



**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 2017 to 30 September 2017 (“3Q17”) and the results for the nine months from 1 January 2017 to 30 September 2017 (“9M17”). The comparatives are for the third quarter from 1 July 2016 to 30 September 2016 (“3Q16”) and the nine months from 1 January 2016 to 30 September 2016 (“9M16”). 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					
	1.1.2017 to 30.9.2017	1.1.2016 to 30.9.2016	Change	1.7.2017 to 30.9.2017	1.7.2016 to 30.9.2016	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Turnover	614,279	526,590	16.7%	202,845	160,671	26.2%
Cost of sales	(484,539)	(404,867)	19.7%	(165,850)	(129,988)	27.6%
Gross profit	129,740	121,723	6.6%	36,995	30,683	20.6%
Gross profit margin (%)	21.1%	23.1%	(2.0%)	18.2%	19.1%	(0.9%)
Other income and gains	8,853	9,704	(8.8%)	3,251	2,752	18.1%
Distribution and selling expenses	(49,773)	(37,674)	32.1%	(17,113)	(11,555)	48.1%
Administrative expenses	(43,306)	(41,602)	4.1%	(13,106)	(14,080)	(6.9%)
Other expenses, net	(2,846)	(10,016)	(71.6%)	(251)	(2,817)	(91.1%)
Finance expenses	(2,923)	(6,063)	(51.8%)	(717)	(1,653)	(56.6%)
Profit before tax	39,745	36,072	10.2%	9,059	3,330	172.0%
Tax expense	(6,426)	(6,792)	(5.4%)	(1,014)	138	N.M.
Profit for the period	33,319	29,280	13.8%	8,045	3,468	132.0%
Net Profit margin (%)	5.4%	5.6%	(0.2%)	4.0%	2.2%	1.8%
Profit attributable to:						
Equity holders of the Company	33,319	29,280	13.8%	8,045	3,468	132.0%

N.M. denotes Not Meaningful



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

	Group					
	1.1.2017 to 30.9.2017 RMB '000	1.1.2016 to 30.9.2016 RMB '000	Change %	1.7.2017 to 30.9.2017 RMB '000	1.7.2016 to 30.9.2016 RMB '000	Change %
Profit for the period	33,319	29,280	13.8%	8,045	3,468	132.0%
<i>Other comprehensive (loss)/income:</i>						
Items that are or may be reclassified subsequently to profit and loss:						
Currency translation differences arising on consolidation	(45)	1,737	N.M.	6	106	(94.3%)
Total comprehensive income for the period	33,274	31,017	7.3%	8,051	3,574	125.3%
Total comprehensive income attributable to:						
Equity holders of the Company	33,274	31,017	7.3%	8,051	3,574	125.3%

N.M. denotes Not Meaningful

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 have been amalgamated into WPMC.

(B) Profit Before Tax

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

	Group			
	1.1.2017 to 30.9.2017 RMB '000	1.1.2016 to 30.9.2016 RMB '000	1.7.2017 to 30.9.2017 RMB '000	1.7.2016 to 30.9.2016 RMB '000
Allowance for doubtful debts (trade)	2,000	2,000	-	-
Amortisation of land use rights	2,278	2,278	760	336
Amortisation of intangible assets	5,422	5,378	2,279	2,205
Bad debts written off (trade)	309	1,346	-	-
Bad debts written off (non-trade)	-	2,702	-	2,702
Depreciation of property, plant and equipment	39,137	40,856	13,122	13,446
Interest expenses	2,894	5,851	730	1,643
Interest income	(32)	(77)	(13)	(16)
Net foreign exchange loss	71	2,198	73	92
Property, plant and equipment written off	1,683	1,173	361	(821)



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	
	30.9.2017 RMB '000	31.12.2016 RMB '000	30.9.2017 RMB '000	31.12.2016 RMB '000
Non current assets				
Property, plant and equipment	695,636	700,810	-	-
Land use rights	126,088	128,366	-	-
Investment in subsidiaries	-	-	785,911	769,293
Intangibles assets	47,723	36,318	-	-
Other receivables	14,108	10,723	-	-
	883,555	876,217	785,911	769,293
Current assets				
Inventories	354,617	353,545	-	-
Land use rights	3,003	3,003	-	-
Trade receivables	189,102	192,724	-	-
Other receivables	21,536	21,737	67	14
Due from related parties (trade)	87,677	58,142	-	-
Due from related parties (non-trade)	-	46	-	-
Due from a subsidiary (non-trade)	-	-	24	105
Cash and cash equivalents	5,104	10,166	825	375
	661,039	639,363	916	494
Total assets	1,544,594	1,515,580	786,827	769,787
Non current liabilities				
Deferred tax liability	5,054	3,300	-	-
Current liabilities				
Trade payables	249,138	212,097	-	-
Bills payables	4,379	27,936	-	-
Other payables	180,872	145,834	981	758
Due to related parties (trade)	4,464	2,124	-	-
Due to related parties (non-trade)	2,542	587	-	-
Due to subsidiaries (non-trade)	-	-	1,601	1,840
Bank loans	38,000	98,000	-	-
Tax payables	2,204	1,035	-	-
	481,599	487,613	2,582	2,598
Total liabilities	486,653	490,913	2,582	2,598
Net current assets/(liabilities)	179,440	151,750	(1,666)	(2,104)
Net Assets	1,057,941	1,024,667	784,245	767,189



	Group		Company	
	30.9.2017	31.12.2016	30.9.2017	31.12.2016
	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	573,063	543,919	534,614	534,131
Statutory reserves	127,232	123,057	-	-
Currency translation reserve	9,889	9,934	(1,029)	(17,602)
Total Equity	1,057,941	1,024,667	784,245	767,189

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

	As at 30 September 2017		As at 31 December 2016	
	Secured	Unsecured	Secured	Unsecured
	RMB '000	RMB '000	RMB '000	RMB '000
Current liabilities				
Bank loans	38,000	-	98,000	-

Details of any collateral

As at 30 September 2017, bank loans comprised the following:

- 1) 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 1Q2018.
- 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 2Q2018.
- 3) 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 2Q2018.



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			
	9M17	9M16	3Q17	3Q16
	1.1.2017 to 30.9.2017 RMB '000	1.1.2016 to 30.9.2016 RMB '000	1.7.2017 to 30.9.2017 RMB '000	1.7.2016 to 30.9.2016 RMB '000
Cash flow from operating activities				
Profit before tax	39,745	36,072	9,059	3,330
Adjustment for:				
Amortisation of land use rights	2,278	2,278	760	336
Amortisation of intangible assets	5,422	5,378	2,279	2,205
Depreciation of property, plant and equipment	39,137	40,856	13,122	13,446
Interest expenses	2,894	5,851	730	1,643
Interest income	(32)	(77)	(13)	(16)
Property, plant and equipment written off	1,683	1,173	361	(821)
Operating profit before working capital changes	91,127	91,531	26,298	20,123
Inventories	(1,073)	34,606	24,103	23,293
Receivables	(25,666)	(16,928)	(7,860)	15,520
Payables	63,605	11,052	(6,179)	(24,111)
Currency translation adjustments	(46)	1,599	13	112
Cash generated from operations	127,947	121,860	36,375	34,937
Interest received	32	77	13	16
Income taxes (paid)/refund	(3,503)	(5,680)	(693)	53
Net cash from operating activities	124,476	116,257	35,695	35,006
Cash flow from investing activities				
Purchase of property, plant and equipment (Note A)	(49,817)	(23,362)	(9,131)	(11,883)
Addition of intangible assets	(16,827)	(6,484)	(368)	(1,933)
Net cash used in investing activities	(66,644)	(29,846)	(9,499)	(13,816)
Cash flow from financing activities				
Proceeds from bank loans	38,000	38,000	28,000	10,000
Repayment of bank loans	(98,000)	(70,000)	(58,000)	(30,000)
Cash deposits released from pledge	570	2,000	570	570
Cash deposits pledged	(570)	(570)	(570)	(570)
Interest paid	(2,894)	(5,851)	(730)	(1,643)
Dividend paid	-	(50,000)	-	-
Net cash used in financing activities	(62,894)	(86,421)	(30,730)	(21,643)



	Group			
	9M17	9M16	3Q17	3Q16
	1.1.2017 to 30.9.2017	1.1.2016 to 30.9.2016	1.7.2017 to 30.9.2017	1.7.2016 to 30.9.2016
	RMB '000	RMB '000	RMB '000	RMB '000
Net decrease in cash and cash equivalents	(5,062)	(10)	(4,534)	(453)
Cash and cash equivalents at beginning of the period	9,595	8,601	9,075	9,188
Effect of exchange rate changes on cash and cash equivalents	1	138	(7)	(6)
Cash and cash equivalents at end of the period	4,534	8,729	4,534	8,729
Cash and cash equivalents per consolidated statement of cash flows	4,534	8,729	4,534	8,729
Cash deposits pledged	570	570	570	570
Cash and cash equivalents as per consolidated statement of financial positions	5,104	9,299	5,104	9,299

Note A

	9M17	9M16	3Q17	3Q16
	1.1.2017 to 30.9.2017	1.1.2016 to 30.9.2016	1.7.2017 to 30.9.2017	1.7.2016 to 30.9.2016
	RMB '000	RMB '000	RMB '000	RMB '000
Total additions to property, plant and equipment	35,645	10,786	19,251	4,996
Add/(less): Changes in unpaid portion	10,787	2,803	1,844	(718)
Add/(less): Changes in prepayments	3,385	9,773	(11,964)	7,605
Purchase of plant, property and equipment per consolidated statement of cash flows	49,817	23,362	9,131	11,883



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 RMB'000
Balance as at 1.1.2017	250,660	97,097	543,919	123,057	9,934	1,024,667
Profit for the period	-	-	33,319	-	-	33,319
<i>Other comprehensive loss:</i>						
Currency translation differences arising on consolidation	-	-	-	-	(45)	(45)
Total comprehensive income/(loss) for the period	-	-	33,319	-	(45)	33,274
Transfer to statutory reserves	-	-	(4,175)	4,175	-	-
Balance as at 30.9.2017	250,660	97,097	573,063	127,232	9,889	1,057,941

	Share capital RMB'000	Capital reserve RMB'000	Retained earnings RMB'000	Statutory reserves RMB'000	Currency translation reserve RMB'000	Total equity 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



Company

	Share capital RMB'000	Retained earnings RMB'000	Currency translation reserve RMB'000	Total equity RMB'000
Balance as at 1.1.2017	250,660	534,131	(17,602)	767,189
Profit for the period	-	483	-	483
<i>Other comprehensive income:</i>				
Currency translation differences arising from translation into the presentation currency	-	-	16,573	16,573
Total comprehensive income for the period	-	483	16,573	17,056
Balance as at 30.9.2017	250,660	534,614	(1,029)	784,245

	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 arising from translation into the presentation currency	-	-	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

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 nine months ended 30 September 2017, 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.

The Company does not have any treasury shares and there are no subsidiary holdings.

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

	As at 30 September 2017	As at 31 December 2016
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 the 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.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current period reported on.

Not applicable as the Company does not have any subsidiary that holds shares issued by the Company.

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 2016.

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 2017. 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.

	1.1.2017 to 30.9.2017	1.1.2016 to 30.9.2016	1.7.2017 to 30.9.2017	1.7.2016 to 30.9.2016
(a) Based on weighted average number of ordinary shares on issue (RMB); and	0.08	0.07	0.02	0.01
(b) On a fully diluted basis (RMB)	0.08	0.07	0.02	0.01
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	
	30.9.2017	31.12.2016	30.9.2017	31.12.2016
	RMB	RMB	RMB	RMB
Net asset value per ordinary share based on issued share capital at the end of the respective periods:	2.64	2.56	1.96	1.92
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 2017 ("3Q17"), the Group's turnover increased by 26.2% to RMB202.8 million from RMB160.7 million for the 3 months ended 30 September 2016 ("3Q16").

In terms of sales performance for 3Q17, sales of conventional stamping machines increased by 14.1% while sales of high performance and high tonnage stamping machines increased by 35.6%.

For the 9 months ended 30 September 2017 ("9M17"), the Group's turnover increased by 16.7% to RMB614.3 million from RMB526.6 million for the 9 months ended 30 September 2016 ("9M16").

In terms of sales performance for 9M17, sales of conventional stamping machines increased by 10.0% while sales of high performance and high tonnage stamping machines increased by 23.6%.

The increase in number of units sold in conventional stamping machines and high performance and high tonnage stamping machines which was partially offset by a downward 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 in Jiangsu, Guangdong and Zhejiang.

(ii) Gross Profit

The Group's gross profit for 3Q17 increased by 20.6% to RMB37.0 million from RMB30.7 million in 3Q16. Gross profit margin decreased by 0.9% to 18.2% in 3Q17 from 19.1% in 3Q16.

In terms of gross profit margin for 3Q16 year-on-year, gross profit margin for conventional stamping machines decreased by 7.2% to 7.2% in 3Q17 from 14.4% in 3Q16 while gross profit margin for high performance and high tonnage stamping machines decreased by 2.2% to 19.1% in 3Q17 from 21.3% in 3Q16.



The Group's gross profit for 9M17 increased by 6.6% to RMB129.7 million from RMB121.7 million in 9M16. The gross profit margin for 9M17 decreased by 2.0% to 21.1% from 23.1% in 9M16.

In terms of gross profit margin for 9M17, gross profit margin for conventional stamping machines decreased by 7.0% to 11.2% in 9M17 from 18.2% in 9M16 while gross profit margin for high performance and high tonnage stamping machines decreased by 3.8% to 21.4% in 9M17 from 25.2% in 9M16.

Overall, the decrease in the Group's gross profit margin for 3Q2017 and 9M2017 was mainly due to an increase in raw materials costs and a downward revision in the average selling prices of the stamping machines which was partially offset by an increase in production of conventional stamping machines and high performance and high tonnage stamping machines.

(iii) Other Income and gains

The Group's other income and gains increased by 18.1% to RMB3.3 million in 3Q17 compared to RMB2.8 million in 3Q16. The increase was mainly due to an increase in government grant received during 3Q2017.

In 9M17, the Group's other income and gains decreased by 8.8% to RMB8.9 million from RMB9.7 million in 9M16. The decrease was mainly due to a write back of trade and other payables written off.

(iv) Distribution and Selling Expenses

In 3Q17, the Group's distribution and selling expenses increased by 48.1% to RMB17.1 million from RMB11.6 million in 3Q16.

In 9M17, the Group's distribution and selling expenses increased by 32.1% to RMB49.8 million from RMB37.7 million in 9M16. As a percentage of total revenue, distribution and selling expenses increased by 0.9% to 8.1% in 9M17 from 7.2% in 9M16.

The increase was mainly due to an increase in sales commission payable to sales personnel in tandem with the increase in turnover and an increase in transport expenses, travelling expenses and entertainment expenses which was partially offset by a decrease in after sales services expenses and sales consultation expenses.

(v) Administrative Expenses

In 3Q17, the Group's administrative expenses decreased by 6.9% to RMB13.1 million from RMB14.1 million in 3Q16.

In 9M17, the Group's administrative expenses increased by 4.1% to RMB43.3 million from RMB41.6 million in 9M16. As a percentage of total revenue, administrative expenses decreased by 0.9% to 7.0% in 9M17 from 7.9% in 9M16.

Overall, the increase was mainly due to an increase in research and development costs for stamping machines and staff related costs.



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 3Q17, the Group's depreciation and amortisation expenses increased by 1.1% to RMB16.2 million from RMB16.0 million in 3Q16.

In 9M17, the Group's depreciation and amortisation expenses decreased by 3.5% to RMB46.8 million from RMB48.5 million in 9M16.

Overall, the decrease was mainly due to certain property, plant and equipment of the Group having being fully depreciated.

(vii) Other Expenses, net

In 3Q17, the Group's net other expenses decreased by 91.1% to RMB0.3 million from RMB2.8 million in 3Q16.

In 9M17, the Group's net other expenses decreased by 71.6% to RMB2.8 million from RMB10.0 million in 9M16.

Overall, the decrease was mainly due to a decrease in bad debts written off and foreign exchange gain.

(viii) Finance Expenses

In 3Q17, the Group's finance expenses recorded a decrease of 56.6% to RMB0.7 million from RMB1.7 million in 3Q16.

In 9M17, the Group's finance expenses recorded a decrease of 51.8% to RMB2.9 million from RMB6.1 million in 9M16.

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

(ix) Profit Before Tax

Overall, the Group's profit before tax ("PBT") had increased in tandem with the Group's gross profit for 3Q17 and 9M17.

In 3Q17, the Group's PBT increased by 172.0% to RMB9.1 million from RMB3.3 million in 3Q16.

In 9M17, the Group's PBT increased by 10.2% to RMB39.7 million from RMB36.1 million in 9M17.



(x) Tax Expense

In 3Q17, the Group had tax expenses of RMB1.0 million as compared to tax refund of RMB0.1 million in 3Q16.

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

In 9M17, the Group's tax expense decreased by 5.4% to RMB6.4 million from RMB6.8 million in 9M16.

The decrease was mainly due to lower withholding tax expense in 9M17 as compared to 9M2016.

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 3Q17, the Group's net profit after tax ("NPAT") increased by 132.0% to RMB8.0 million from RMB3.5 million in 3Q16. Net profit margin increased by 1.8% to 4.0% from 2.2% in 3Q16.

In 9M17, the Group's NPAT increased by 13.8% to RMB33.3 million from RMB29.3 million in 9M16. Net profit margin decreased by 0.2% to 5.4% from 5.6% in 9M16.

(B) Consolidated Statement of Financial Position (30 September 2017 vs 31 December 2016)

For the period under review, the Group's non-current assets increased by approximately RMB7.3 million mainly due to the acquisition of property, plant and equipment and addition of intangible assets net off the depreciation and amortisation expenses and increase in prepayment for acquisition of property, plant and equipment.

For the period under review, the Group's non-current liabilities increased by RMB1.8 million due to an increase in deferred tax liability.

The Group's total current assets increased by approximately RMB21.7 million from RMB639.4 million as at 31 December 2016 to RMB661.0 million as at 30 September 2017. This was attributable to an increase in inventories (increase in production due to an increase in order books) and amounts due from related parties (trade related) which was partially offset by a decrease trade receivables (which was mainly due to management efforts in debt collections), other receivables, cash and cash equivalent (explained in the consolidated statement of cash flows) and amounts due from related parties (non-trade related).

However, the Group's total current liabilities decreased by approximately RMB6.0 million from RMB487.6 million as at 31 December 2016 to RMB481.6 million as at 30 September 2017. This was attributable to a decrease in bill payables (mainly due to settlement of bill payables issued to suppliers) and bank loans (which was mainly due to net repayments of bank loans) which were partially offset by an increase in trade payables (mainly due to slow payment to suppliers), other payables (which was mainly due to an increase in advance payment received



from customers which was partially offset by a decrease in accrued operating expenses), amounts due to related parties (trade and non- trade related) and tax payables.

The Group is in a net current assets position as at 30 September 2017 of RMB179.4 million.

(C) Consolidated Statement of Cash Flows

For the 3 months ended 30 September 2017, the Group recorded a net cash decrease of approximately RMB4.5 million. This was mainly due to: -

- a) the net cash inflow arising from operating activities which amounted to RMB35.7 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 RMB30.7 million which arose mainly from net repayment of bank loans and interest paid.
- c) the net cash outflow arising from investing activities amounting to RMB9.5 million which was mainly due to the acquisition of property, plant and equipment and intangible assets.

For the 9 months ended 30 September 2017, the Group recorded a net cash decrease of approximately RMB5.1 million. This was mainly due to: -

- a) the net cash inflow arising from operating activities which amounted to RMB124.5 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 RMB62.9 million which arose mainly from net repayment of bank loans and interest paid.
- c) the net cash outflow arising from investing activities amounting to RMB66.6 million which was mainly due to the acquisition of property, plant and equipment and intangible assets.

Cash and cash equivalent as at 30 September 2017 stood at RMB5.1 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 9M17 Financial Results announcement is in line with the statement made in Paragraph 10 of the 1H17 Financial Results announcement dated 11 August 2017 i.e. Barring any unforeseen circumstances, the Group is cautiously optimistic to remain profitable in FY2017.

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 RMB213.0 million as at 4 November 2017.

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?

None.

(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 9M2017 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>	N/A	



Processing fees received, sale of raw materials and parts		81
Processing fees paid and purchase of raw materials.		722
<u>Jiangsu World Plant-Protecting Machinery Co., Ltd.</u>	N/A	
Processing fees received, sale of raw materials and parts.		76
Purchase of raw materials and scrap materials.		1,472
<u>Jiangsu World Agriculture Machinery Co., Ltd.</u>	N/A	
Processing fees received, sale of raw materials, parts and machineries.		12,830
Processing fees paid and purchase of raw materials and scrap materials.		269
<u>Jiangsu World Agriculture Machinery & Parts Manufacturing Co., Ltd.</u>	N/A	
Processing fees received, sale of raw materials, parts and machineries.		8,441
Processing fees paid and purchase of raw materials and scrap materials.		1,498
<u>World Agriculture (Shenyang) Co., Ltd.</u>	N/A	
Sales of raw materials, parts and machineries and rental income of factory.		6,274
<u>World Heavy Industry (China) Co., Ltd.</u>	N/A	
Processing fee received and sale of raw materials and parts.		2,238
Processing fee paid and purchase of raw materials, parts, scrap		18,023



materials and equipment		
<u>Jiangsu World Crane Co., Ltd</u> Processing fee paid and purchase of equipment	N/A	1,657
<u>Jiangsu World Precise Machinery Co., Ltd.</u> Land rental paid.	N/A	514
<u>Jiangsu World Furniture Co., Ltd.</u> Processing fee received and sale of raw materials, parts and machineries.	N/A	213
Total		54,308

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 2017 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

11 November 2017