



**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 second quarter from 1 April 2016 to 30 June 2016 (“2Q16”) and the results for the first half year from 1 January 2016 to 30 June 2016 (“1H16”). The comparatives are for the second quarter from 1 April 2015 to 30 June 2015 (“2Q15”) and the first half year from 1 January 2015 to 30 June 2015 (“1H15”). 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 and Loss and Other Comprehensive Income**

	Group					
	1.1.2016 to 30.6.2016	1.1.2015 to 30.6.2015	Change	1.4.2016 to 30.6.2016	1.4.2015 to 30.6.2015	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Revenue	365,919	305,193	19.9%	176,529	172,527	2.3%
Cost of sales	(274,879)	(207,826)	32.3%	(133,417)	(115,426)	15.6%
Gross profit	91,040	97,367	(6.5%)	43,112	57,101	(24.5%)
Gross profit margin (%)	24.9%	31.9%	(7.0%)	24.4%	33.1%	(8.7%)
Other income	6,952	6,103	13.9%	4,048	4,490	(9.8%)
Distribution and selling expenses	(26,119)	(23,782)	9.8%	(14,527)	(14,541)	(0.1%)
Administrative expenses	(27,522)	(30,839)	(10.8%)	(14,221)	(16,274)	(12.6%)
Other expenses, net	(7,199)	(3,743)	92.3%	(3,553)	(3,387)	4.9%
Financial expenses	(4,410)	(8,637)	(48.9%)	(2,215)	(4,080)	(45.7%)
Profit before tax	32,742	36,469	(10.2%)	12,644	23,309	(45.8%)
Tax expense	(6,930)	(11,029)	(37.2%)	(2,769)	(7,877)	(64.8%)
Profit for the period	25,812	25,440	1.5%	9,875	15,432	(36.0%)
Net profit margin (%)	7.1%	8.3%	(1.2%)	5.6%	8.9%	(3.3%)
Profit attributable to:						
Equity holders of the Company	25,812	25,440	1.5%	9,875	15,432	(36.0%)



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

	Group					
	1.1.2016 to 30.6.2016	1.1.2015 to 30.6.2015	Change	1.4.2016 to 30.6.2016	1.4.2015 to 30.6.2015	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Profit for the period	25,812	25,440	1.5%	9,875	15,432	(36.0%)
<i>Other comprehensive Income/(loss)</i>						
Items that are or may be reclassified subsequently to profit and loss:						
Currency translation differences arising on consolidation	1,631	744	119.2%	(525)	658	N.M.
Total comprehensive income for the period	<u>27,443</u>	<u>26,184</u>	<u>4.8%</u>	<u>9,350</u>	<u>16,090</u>	<u>(41.9%)</u>
Total comprehensive income attributable to:						
Equity holders of the Company	<u>27,443</u>	<u>26,184</u>	<u>4.8%</u>	<u>9,350</u>	<u>16,090</u>	<u>(41.9%)</u>

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.



**沃得**  
**WORLD**

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

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(B) Profit Before Tax

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

	<b>Group</b>			
	<b>1.1.2016 to 30.6.2016</b>	<b>1.1.2015 to 30.6.2015</b>	<b>1.4.2016 to 30.6.2016</b>	<b>1.4.2015 to 30.6.2015</b>
	<b>RMB '000</b>	<b>RMB '000</b>	<b>RMB '000</b>	<b>RMB '000</b>
Allowance for doubtful debts (trade)	2,000	1,118	2,000	1,118
Amortisation of land use rights	1,942	1,776	1,183	419
Amortisation of intangible assets	3,173	2,797	1,358	1,141
Bad debts written off (trade)	1,346	1,327	602	1,327
Depreciation of property, plant and equipment	27,410	28,214	13,481	14,130
Interest expenses	4,208	8,517	2,034	4,069
Interest income	(61)	(98)	(20)	(48)
Net foreign exchange loss/(gain)	2,106	839	(80)	618
Property, plant and equipment written off	1,994	242	807	122



**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	
	30.6.2016 RMB '000	31.12.2015 RMB '000	30.6.2016 RMB '000	31.12.2015 RMB '000
<b>Non-current assets</b>				
Property, plant and equipment	692,799	716,413	-	-
Land use rights	129,461	131,403	-	-
Investment in subsidiaries	-	-	776,359	722,792
Intangible assets	36,243	34,865	-	-
	<u>858,503</u>	<u>882,681</u>	<u>776,359</u>	<u>722,792</u>
<b>Current assets</b>				
Inventories	371,544	382,856	-	-
Land use rights	3,003	3,003	-	-
Trade receivables	224,682	189,962	-	-
Other receivables	17,631	27,084	-	2,817
Due from related parties (trade)	39,305	30,124	-	-
Due from related parties (non-trade)	213	46	-	-
Due from subsidiaries (non-trade)	-	-	88	48,567
Cash and bank balances	9,758	10,601	400	1,066
	<u>666,136</u>	<u>643,676</u>	<u>488</u>	<u>52,450</u>
<b>Total assets</b>	<u>1,524,639</u>	<u>1,526,357</u>	<u>776,847</u>	<u>775,242</u>
<b>Non-current liabilities</b>				
Bank loans	30,000	60,000	-	-
Deferred tax liability	4,659	3,300	-	-
	<u>34,659</u>	<u>63,300</u>	<u>-</u>	<u>-</u>
<b>Current liabilities</b>				
Trade payables	182,970	177,192	-	-
Bills payables	38,709	31,130	-	-
Other payables	137,583	118,456	1,134	914
Due to related parties (trade)	1,766	2,645	-	-
Due to related parties (non-trade)	578	540	-	-
Due to a subsidiary (non-trade)	-	-	2,048	-
Bank loans	108,000	90,000	-	-
Income tax payable	266	429	-	-
	<u>469,872</u>	<u>420,392</u>	<u>3,182</u>	<u>914</u>
<b>Total liabilities</b>	<u>504,531</u>	<u>483,692</u>	<u>3,182</u>	<u>914</u>
<b>Net current assets/(liabilities)</b>	<u>196,264</u>	<u>223,284</u>	<u>(2,694)</u>	<u>51,536</u>
<b>Net Assets</b>	<u>1,020,108</u>	<u>1,042,665</u>	<u>773,665</u>	<u>774,328</u>



	Group		Company	
	30.6.2016	31.12.2015	30.6.2016	31.12.2015
	RMB '000	RMB '000	RMB '000	RMB '000
<b>Equity attributable to the equity holders of the Company</b>				
Share capital	250,660	250,660	250,660	250,660
Capital reserve	97,097	97,097	-	-
Retained earnings	540,492	568,130	520,115	575,975
Statutory reserves	122,217	118,767	-	-
Currency translation reserve	9,642	8,011	2,890	(52,307)
<b>Total Equity</b>	<b>1,020,108</b>	<b>1,042,665</b>	<b>773,665</b>	<b>774,328</b>

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

	As at 30 June 2016		As at 31 December 2015	
	Secured	Unsecured	Secured	Unsecured
	RMB '000	RMB '000	RMB '000	RMB '000
<b>Non current liabilities</b>				
Bank loans	30,000	-	60,000	-
<b>Current liabilities</b>				
Bank loans	108,000	-	90,000	-

**Details of any collateral**

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

- 1) RMB100.0 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 3Q2016.
- 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			
	1H16	1H15	2Q16	2Q15
	1.1.2016 to 30.6.2016	1.1.2015 to 30.6.2015	1.4.2016 to 30.6.2016	1.4.2015 to 30.6.2015
	RMB '000	RMB '000	RMB '000	RMB '000
<b>Cash flow from operating activities</b>				
Profit before tax	32,742	36,469	12,644	23,309
Adjustments for:				
Amortisation of land use rights	1,942	1,776	1,183	419
Amortisation of intangible assets	3,173	2,797	1,358	1,141
Depreciation of property, plant and equipment	27,410	28,214	13,481	14,130
Interest expense	4,208	8,517	2,034	4,069
Interest income	(61)	(98)	(20)	(48)
Property, plant and equipment written off	1,994	242	807	122
Operating cash flow before working capital changes	71,408	77,917	31,487	43,142
Inventories	11,312	(34,799)	(11,724)	(5,467)
Receivables	(32,447)	29,434	829	16,056
Payables	32,065	20,515	51,482	35,383
Currency translation adjustments	1,359	782	(617)	655
Cash generated from operations	83,697	93,849	71,457	89,769
Interest received	61	98	20	48
Income taxes paid	(5,734)	(11,072)	(3,668)	(5,030)
<b>Net cash from operating activities</b>	<b>78,024</b>	<b>82,875</b>	<b>67,809</b>	<b>84,787</b>
<b>Cash flow from investing activities</b>				
Purchase of property, plant and equipment (Note A)	(8,380)	(6,748)	(1,909)	(31)
Acquisition of intangible assets	(4,551)	(6,035)	(2,223)	(6,035)
<b>Net cash used in investing activities</b>	<b>(12,931)</b>	<b>(12,783)</b>	<b>(4,132)</b>	<b>(6,066)</b>
<b>Cash flow from financing activities</b>				
Proceeds from bank loans	28,000	10,000	10,000	10,000
Repayment of bank loans	(40,000)	(65,000)	(25,000)	(37,500)
Bank deposits released from pledge	2,000	2,000	535	2,000
Bank deposits pledged	(570)	(2,000)	(570)	(2,000)
Interest paid	(4,208)	(8,517)	(2,034)	(4,069)
Dividend paid	(50,000)	(40,000)	(50,000)	(40,000)
<b>Net cash used in financing activities</b>	<b>(64,778)</b>	<b>(103,517)</b>	<b>(67,069)</b>	<b>(71,569)</b>



	Group			
	1H16	1H15	2Q16	2Q15
	1.1.2016 to 30.6.2016	1.1.2015 to 30.6.2015	1.4.2016 to 30.6.2016	1.4.2015 to 30.6.2015
	RMB '000	RMB '000	RMB '000	RMB '000
Net increase/(decrease) in cash and cash equivalents	315	(33,425)	(3,392)	7,152
Cash and cash equivalents at beginning of the period	8,601	48,916	12,488	8,298
Effect of exchange rate changes on cash and cash equivalents	272	(38)	92	3
Cash and cash equivalents at end of the period	9,188	15,453	9,188	15,453
Cash and cash equivalents per consolidated statement of cash flows	9,188	15,453	9,188	15,453
Bank deposits pledged	570	2,000	570	2,000
<b>Cash and cash equivalents as per consolidated statement of financial positions</b>	<b>9,758</b>	<b>17,453</b>	<b>9,758</b>	<b>17,453</b>

**Note A**

	1H16	1H15	2Q16	2Q15
	1.1.2016 to 30.6.2016	1.1.2015 to 30.6.2015	1.4.2016 to 30.6.2016	1.4.2015 to 30.6.2015
	RMB '000	RMB '000	RMB '000	RMB '000
Total additions to property, plant and equipment	5,790	3,064	2,876	2,321
Add/(less): movements in unpaid portion	422	2,700	(895)	(1,043)
Add/(less): movements in prepayments	2,168	984	(72)	(1,247)
Purchase of plant, property and equipment per consolidated statement of cash flows	8,380	6,748	1,909	31



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 the Company RMB'000
<b>Balance as at 1.1.2016</b>	250,660	97,097	568,130	118,767	8,011	1,042,665
Profit for the period	-	-	25,812	-	-	25,812
<i>Other comprehensive income</i>						
Currency translation differences arising on consolidation	-	-	-	-	1,631	1,631
Total comprehensive income for the period	-	-	25,812	-	1,631	27,443
Dividend paid	-	-	(50,000)	-	-	(50,000)
Transfer to statutory reserves	-	-	(3,450)	3,450	-	-
<b>Balance as at 30.6.2016</b>	250,660	97,097	540,492	122,217	9,642	1,020,108
	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 the Company RMB'000
<b>Balance as at 1.1.2015</b>	250,660	-	701,575	150,752	5,642	1,108,629
Profit for the period	-	-	25,440	-	-	25,440
<i>Other comprehensive income</i>						
Currency translation differences arising on consolidation	-	-	-	-	744	744
Total comprehensive income for the period	-	-	25,440	-	744	26,184
Dividend paid	-	-	(40,000)	-	-	(40,000)
Transfer to statutory reserves	-	-	(4,462)	4,462	-	-
<b>Balance as at 30.6.2015</b>	250,660	-	682,553	155,214	6,386	1,094,813





**Company**

	Share capital RMB'000	Retained earnings RMB'000	Currency translation reserve RMB'000	Total equity RMB'000
<b>Balance as at 1.1.2016</b>	250,660	575,975	(52,307)	774,328
Loss for the period	-	(5,860)	-	(5,860)
<i>Other comprehensive income</i>				
Currency translation differences	-	-	55,197	55,197
Total comprehensive (loss)/income for the period	-	(5,860)	55,197	49,337
Dividend paid	-	(50,000)	-	(50,000)
<b>Balance as at 30.6.2016</b>	250,660	520,115	2,890	773,665

	Share capital RMB'000	Retained earnings RMB'000	Currency translation reserve RMB'000	Total equity RMB'000
<b>Balance as at 1.1.2015</b>	250,660	525,303	(46,624)	729,339
Profit for the period	-	36,620	-	36,620
<i>Other comprehensive loss</i>				
Currency translation differences	-	-	(19,773)	(19,773)
Total comprehensive income/(loss) for the period	-	36,620	(19,773)	16,847
Dividend paid	-	(40,000)	-	(40,000)
<b>Balance as at 30.6.2015</b>	250,660	521,923	(66,397)	706,186

**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 June 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 June 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 Company'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 30.6.2016	1.1.2015 to 30.6.2015	1.4.2016 to 30.6.2016	1.4.2015 to 30.6.2015
(a) Based on weighted average number of ordinary shares on issue (RMB); and	0.06	0.06	0.02	0.04
(b) On a fully diluted basis (RMB)	0.06	0.06	0.02	0.04
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 issued share capital of the issuer at the end of the:  
(a) current financial period reported on; and  
(b) immediately preceding financial year.

	Group		Company	
	30.6.2016	31.12.2015	30.6.2016	31.12.2015
	RMB	RMB	RMB	RMB
Net asset value (“NAV”) per ordinary share based on issued share capital at the end of the respective periods:	2.55	2.61	1.93	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) Revenue

For the 3 months ended 30 June 2016 ("2Q16"), the Group's turnover increased by 2.3% to RMB176.5 million from RMB172.5 million for the 3 months ended 30 June 2015 ("2Q15").

In terms of sales performance for 2Q16, sales of conventional stamping machines decreased by 27.2% while sales of high performance and high tonnage stamping machines increased by 5.0%.

For the 6 months ended 30 June 2016 ("1H16"), the Group's turnover increased by 19.9% to RMB365.9 million from RMB305.2 million for the 6 months ended 30 June 2015 ("1H15").

In terms of sales performance for 1H16, sales of conventional stamping machines decreased by 27.2% while sales of high performance and high tonnage stamping machines increased by 26.5%.

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 in Jiangsu, Guangdong, Zhejiang and Bohai Rim areas.

#### (ii) Gross Profit

The Group's gross profit for 2Q16 decreased by 24.5% to RMB43.1 million from RMB57.1 million in 2Q15. The gross profit margin decreased by 8.7% to 24.4% in 2Q16 from 33.1% in 2Q15.

In terms of gross profit margin for 2Q16, gross profit margin for conventional stamping machines decreased by 8.0% to 18.4% from 26.4% in 2Q15 while gross profit margin for high performance and high tonnage stamping machines decreased by 6.1% to 26.0% from 32.1% in 2Q15.

The Group's gross profit for 1H16 decreased by 6.5% to RMB91.0 million from RMB97.4 million in 1H15. The gross profit margin for 1H16 decreased by 7.0% to 24.9% from 31.9% in 1H15.

In terms of gross profit margin for 1H16, gross profit margin for conventional stamping machines decreased by 5.7% to 19.8% from 25.5% in 1H15 while gross profit margin for high performance and high tonnage stamping machines decreased by 5.1% to 26.9% from 32.0% in 1H15.

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 2Q16, other income decreased by 9.8% to RMB4.0 million from RMB4.5 million in 2Q15.

In 1H16, other income increased by 13.9% to RMB7.0 million from RMB6.1 million in 1H15.

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 to related parties which was partially offset by a decrease in government grant and subsidies received.

**(iv) Distribution and Selling Expenses**

In 2Q16, distribution and selling expenses are comparable to 2Q15.

In 1H16, distribution and selling expenses increased by 9.8% to RMB26.1 million from RMB23.8 million in 1H15. As a percentage of total revenue, distribution and selling expenses decreased by 0.7% to 7.1% in 1H16 from 7.8% in 1H15.

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

**(v) Administrative Expenses**

In 2Q16, administrative expenses decreased by 12.6% to RMB14.2 million from RMB16.3 million in 2Q15.

In 1H16, administrative expenses decreased by 10.8% to RMB27.5 million from RMB30.8 million in 1H16. As a percentage of total revenue, administrative expenses decreased by 2.6% to 7.5% in 1H16 from 10.1% in 1H15.

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 2Q16, depreciation and amortisation expenses increased by 2.1% to RMB16.0 million from RMB15.7 million in 2Q15.

In 1H16, depreciation and amortisation expenses decreased by 0.8% to RMB32.5 million from RMB32.8 million in 1H15 as certain property, plant and equipment of its subsidiaries have been fully depreciated which was partially offset by an increase in amortisation charged for addition of intangible assets acquired in FY15.



**(vii) Other Expenses, net**

In 2Q16, other expenses increased by 4.9% to RMB3.6 million from RMB3.4 million in 2Q15.

In 1H16, other expenses increased by 92.3% to RMB7.2 million from RMB3.7 million in 1H15.

Overall, the increase was mainly due to an increase in allowance for doubtful debts, bad debts written off and foreign exchange loss.

**(viii) Financial Expenses**

In 2Q16, the Group's finance expenses recorded a decrease of 45.7% to RMB2.2 million from RMB4.1 million in 2Q15.

In 1H16, the Group's finance expenses recorded a decrease of 48.9% to RMB4.4 million from RMB8.6 million in 1H15.

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 2Q16 and 1H16.

In 2Q16, the Group's PBT decreased by 45.8% to RMB12.6 million from RMB23.3 million in 2Q15.

In 1H16, the Group's PBT decreased by 10.2% to RMB32.7 million from RMB36.5 million in 1H15.

**(x) Tax Expense**

Overall, the Group's tax expenses had decreased in tandem with the Group's PBT for 2Q16 and 1H16.

In 2Q16, the Group's tax expense decreased by 64.8% to RMB2.8 million from RMB7.9 million in 2Q15.

In 1H16, the Group's tax expense decreased by 37.2% to RMB6.9 million from RMB11.0 million in 1H15.

The decrease was mainly due to the Group's tax expenses in 2Q15 which included withholding tax expense whereas there was no withholding tax expense in 2Q2016.

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

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



**(xi) Net Profit After Tax**

Overall, the Group's net profit after tax ("NPAT") had decreased in tandem with the Group's PBT for 2Q16 and 1H16.

In 2Q16, the Group's NPAT decreased by 36.0% to RMB9.9 million from RMB15.4 million in 2Q15. Net profit margin decreased by 3.3% to 5.6% from 8.9% in 2Q15.

In 1H16, the Group's NPAT increased by 1.5% to RMB25.8 million from RMB25.4 million in 1H15. Net profit margin decreased by 1.2% to 7.1% from 8.3% in 1H15.

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

For the period under review, the Group's non-current assets decreased by approximately RMB24.2 million due to the depreciation and amortisation charges which was partially offset by the acquisition of property, plant and equipment and addition of intangible assets in respect of its subsidiaries.

For the period under review, the Group's non-current liabilities decreased by RMB28.6 million due to a reclassification of RMB30.0 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 RMB1.4 million. 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 increased by approximately RMB22.4 million from RMB643.7 million as at 31 December 2015 to RMB666.1 million as at 30 June 2016. This was attributable to an increase in trade receivables (which was mainly due to slow payment from customers) and amounts due from related parties (trade and non-trade related) which were partially offset by a decrease in inventories (as a result of increase in sales), other receivables (which was 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 equivalent (explained in the consolidated statement of cash flows).

Concurrently, the Group's total current liabilities increased by approximately RMB49.5 million from RMB420.4 million as at 31 December 2015 to RMB469.9 million as at 30 June 2016. This was attributable to an increase in trade payables (which was mainly due to slow payment to suppliers), bills payables (which was mainly issued to pay suppliers), other payables (which was mainly due to increase in accrued operating expenses which was partially offset by a decrease in advance payment received from customers), bank loans (which was mainly due to reclassification of RMB30 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) which were partially offset by a decrease in amounts due to related parties (trade) and income tax payable.

The Group is in a net current assets position as at 30 June 2016 of RMB196.3 million.

**(C) Consolidated Statement of Cash Flows**

For the 3 months ended 30 June 2016, the Group recorded a net cash decrease of approximately RMB3.4 million. This was mainly due to: -



- a) the net cash inflow arising from operating activities which amounted to RMB67.8 million. The reasons were mainly disclosed in the commentary under 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 RMB67.1 million mainly due to net repayments of bank loans, interest paid and dividend paid.
- c) the net cash outflow arising from investing activities which amounted to RMB4.1 million and which was mainly due to the acquisition of property, plant and equipment and addition of intangible assets.

For the 6 months ended 30 June 2016, the Group recorded a net cash increase of approximately RMB0.3 million. This was mainly due to: -

- a) the net cash inflow arising from operating activities which amounted to RMB78.0 million. The reasons were mainly disclosed in the commentary under 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 RMB64.8 million mainly due to net repayments of bank loans, interest paid and dividend paid.
- c) the net cash outflow arising from investing activities which amounted to RMB12.9 million mainly due to the acquisition of property, plant and equipment and addition of intangible assets.

Cash and cash equivalents as at 30 June 2016 stood at RMB9.8 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 1H16 Financial Results announcement is in line with the statement made in Paragraph 10 disclosed in the 1Q16 Financial Results announcement dated 29 April 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 RMB91.9 million as at 9 August 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?

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 1H2016 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	6  1,661
<u>Jiangsu World Plant-Protecting Machinery Co., Ltd.</u>	N/A	



Processing fees received, sale of raw materials and parts.		179
Processing fees paid, purchase of raw materials and parts.		171
<u>Jiangsu World Agriculture Machinery Co., Ltd.</u>	N/A	
Processing fees received, sale of raw materials, parts and machineries.		13,495
Processing fees paid and purchase of scrap materials.		583
<u>Jiangsu World Agriculture Machinery &amp; Parts Manufacturing Co., Ltd.</u>	N/A	
Processing fees received, sale of raw materials and parts.		8,066
Purchase of scrap materials.		2,689
<u>World Agriculture (Shenyang) Co., Ltd.</u>	N/A	
Sales of machineries and rental income of factory.		4,083
<u>World Heavy Industry (China) Co., Ltd.</u>	N/A	
Processing fee received and sale of raw materials and parts.		6,911
Purchase of raw materials and scrap materials.		1,448
<u>Jiangsu World Crane Co., Ltd</u>	N/A	
Processing fee paid.		32
<u>Jiangsu World Precise Machinery Co., Ltd.</u>	N/A	
Land rental paid.		420
<u>Jiangsu World Furniture Co., Ltd.</u>	N/A	
Sale of raw materials and parts.		389
<b>Total</b>		<b>40,133</b>



**沃得**  
WORLD

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

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**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 half year and second quarter results of the Group for the financial period ended 30 June 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  
13 August 2016