decreased by 18.9% to RMB36.1 million from RMB44.5 million in 9M15.



(x) Tax Expense

The Group had tax refund of RMB0.1 million in 3Q16 as compared to tax expense of RMB1.0 million in 3Q15.

The tax refund is an incentive given by China government to China subsidiary who made dividend payment to overseas holding company.

In 9M16, the Group's tax expense decreased by 43.5% to RMB6.8 million from RMB12.0 million in 9M15.

The decrease was mainly due to lower withholding tax expense in 9M16 as compared to 9M15.

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

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

(xi) Net Profit After Tax

In 3Q16, the Group's NPAT decreased by 50.6% to RMB3.5 million from RMB7.0 million in 3Q15. Net profit margin decreased by 3.2% to 2.2% from 5.4% in 3Q15.

In 9M16, the Group's NPAT decreased by 9.8% to RMB29.3 million from RMB32.5 million in 9M15. Net profit margin decreased by 1.9% to 5.6% from 7.5% in 9M15.

(B) Consolidated Statement of Financial Position (30 September 2016 vs 31 December 2015)

For the period under review, the Group's non-current assets decreased by approximately RMB32.4 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 RMB58.5 million mainly due to a reclassification of RMB60.0 million long-term bank loans due within a year to current bank loans which was partially offset by an increase in deferred tax liability of RMB1.5 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 RMB9.2 million from RMB643.7 million as at 31 December 2015 to RMB634.5 million as at 30 September 2016. This was attributable to a decrease in inventories (as a result of increase in sales), other receivables (mainly due to a decrease in prepayment for raw materials which was partially offset by an increase in prepayment for property, plant and equipment) and cash and cash equivalents (explained in the consolidated statement of cash flow) which were partially offset by an increase in trade receivables and amounts due from related parties (trade and non-trade related).



However, the Group's total current liabilities increased by approximately RMB35.8 million from RMB420.4 million as at 31 December 2015 to RMB456.2 million as at 30 September 2016. This was attributable to an increase in trade payables (mainly due to slow payment to suppliers), bank loans (mainly due to reclassification of RMB60 million long term bank loans to current bank loans and proceeds from bank loans net of repayments) and amounts due to related parties (non-trade related) which were partially offset by a decrease in bill payables (mainly issued to pay suppliers), other payables (mainly due to a decrease in accrued operating expenses which was partially offset by an increase in advance payment received from customers), amounts due to related parties (trade related) and tax payables.

The Group is in a net current assets position as at 30 September 2016 of RMB178.3 million.

(C) Consolidated Statement of Cash Flow

For the 3 months ended 30 September 2016, the Group recorded a net cash decrease of approximately RMB0.5 million. This was mainly due to: -

- a) the net cash inflow arising from operating activities which amounted to RMB35.0 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 RMB21.6 million which arose mainly from net repayment of bank loans and interest paid.
- c) the net cash outflow arising from investing activities amounting to RMB13.8 million which was mainly due to the acquisition of property, plant and equipment and intangible assets.

For the 9 months ended 30 September 2016, the Group recorded a net cash decrease of approximately RMB0.01 million. This was mainly due to: -

- a) the net cash inflow arising from operating activities which amounted to RMB116.3 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 RMB86.4 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 RMB29.8 million which was mainly due to the acquisition of property, plant and equipment and intangible assets.

Cash and cash equivalent as at 30 September 2016 stood at RMB9.3 million (of which RMB0.6 million was pledged for performance guarantee).

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

The 3Q16 Financial Results announcement is in line with the statement made in Paragraph 10 of the 2Q16 Financial Results announcement dated 13 August 2016 i.e. Barring any unforeseen circumstances, the Group is cautiously optimistic to remain profitable in FY2016.



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.**

Barring any unforeseen circumstances, the Group is cautiously optimistic to remain profitable in FY2016.

The Group's order book stood at RMB120.9 million as at 4 November 2016.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(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	RMB0.125 (equivalent to S\$0.0275) per share
Tax Rate	Tax-Exempt (One-Tier) dividend

(c) Date payable

Not Applicable.

(d) Books closure date

Not Applicable.

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

No dividend has been declared/recommended for the current financial period reported on.

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 has obtained a general mandate from shareholders for IPTs.

The IPTs for 9M2016 are as follows: -



Name of Interested Person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (RMB'000)	Aggregate value of all IPTs conducted under shareholders' mandates pursuant to Rule 920 during the financial year under review (excluding transactions less than \$100,000) (RMB'000)
<u>Jiangsu World Machinery and Electronics Group Co., Ltd.</u> Processing fees received, sale of raw materials, parts and machineries. Processing fees paid and purchase of scrap materials.	N/A	75 2,104
<u>Jiangsu World Plant-Protecting Machinery Co., Ltd.</u> Processing fees received, sale of raw materials and parts. Processing fees paid, purchase of raw materials and parts.	N/A	193 268
<u>Jiangsu World Agriculture Machinery Co., Ltd.</u> Processing fees received, sale of raw materials, parts, machineries and equipment. Processing fees paid and purchase of scrap materials.	N/A	16,033 667
<u>Jiangsu World Agriculture Machinery & Parts Manufacturing Co., Ltd.</u> Processing fees received, sale of raw materials, parts and equipment. Processing fees paid and purchase of scrap materials.	N/A	9,605 3,169
<u>World Agriculture (Shenyang) Co., Ltd.</u> Sales of machineries and rental income of factory.	N/A	5,987



<u>World Heavy Industry (China) Co., Ltd.</u> Processing fee received and sale of raw materials and parts. Purchase of raw materials, parts and scrap materials.	N/A	8,473 3,155
<u>Jiangsu World Crane Co., Ltd</u> Processing fee paid.	N/A	32
<u>Jiangsu World Precise Machinery Co., Ltd.</u> Land rental paid.	N/A	600
<u>Jiangsu World Furniture Co., Ltd.</u> Sale of raw materials, parts and machineries.	N/A	411
Total		50,772

14. Statement Pursuant to Rule 705(5) of the Listing Manual

The Directors confirm that, to the best of their knowledge and belief, nothing has come to the attention of the Board of Directors which may render the unaudited nine months and third quarter results of the Group for the financial period ended 30 September 2016 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of Listing Manual

The Company confirms that the undertakings required under Rule 720(1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

BY ORDER OF THE BOARD

Shao Jianjun
Executive Chairman

14 November 2016