



**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 fourth quarter from 1 October 2016 to 31 December 2016 (“4Q16”) and the results for the full year from 1 January 2016 to 31 December 2016 (“FY16”). The comparatives are for the fourth quarter from 1 October 2015 to 31 December 2015 (“4Q15”) and the full year from 1 January 2015 to 31 December 2015 (“FY15”). 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					
	1.1.2016 to 31.12.2016	1.1.2015 to 31.12.2015	Change	1.10.2016 to 31.12.2016	1.10.2015 to 31.12.2015	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Revenue	723,111	559,121	29.3%	196,521	124,243	58.2%
Cost of sales	(562,648)	(384,889)	46.2%	(157,781)	(86,271)	82.9%
Gross profit	160,463	174,232	(7.9%)	38,740	37,972	2.0%
Gross profit margin (%)	22.2%	31.2%	(9.0%)	19.7%	30.6%	(10.9%)
Other income	13,839	13,377	3.5%	4,135	2,908	42.2%
Distribution and selling expenses	(60,071)	(55,326)	8.6%	(22,397)	(17,238)	29.9%
Administrative expenses	(55,994)	(61,849)	(9.5%)	(14,392)	(16,030)	(10.2%)
Other expenses, net	(11,525)	(14,929)	(22.8%)	(1,509)	(8,633)	(82.5%)
Financial expenses	(7,483)	(14,853)	(49.6%)	(1,420)	(2,819)	(49.6%)
Profit/(loss) before tax	39,229	40,652	(3.5%)	3,157	(3,840)	N.M.
Tax expense	(9,150)	(18,985)	(51.8%)	(2,358)	(6,956)	(66.1%)
Profit/(loss) for the year/period	30,079	21,667	38.8%	799	(10,796)	N.M.
Net profit/(loss) margin (%)	4.2%	3.9%	0.3%	0.4%	(8.7%)	N.M.
Profit/(loss) attributable to: Equity holders of the company	30,079	21,667	38.8%	799	(10,796)	N.M.

N.M. denotes Not Meaningful



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

	Group					
	1.1.2016 to 31.12.2016	1.1.2015 to 31.12.2015	Change	1.10.2016 to 31.12.2016	1.10.2015 to 31.12.2015	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Profit/(loss) for the year/ period	30,079	21,667	38.8%	799	(10,796)	N.M.
Other comprehensive income/(loss):						
Items that are or may be reclassified subsequently to profit and loss:						
Currency translation differences arising on consolidation	1,923	2,369	(18.8%)	186	1,479	(87.4%)
Total comprehensive income/(loss) for the year/period	32,002	24,036	33.1%	985	(9,317)	N.M.
Total comprehensive income/(loss) attributable to:						
Equity holders of the company	32,002	24,036	33.1%	985	(9,317)	N.M.

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/(loss) Before Income Tax

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

	Group			
	1.1.2016 to 31.12.2016 RMB '000	1.1.2015 to 31.12.2015 RMB '000	1.10.2016 to 31.12.2016 RMB '000	1.10.2015 to 31.12.2015 RMB '000
Allowance for doubtful debts (trade)	10,769	6,722	8,769	3,690
Allowance for doubtful debts (non-trade)	679	5,998	679	5,998
Allowance for doubtful debts written back (trade)	(4,491)	(2,260)	(4,491)	(2,260)
Allowance for doubtful debts written back (non-trade)	(1,034)	(1,325)	(1,034)	(1,325)
Allowance for obsolete stocks	1,284	-	1,284	-
Allowance for obsolete stocks written back	(186)	-	(186)	-
Amortisation of land use rights	3,037	3,253	759	718
Amortisation of intangible assets	7,159	5,879	1,781	1,541
Bad debts written off (trade)	635	586	(711)	(1,130)
Bad debts written off (non-trade)	1	-	(2,701)	-
Depreciation of property, plant and equipment	51,181	54,874	10,325	12,513
Interest expense	7,431	14,620	1,580	3,026
Interest income	(94)	(248)	(17)	(60)
Loss/(gain) on disposal of property, plant and equipment	357	(186)	357	(186)
Net foreign exchange loss	2,339	2,104	141	1,077
Property, plant and equipment written off	-	297	(1,173)	16



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	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	RMB '000	RMB '000	RMB '000	RMB '000
Non current assets				
Property, plant and equipment	700,810	716,413	-	-
Land use rights	128,366	131,403	-	-
Investment in subsidiaries	-	-	769,293	722,792
Intangible assets	36,318	34,865	-	-
Other receivables	10,723	-	-	-
	876,217	882,681	769,293	722,792
Current assets				
Inventories	353,544	382,856	-	-
Land use rights	3,003	3,003	-	-
Trade receivables	192,724	189,962	-	-
Other receivables	21,783	27,084	14	2,817
Due from related parties (trade)	58,142	30,124	-	-
Due from a related parties (non-trade)	-	46	-	-
Due from a subsidiary (non-trade)	-	-	105	48,567
Cash and cash equivalents	10,166	10,601	375	1,066
	639,362	643,676	494	52,450
Total assets	1,515,579	1,526,357	769,787	775,242
Non current liabilities				
Bank loans	-	60,000	-	-
Deferred tax liability	3,300	3,300	-	-
	3,300	63,300	-	-
Current liabilities				
Trade payables	212,098	177,192	-	-
Bills payables	27,936	31,130	-	-
Other payables	145,832	118,456	758	914
Due to related parties (trade)	2,124	2,645	-	-
Due to related parties (non -trade)	587	540	-	-
Due to a subsidiary (non-trade)	-	-	1,840	-
Bank loans	98,000	90,000	-	-
Tax payable	1,035	429	-	-
	487,612	420,392	2,598	914
Total liabilities	490,912	483,692	2,598	914
Net current assets/(liabilities)	151,750	223,284	(2,104)	51,536
Net Assets	1,024,667	1,042,665	767,189	774,328



	Group		Company	
	31.12.2016	31.12.2015	31.12.2016	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	-	-
Statutory reserves	123,057	118,767	-	-
Revenue reserves	543,919	568,130	534,131	575,975
Currency translation reserve	9,934	8,011	(17,602)	(52,307)
Total Equity	1,024,667	1,042,665	767,189	774,328

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

	As at 31 December 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	98,000	-	90,000	-

Details of any collateral

As at 31 December 2016, bank loans comprised the following:

- 1) RMB60.0 million is secured by a corporate 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 3Q2017.
- 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 3Q2017.



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			
	FY16	FY15	4Q16	4Q15
	1.1.2016 to 31.12.2016	1.1.2015 to 31.12.2015	1.10.2016 to 31.12.2016	1.10.2015 to 31.12.2015
	RMB '000	RMB '000	RMB '000	RMB '000
Cash flows from operating activities				
Profit/(loss) before tax	39,229	40,652	3,157	(3,840)
Adjustments for:				
Amortisation of land use rights	3,037	3,253	759	718
Amortisation of intangible assets	7,159	5,879	1,781	1,541
Depreciation of property, plant and equipment	51,181	54,874	10,325	12,513
Loss/(gain) on disposal of property, plant and equipment	357	(186)	357	(186)
Interest expense	7,431	14,620	1,580	3,026
Interest income	(94)	(248)	(17)	(60)
Property, plant and equipment written off	-	297	(1,173)	16
Operating profit before working capital changes	108,300	119,141	16,769	13,728
Inventories	29,312	(35,064)	(5,293)	(7,548)
Receivables	(26,276)	84,909	(9,349)	61,548
Payables	47,749	36,849	36,697	(2,098)
Currency translation adjustments	1,825	2,369	226	1,478
Cash generated from operations	160,910	208,204	39,050	67,108
Interest received	94	248	17	60
Income taxes paid	(8,543)	(14,189)	(2,863)	(1,418)
Net cash from operating activities	152,461	194,263	36,204	65,750
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	2,185	305	2,185	305
Purchase of property, plant and equipment (Note A)	(33,942)	(41,700)	(10,581)	(33,672)
Addition of intangible assets	(8,612)	(14,693)	(2,127)	(2,653)
Net cash (used in)/from investing activities	(40,369)	(56,088)	(10,523)	(36,020)
Cash flows from financing activities				
Proceeds from bank loans	66,000	30,000	28,000	10,000
Repayment of bank loans	(118,000)	(115,000)	(48,000)	(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	(7,431)	(14,620)	(1,580)	(3,026)
Dividends paid	(50,000)	(90,000)	-	(50,000)
(Decrease)/ increase in bills payables to bank	(3,194)	11,130	(3,194)	11,130
Net cash used in financing activities	(111,195)	(178,490)	(24,774)	(56,896)



	Group			
	FY16	FY15	4Q16	4Q15
	1.1.2016 to 31.12.2016	1.1.2015 to 31.12.2015	1.10.2016 to 31.12.2016	1.10.2015 to 31.12.2015
	RMB '000	RMB '000	RMB '000	RMB '000
Net increase/(decrease) in cash and cash equivalents	897	(40,315)	907	(27,166)
Cash and cash equivalents at beginning of the year/period	8,601	48,916	8,729	35,765
Effect of exchange rate changes on cash and cash equivalents	98	-	(40)	2
Cash and cash equivalents at end of the year/period	9,596	8,601	9,596	8,601
Cash and cash equivalents per consolidated statement of cash flows	9,596	8,601	9,596	8,601
Cash deposits pledged	570	2,000	570	2,000
Cash and cash equivalents as per consolidated financial positions	10,166	10,601	10,166	10,601

Note A:

	Group			
	FY16	FY15	4Q16	4Q15
	1.1.2016 to 31.12.2016	1.1.2015 to 31.12.2015	1.10.2016 to 31.12.2016	1.10.2015 to 31.12.2015
	RMB '000	RMB '000	RMB '000	RMB '000
Total additions to property, plant and equipment	38,120	7,678	27,335	1,369
(Less)/add: Change in unpaid portion	(14,059)	33,436	(16,862)	31,627
Add: Change in prepayments	9,881	586	108	676
Purchase of plant, property and equipment per consolidated statement of cash flows	33,942	41,700	10,581	33,672



- 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	Statutory reserves RMB'000	Revenue reserve RMB'000	Currency translation reserve RMB'000	Total equity attributable to the equity holders of the Company RMB'000
Balance as at 1.1.2016	250,660	97,097	118,767	568,130	8,011	1,042,665
Profit for the year	-	-	-	30,079	-	30,079
<i>Other comprehensive income</i>						
Currency translation differences arising on consolidation	-	-	-	-	1,923	1,923
Total comprehensive income for the year	-	-	-	30,079	1,923	32,002
Dividends paid	-	-	-	(50,000)	-	(50,000)
Transfer to statutory reserve fund	-	-	4,290	(4,290)	-	-
Balance as at 31.12.2016	<u>250,660</u>	<u>97,097</u>	<u>123,057</u>	<u>543,919</u>	<u>9,934</u>	<u>1,024,667</u>

	Share capital RMB'000	Capital Reserve RMB'000	Statutory reserves RMB'000	Revenue reserve RMB'000	Currency translation reserve RMB'000	Total equity attributable to the equity holders of the Company RMB'000
Balance as at 1.1.2015	250,660	-	150,752	701,575	5,642	1,108,629
Profit for the year	-	-	-	21,667	-	21,667
<i>Other comprehensive income</i>						
Currency translation differences arising on consolidation	-	-	-	-	2,369	2,369
Total comprehensive income for the year	-	-	-	21,667	2,369	24,036
Dividends paid	-	-	-	(90,000)	-	(90,000)
Transfer to statutory reserve fund	-	-	5,650	(5,650)	-	-
Transfer to capital reserve	-	97,097	(37,635)	(59,462)	-	-
Balance as at 31.12.2015	<u>250,660</u>	<u>97,097</u>	<u>118,767</u>	<u>568,130</u>	<u>8,011</u>	<u>1,042,665</u>



Company

	Share capital RMB'000	Revenue reserve 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
Profit for the year	-	8,156	-	8,156
<i>Other comprehensive income</i>				
Currency translation differences arising on consolidation	-	-	34,705	34,705
Total comprehensive income for the year	-	8,156	34,705	42,861
Dividends paid	-	(50,000)	-	(50,000)
Balance as at 31.12.2016	250,660	534,131	(17,602)	767,189
	Share capital RMB'000	Revenue reserve 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 year	-	140,672	-	140,672
<i>Other comprehensive loss</i>				
Currency translation differences arising on consolidation	-	-	(5,683)	(5,683)
Total comprehensive income/(loss) for the year	-	140,672	(5,683)	134,989
Dividends paid	-	(90,000)	-	(90,000)
Balance as at 31.12.2015	250,660	575,975	(52,307)	774,328

Explanatory Notes:

Capital Reserve

Capital reserve arises from amalgamation of subsidiaries. With effect from 1 December 2015, WHMT, WCNC and WPMC 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 31 December 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 31 December 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 year, 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 FRSs 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 years.

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 31.12.2016	1.1.2015 to 31.12.2015	1.10.2016 to 31.12.2016	1.10.2015 to 31.12.2015
(a) Based on weighted average number of ordinary shares on issue (RMB); and	0.07	0.05	0.00	(0.03)
(b) On a fully diluted basis (RMB)	0.07	0.05	0.00	(0.03)
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	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	RMB	RMB	RMB	RMB
Net asset value per ordinary share based on issued share capital at the end of the respective years:	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 Income Statement

(i) Turnover

For the 3 months ended 31 December 2016 ("4Q16"), the Group's turnover increased by 58.2% to RMB196.5 million from RMB124.2 million in the 3 months ended 31 December 2015 ("4Q15").

In terms of sales performance for 4Q16, sales of conventional stamping machines increased by 26.5% while sales of high performance and high tonnage stamping machines increased by 69.4%.

For the full year ended 31 December 2016 ("FY16"), the Group's turnover increased by 29.3% to RMB723.1 million from RMB559.1 million in the full year ended 31 December 2015 ("FY15").

In terms of sales performance for FY16, sales of conventional stamping machines decreased by 11.5% while sales of high performance and high tonnage stamping machines increased by 35.9%.

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 4Q16 increased by 2.0% to RMB38.7 million from RMB38.0 million in 4Q15. However, the gross profit margin decreased by 10.9% to 19.7% in 4Q16 from 30.6% in 4Q15.

In terms of gross profit margin for 4Q16 year-on-year, gross profit margin for conventional stamping machines decreased by 8.5% to 15.9% from 24.4% in 4Q15 while gross profit margin for high performance and high tonnage stamping machines decreased by 8.7% to 23.0% from 31.7% in 4Q15.

The Group's gross profit for FY16 decreased by 7.9% to RMB160.5 million from RMB174.2 million in FY15. The gross profit margin for FY16 decreased by 9.0% to 22.2% from 31.2% in FY15.

In terms of gross profit margin for FY16, gross profit margin for conventional stamping machines decreased by 7.5% to 17.6% from 25.1% in FY15 while gross profit margin for high performance and high tonnage stamping machines decreased by 6.3% to 24.6% from 30.9% in FY15.



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

In 4Q16, the Group's other income increased by 42.2% to RMB4.1 million from RMB2.9 million in 4Q15.

In FY16, the Group's other income increased by 3.5% to RMB13.8 million from RMB13.4 million in FY15.

Overall, the increase was mainly due to 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 which was partially offset by a decrease in government grant and subsidies received.

(iv) Distribution and Selling Expenses

In 4Q16, the Group's distribution and selling expenses increased by 29.9% to RMB22.4 million from RMB17.2 million in 4Q15 in tandem with increase in turnover.

In FY16, the Group's distribution and selling expenses increased by 8.6% to RMB60.1 million from RMB55.3 million in FY15 in tandem with increase in turnover. As a percentage of total revenue, distribution and selling expenses decreased by 1.6% to 8.3% in FY16 from 9.9% in FY15.

Overall, the increase was mainly due to 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 which was partially offset by a decrease in publicity and exhibition expenses, repair and maintenance expenses, entertainment expenses and consultation services fees.

(v) Administrative Expenses

In 4Q16, the Group's administrative expenses decreased by 10.2% to RMB14.4 million from RMB16.0 million in 4Q15.

In FY16, the Group's administrative expenses decreased by 9.5% to RMB56.0 million from RMB61.8 million in FY15. As a percentage of total revenue, administrative expenses decreased by 3.4% to 7.7% in FY16 from 11.1% in FY15.

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 4Q16, the Group's depreciation and amortisation expenses decreased by 12.9% to RMB12.9 million from RMB14.8 million in 4Q15.

In FY16, the Group's depreciation and amortisation expenses decreased by 4.1% to RMB61.4 million from RMB64.0 million in FY15.

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

(vii) Other Operating Expenses, net

In 4Q16, the Group's net other expenses decreased by 82.5% to RMB1.5 million from RMB8.6 million in 4Q15.

In FY16, the Group's net other operating expenses decreased by 22.8% to RMB11.5 million from RMB14.9 million in FY15.

Overall, the decrease was mainly due to a decrease in allowance for doubtful debts (trade and non-trade).

(viii) Finance Expenses

In 4Q16, the Group's finance expenses recorded a decrease of 49.6% to RMB1.4 million from RMB2.8 million in 4Q15.

In FY16, the Group's finance expenses recorded a decrease of 49.6% to RMB7.5 million from RMB14.9 million in FY15.

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/(Loss) Before Tax

Overall, the Group's profit before tax had decreased in tandem with the Group's gross profit for 4Q16 and FY16.

In 4Q16, the Group recorded a profit before tax of RMB3.2 million.

In FY16, the Group's profit before tax decreased by 3.5% to RMB39.2 million from RMB40.7 million in FY15.

(x) Income Tax Expense

In 4Q16, the Group's tax expense decreased by 66.1% to RMB2.4 million from RMB7.0 million in 4Q15.



In FY16, the Group's tax expense decreased by 51.8% to RMB9.2 million from RMB19.0 million in FY15.

The decrease was mainly due to lower withholding tax expense in FY16 as compared to FY15 as there was lesser dividend distributed from subsidiaries to holding company during 2016.

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/(Loss) After Tax

In 4Q16, the Group recorded a net profit after tax of RMB0.8 million and a net profit margin of 0.4%.

In FY16, the Group's net profit after tax increased by 38.8% to RMB30.0 million from RMB21.7 million in FY15. Net profit margin increased by 0.3% to 4.2% from 3.9% in FY15.

(B) Consolidated Balance Sheet (31 December 2016 vs 31 December 2015)

For the period under review, the Group's non-current assets decreased by approximately RMB6.5 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. Such decrease was partially offset by an increase in prepayment for property, plant and machinery.

For the period under review, the Group's non-current liabilities decreased by RMB60.0 million mainly due to reclassification RMB60.0 million long-term bank loans due within a year to current bank loans. The bank loans were used to fund the acquisition of property, plant and equipment for its subsidiary in Shenyang, China.

The Group's total current assets decreased by approximately RMB4.3 million from RMB643.7 million as at 31 December 2015 to RMB639.4 million as at 31 December 2016. This was attributable to a decrease in inventories (as a result of increase in sales in 4Q2016), other receivables (which was mainly due to an decrease in prepayment for raw materials) and cash and cash equivalent (explained in the consolidated cash flow statement) which were offset by an increase in trade receivables (due to increase in sales in 4Q2016) and amounts due from related parties (trade related).

However, the Group's total current liabilities increased by approximately RMB67.2 million from RMB420.4 million as at 31 December 2015 to RMB487.6 million as at 31 December 2016. This was attributable to an increase in in trade payables (which was mainly due to slow payment to suppliers), other payables and accruals (mainly due to an increase in accrued for property, plant and equipment and operating expenses which was partially offset by a decrease in advance payment received from customers), short term bank loans (mainly due to addition of short term bank loan of \$18.0 mil during the year) and tax payable. Such increase was partially offset by a decrease in bills payables (mainly issued to pay suppliers) and amounts due to related parties (trade related).

The Group is in a net current assets position as at 31 December 2016 of RMB151.8 million.



(C) Consolidated Cash Flow Statement

For the 3 months ended 31 December 2016, the Group recorded a net cash increase of approximately RMB0.9 million. This was mainly due to: -

- a) the net cash inflow arising from operating activities which amounted to RMB36.2 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 which amounted to RMB24.8 million arose mainly from net repayment of bank loans and bills payables, and interest paid.
- c) the net cash outflow arising from investing activities amounted to RMB10.5 million was mainly due to the acquisition of property, plant and equipment and capitalisation of research and development costs partially offset by proceeds from disposal of property, plant and equipment.

For the full year ended 31 December 2016, the Group recorded a net cash increase of approximately RMB0.9 million. This was mainly due to: -

- a) the net cash inflow arising from operating activities amounted to RMB152.5 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 which amounted to RMB111.2 million arose mainly from net repayment of bank loans and bills payables, interest paid and dividend paid partially offset by cash deposits released from pledge.
- c) the net cash outflow arising from investing activities which amounted to RMB40.4 million was mainly due to the acquisition of property, plant and equipment and capitalisation of research and development costs partially offset by proceeds from disposal of property, plant and equipment.

Cash and cash equivalent as at 31 December 2016 stood at RMB10.2 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 FY16 Financial Results announcement is in line with the statement made in Paragraph 10 disclosed in the 9M16 Financial Results announcement dated 14 November 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 FY2017.



The Group's order book stood at RMB162.3 million as at 22 February 2017.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes. A final dividend of RMB0.125 per share, Tax-Exempt (One-Tier), has been declared for the financial year ended 31 December 2015.

(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.

IPTs for FY16 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)
Jiangsu World Machinery and Electronics Group Co., Ltd.	N/A	
Processing fees received, sale of raw materials, parts and machineries.		87



Processing fees paid and purchase of scrap materials.		2,089
<u>Jiangsu World Plant-Protecting Machinery Co., Ltd.</u>	N/A	
Processing fees received, sale of raw materials and parts.		283
Purchase of raw materials.		214
<u>Jiangsu World Agriculture Machinery Co., Ltd.</u>	N/A	
Processing fees received, sale of raw materials, parts, machineries and equipment.		26,293
Processing fees paid and purchase of raw materials and scrap materials.		828
<u>Jiangsu World Agriculture Machinery & Parts Manufacturing Co., Ltd.</u>	N/A	
Processing fees received, sale of raw materials, parts and equipment.		13,407
Processing fees paid and purchase of raw materials, parts and scrap materials.		4,029
<u>World Agriculture (Shenyang) Co., Ltd.</u>	N/A	
Sales of raw materials and machineries and rental income of factory.		7,854
<u>World Heavy Industry (China) Co., Ltd.</u>	N/A	
Processing fee received and sale of raw materials and parts and machineries.		9,416
Processing fee paid, purchase of raw materials, parts and scrap materials.		6,988



<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	800
<u>Jiangsu World Furniture Co., Ltd.</u> Sale of raw materials, parts and machineries.	N/A	1,329
Total		73,649

14. 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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

No information by business segments is presented as the principal operation of the Group relates mainly to the manufacture of stamping machines and its related components (which include machinery parts and accessories as well as resin-casted components). As the business of the Group is engaged entirely in the PRC, no reporting by geographical location of the operation is presented.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not Applicable.



17. A breakdown of sales.

	The Group		
	FY2016	FY2015	Increase/(decrease)
	RMB'000	RMB'000	%
(a) Sales reported for first half year	365,919	305,193	19.9
Profit after tax before deducting non-controlling interest for first half year	25,812	25,440	1.5
(b) Sales reported for second half of year	357,192	253,928	40.7
Profit/(loss) after tax before deducting non-controlling interest for first half year	4,267	(3,773)	213.1
(c) Sales reported for full year	723,111	559,121	29.3
Profit after tax before deducting non-controlling interest for full year	30,079	21,667	38.8

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	FY2016	FY2015
	RMB'000	RMB'000
Ordinary	-	100,000
Preference	-	-
Total	-	100,000



19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Li Wenjuan	36	Daughter-in-law of Mr. Shao Jianjun, World Precision Machinery Limited's Executive Chairman	Finance Manager of World Precision Machinery Limited since August 2016. She is responsible for accounting and financial function of the Company.	No changes.
Jiang Hongdi	41	Wife of Mr. Ge Minglei, World Precision Machinery Limited's Chief Executive Officer	Group Finance Director of World Precision Machinery Limited since April 2010. Ms. Jiang is responsible for directing, managing and controlling the full spectrum of accounting and finance functions of the Group's subsidiaries.	Ms. Jiang relinquished her position as an Executive Director of World Precision Machinery Limited in March 2016.

BY ORDER OF THE BOARD

Shao Jianjun
Executive Chairman
1 March 2017