



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 2015 to 30 June 2015 (“2Q15”) and the results for the first half year from 1 January 2015 to 30 June 2015 (“1H15”). The comparatives are for the second quarter from 1 April 2014 to 30 June 2014 (“2Q14”) and the first half year from 1 January 2014 to 30 June 2014 (“1H14”). 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					
	1.1.2015 to 30.6.2015	1.1.2014 to 30.6.2014	Change	1.4.2015 to 30.6.2015	1.4.2014 to 30.6.2014	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Revenue	305,193	467,552	(34.7%)	172,527	232,793	(25.9%)
Cost of sales	(207,826)	(323,308)	(35.7%)	(115,426)	(161,790)	(28.7%)
Gross profit	97,367	144,244	(32.5%)	57,101	71,003	(19.6%)
Gross profit margin (%)	31.9%	30.9%	1.0%	33.1%	30.5%	2.6%
Other income	6,103	4,248	43.7%	4,490	2,821	59.2%
Distribution and selling expenses	(23,782)	(31,603)	(24.7%)	(14,541)	(15,863)	(8.3%)
Administrative expenses	(30,839)	(37,145)	(17.0%)	(16,274)	(17,991)	(9.5%)
Other operating expenses, net	(3,743)	(7,099)	(47.3%)	(3,387)	(3,836)	(11.7%)
Financial expenses	(8,637)	(2,521)	242.6%	(4,080)	(1,184)	244.6%
Profit before tax	36,469	70,124	(48.0%)	23,309	34,950	(33.3%)
Tax expense	(11,029)	(14,603)	(24.5%)	(7,877)	(7,606)	3.6%
Profit for the period	25,440	55,521	(54.2%)	15,432	27,344	(43.6%)
Net Profit margin (%)	8.3%	11.9%	(3.6%)	8.9%	11.7%	(2.8%)
Profit attributable to:						
Equity holders of the Company	25,440	55,521	(54.2%)	15,432	27,344	(43.6%)



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

	Group					
	1.1.2015 to 30.6.2015	1.1.2014 to 30.6.2014	Change	1.4.2015 to 30.6.2015	1.4.2014 to 30.6.2014	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Profit for the period	25,440	55,521	(54.2%)	15,432	27,344	(43.6%)
<i>Other comprehensive Income</i>						
Items that are or may be reclassified subsequently to profit and loss:						
Currency translation differences arising on consolidation	744	598	24.4%	658	653	0.8%
Total comprehensive income for the period	<u>26,184</u>	<u>56,119</u>	<u>(53.3%)</u>	<u>16,090</u>	<u>27,997</u>	<u>(42.5%)</u>
Total comprehensive income attributable to:						
Equity holders of the Company	<u>26,184</u>	<u>56,119</u>	<u>(53.3%)</u>	<u>16,090</u>	<u>27,997</u>	<u>(42.5%)</u>

Explanatory Notes

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



(B) Profit Before Tax

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

	Group			
	1.1.2015 to 30.6.2015 RMB '000	1.1.2014 to 30.6.2014 RMB '000	1.4.2015 to 30.6.2015 RMB '000	1.4.2014 to 30.6.2014 RMB '000
Allowance for doubtful debts (trade)	1,118	4,201	1,118	2,665
Amortisation of land use rights	1,776	1,287	419	536
Amortisation of intangible assets	2,797	598	1,141	299
Bad debts written off (trade)	1,327	2,036	1,327	479
Depreciation of property, plant and Equipment	28,214	25,311	14,130	12,685
Interest expenses	8,517	2,336	4,069	1,159
Interest income	(98)	(153)	(48)	(92)
Net foreign exchange loss	839	662	618	681
Property, plant and equipment written off	242	540	122	323



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	
	30.6.2015 RMB '000	31.12.2014 RMB '000	30.6.2015 RMB '000	31.12.2014 RMB '000
Non current assets				
Property, plant and equipment	739,503	764,895	-	-
Land use rights	132,881	134,656	-	-
Investment in subsidiaries	-	-	710,328	730,845
Intangible assets	28,419	25,181	-	-
	<u>900,803</u>	<u>924,732</u>	<u>710,328</u>	<u>730,845</u>
Current assets				
Inventories	382,591	347,792	-	-
Land use rights	3,003	3,003	-	-
Trade receivables	255,958	300,980	-	-
Other receivables	32,292	26,116	-	13
Due from related parties (trade)	22,187	11,986	-	-
Due from related parties (non-trade)	240	46	-	-
Due from subsidiaries (non-trade)	-	-	72	74
Cash and bank balances	17,453	50,916	2,741	4,946
	<u>713,724</u>	<u>740,839</u>	<u>2,813</u>	<u>5,033</u>
Total assets	<u>1,614,527</u>	<u>1,665,571</u>	<u>713,141</u>	<u>735,878</u>
Non current liabilities				
Bank loans	100,000	130,000	-	-
Deferred tax liability	2,812	2,160	-	-
	<u>102,812</u>	<u>132,160</u>	<u>-</u>	<u>-</u>
Current liabilities				
Trade payables	198,823	185,455	-	-
Other payables	129,998	126,686	1,706	1,138
Due to related parties (trade)	3,683	2,548	-	-
Due to related parties (non-trade)	731	731	-	-
Due to a subsidiary (non-trade)	-	-	5,249	5,401
Bank loans	80,000	105,000	-	-
Income tax payable	3,667	4,362	-	-
	<u>416,902</u>	<u>424,782</u>	<u>6,955</u>	<u>6,539</u>
Total liabilities	<u>519,714</u>	<u>556,942</u>	<u>6,955</u>	<u>6,539</u>
Net current assets/(liabilities)	<u>296,822</u>	<u>316,057</u>	<u>(4,142)</u>	<u>(1,506)</u>
Net Assets	<u>1,094,813</u>	<u>1,108,629</u>	<u>706,186</u>	<u>729,339</u>



	Group		Company	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
	RMB '000	RMB '000	RMB '000	RMB '000
Equity attributable to the equity holders of the Company				
Share capital	250,660	250,660	250,660	250,660
Retained earnings	682,553	701,575	521,923	525,303
Statutory reserves	155,214	150,752	-	-
Currency translation reserve	6,386	5,642	(66,397)	(46,624)
Total Equity	1,094,813	1,108,629	706,186	729,339

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

	As at 30 June 2015		As at 31 December 2014	
	Secured	Unsecured	Secured	Unsecured
	RMB '000	RMB '000	RMB '000	RMB '000
Non current liabilities				
Bank loans	100,000	-	130,000	-
Current liabilities				
Bank loans	80,000	-	105,000	-

Details of any collateral

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

- 1) RMB160.0 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.
- 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 4Q2015.
- 4) 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 3Q2015.

Note:

As at 30 June 2015, trade payables include bills payables amounting to RMB33.8 million (FY2014: RMB20.0 million) which are secured by fixed deposits amounting to RMB2.0 million (FY2014: RMB2.0 million).



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

	Group			
	1H15 1.1.2015 to 30.6.2015 RMB '000	1H14 1.1.2014 to 30.6.2014 RMB '000	2Q15 1.4.2015 to 30.6.2015 RMB '000	2Q14 1.4.2014 to 30.6.2014 RMB '000
Cash flow from operating activities				
Profit before tax	36,469	70,124	23,309	34,950
Adjustment for:				
Amortisation of land use rights	1,776	1,287	419	536
Amortisation of intangible assets	2,797	598	1,141	299
Depreciation of property, plant and equipment	28,214	25,311	14,130	12,685
Interest expense	8,517	2,336	4,069	1,159
Interest income	(98)	(153)	(48)	(92)
Property, plant and equipment written off	242	540	122	323
Operating cash flow before working capital changes	77,917	100,043	43,142	49,860
Inventories	(34,799)	27,328	(5,467)	4,650
Receivables	29,434	(55,803)	16,056	12,639
Payables	20,515	19,179	35,383	(7,654)
Currency translation adjustments	782	598	655	653
Cash generated from operations	93,849	91,345	89,769	60,148
Interest received	98	153	48	92
Income taxes paid	(11,072)	(13,995)	(5,030)	(7,584)
Net cash from operating activities	82,875	77,503	84,787	52,656
Cash flow from investing activities				
Purchase of property, plant and equipment (Note A)	(6,748)	(43,211)	(31)	(26,522)
Acquisition of intangible assets	(6,035)	-	(6,035)	-
Net cash used in investing activities	(12,783)	(43,211)	(6,066)	(26,522)
Cash flow from financing activities				
Proceeds from bank loans	10,000	10,000	10,000	-
Repayment of bank loans	(65,000)	(40,000)	(37,500)	(20,000)
Bank deposits released from pledge	2,000	3,588	2,000	4,100
Bank deposits pledged	(2,000)	(1,000)	(2,000)	(1,000)
Interest paid	(8,517)	(7,123)	(4,069)	(2,356)
Dividend paid	(40,000)	(25,000)	(40,000)	(25,000)
Net cash used in financing activities	(103,517)	(59,535)	(71,569)	(44,256)



	Group			
	1H15	1H14	2Q15	2Q14
	1.1.2015 to 30.6.2015 RMB '000	1.1.2014 to 30.6.2014 RMB '000	1.4.2015 to 30.6.2015 RMB '000	1.4.2014 to 30.6.2014 RMB '000
Net (decrease)/increase in cash and cash equivalents	(33,425)	(25,243)	7,152	(18,122)
Cash and cash equivalents at beginning of the period	48,916	31,696	8,298	24,575
Effect of exchange rate changes on cash and cash equivalents	(38)	-	3	-
Cash and cash equivalents at end of the period	15,453	6,453	15,453	6,453
Cash and cash equivalents per consolidated statement of cash flows	15,453	6,453	15,453	6,453
Bank deposits pledged	2,000	1,000	2,000	1,000
Cash and cash equivalents as per consolidated statement of financial positions	17,453	7,453	17,453	7,453

Note A

	1H15	1H14	2Q15	2Q14
	1.1.2015 to 30.6.2015 RMB '000	1.1.2014 to 30.6.2014 RMB '000	1.4.2015 to 30.6.2015 RMB '000	1.4.2014 to 30.6.2014 RMB '000
	Total additions to property, plant and equipment	3,064	36,038	2,321
Add/(less): unpaid portion	2,700	9,223	(1,043)	3,431
Add/(less): prepayments	984	2,737	(1,247)	(2,988)
Less: interest capitalised	-	(4,787)	-	(1,197)
Purchase of plant, property and equipment per consolidated statement of cash flows	6,748	43,211	31	26,522



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	Retained earnings RMB'000	Statutory reserves RMB'000	Currency translation reserve RMB'000	Total attributable to equity holders the Company RMB'000
Balance as at 1.1.2015	250,660	701,575	150,752	5,642	1,108,629
Profit for the period	-	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	-	-
Balance as at 30.6.2015	250,660	682,553	155,214	6,386	1,094,813
	Share capital RMB'000	Retained earnings RMB'000	Statutory reserves RMB'000	Currency translation reserve RMB'000	Total attributable to equity holders the Company RMB'000
Balance as at 1.1.2014	250,660	671,500	137,810	5,558	1,065,528
Profit for the period	-	55,521	-	-	55,521
<i>Other comprehensive income</i>					
Currency translation differences arising on consolidation	-	-	-	598	598
Total comprehensive income for the period	-	55,521	-	598	56,119
Dividend paid	-	(25,000)	-	-	(25,000)
Transfer to statutory reserves	-	(6,752)	6,752	-	-
Balance as at 30.6.2014	250,660	695,269	144,562	6,156	1,096,647



Company

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

	Share capital RMB'000	Retained earnings RMB'000	Currency translation reserve RMB'000	Total Equity RMB'000
Balance as at 1.1.2014	250,660	524,586	(18,659)	756,587
Profit for the period	-	23,658	-	23,658
Other comprehensive income				
Currency translation differences	-	-	17,239	17,239
Total comprehensive income for the period	-	23,658	17,239	40,897
Dividend paid	-	(25,000)	-	(25,000)
Balance as at 30.6.2014	250,660	523,244	(1,420)	772,484

Explanatory Notes:

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

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

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

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

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

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

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

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

Not applicable.

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

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



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

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

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

	1.1.2015 to 30.6.2015	1.1.2014 to 30.6.2014	1.4.2015 to 30.6.2015	1.4.2014 to 30.6.2014
(a) Based on weighted average number of ordinary shares on issue (RMB); and	0.06	0.14	0.04	0.07
(b) On a fully diluted basis (RMB)	0.06	0.14	0.04	0.07
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	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
	RMB	RMB	RMB	RMB
Net asset value per ordinary share based on issued share capital at the end of the respective periods:	2.74	2.77	1.77	1.82
No. of shares in computing NAV	400,000,000	400,000,000	400,000,000	400,000,000

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



REVIEW OF PERFORMANCE

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

(i) Revenue

For the 3 months ended 30 June 2015 (~~%2Q15+~~), the Group's turnover decreased by 25.9% to RMB172.5 million from RMB232.8 million for the 3 months ended 30 June 2014 (~~%2Q14~~).

In terms of sales performance for 2Q15, sales of conventional stamping machines decreased by 32.0% while sales of high performance and high tonnage stamping machines decreased by 27.9%.

For the 6 months ended 30 June 2015 (~~%1H15+~~), the Group's turnover decreased by 34.7% to RMB305.2 million from RMB467.6 million for the 6 months ended 30 June 2014 (~~%1H14~~).

In terms of sales performance for 1H15, sales of conventional stamping machines decreased by 31.2% while sales of high performance and high tonnage stamping machines decreased by 38.7%.

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

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

(ii) Gross Profit

The Group's gross profit for 2Q15 decreased by 19.6% to RMB57.1 million from RMB71.0 million in 2Q14 in tandem with the decrease in turnover. The gross profit margin increased by 2.6% to 33.1% in 2Q15 from 30.5% in 2Q14.

In terms of gross profit margin for 2Q15, gross profit margin for conventional stamping machines increased by 5.9% to 26.4% from 20.5% in 2Q14 while gross profit margin for high performance and high tonnage stamping machines increased by 0.2% to 32.1% from 31.9% in 2Q14.

The Group's gross profit for 1H15 decreased by 32.5% to RMB97.4 million from RMB144.2 million in 1H14 in tandem with the decrease in turnover. The gross profit margin for 1H15 increased by 1.0% to 31.9% from 30.9% in 1H14.

In terms of gross profit margin for 1H15, gross profit margin for conventional stamping machines increased by 1.2% to 25.5% from 24.3% in 1H14 while gross profit margin for high performance and high tonnage stamping machines increased by 0.4% to 32.0% from 31.6% in 1H14.

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



(iii) Other Income

In 2Q15, other income increased by 59.2% to RMB4.5 million from RMB2.8 million in 2Q14.

In 1H15, other income increased by 43.7% to RMB6.1 million from RMB4.2 million in 1H14.

The increase was mainly due to an increase in rental income received from a related party which was partially offset by a decrease in government grant and subsidies received.

(iv) Distribution and Selling Expenses

In 2Q15, distribution and selling expenses decreased by 8.3% to RMB14.5 million from RMB15.9 million in 2Q14.

In 1H15, distribution and selling expenses decreased by 24.7% to RMB23.8 million from RMB31.6 million in 1H14. As a percentage of total revenue, distribution and selling expenses decreased by 1.0% to 7.8% in 1H15 from 6.8% in 1H14.

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

(v) Administrative Expenses

In 2Q15, administrative expenses decreased by 9.5% to RMB16.3 million from RMB18.0 million in 2Q14.

In 1H15, administrative expenses decreased by 17.0% to RMB30.8 million from RMB37.1 million in 1H15. As a percentage of total revenue, administrative expenses increased by 2.2% to 10.1% in 1H15 from 7.9% in 1H14.

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

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

(vi) Depreciation and amortisation expenses

In 2Q15, depreciation and amortisation expenses increased by 16.1% to RMB15.7 million from RMB13.5 million in 2Q14.

In 1H15, depreciation and amortisation expenses increased by 20.6% to RMB32.8 million from RMB27.2 million in 1H14.

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



(vii) Other Operating Expenses, net

In 2Q15, other operating expenses decreased by 11.7% to RMB3.4 million from RMB3.8 million in 2Q14.

In 1H15, other operating expenses decreased by 47.3% to RMB3.7 million from RMB7.1 million in 1H14.

Overall, the decrease was mainly due to a decrease in allowance for doubtful debts and bad debts written off.

(viii) Financial Expenses

In 2Q15, the Group's finance expenses recorded an increase of 244.6% to RMB4.1 million from RMB1.2 million in 2Q14.

In 1H15, the Group's finance expenses recorded an increase of 242.6% to RMB8.6 million from RMB2.5 million in 1H14.

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

(ix) Profit Before Tax

Overall, the Group's profit before tax (**PBT**) had decreased in tandem with the Group's gross profit for 2Q15 and 1H15.

In 2Q15, the Group's PBT decreased by 33.3% to RMB23.3 million from RMB35.0 million in 2Q14.

In 1H15, the Group's PBT decreased by 48.0% to RMB36.5 million from RMB70.1 million in 1H14.

(x) Tax Expense

Overall, the Group's tax expenses had decreased in tandem with the Group's PBT for 1H15 as compared to 1H14.

In 2Q15, the Group's tax expense increased by 3.6% to RMB7.9 million from RMB7.6 million in 2Q14. This was mainly due to the Group's tax expenses which included withholding tax expense and deferred tax expenses are charged higher compared to 2Q14.

In 1H15, the Group's tax expense decreased by 24.5% to RMB11.0 million from RMB14.6 million in 1H14.

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

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



(xi) Net Profit After Tax

Overall, the Group's net profit after tax (%NPAT) had decreased in tandem with the Group's PBT for 2Q15 and 1H15.

In 2Q15, the Group's NPAT decreased by 43.6% to RMB15.4 million from RMB27.3 million in 2Q14. Net profit margin decreased by 2.8% to 8.9% from 11.7% in 2Q14.

In 1H15, the Group's NPAT decreased by 54.2% to RMB25.4 million from RMB55.5 million in 1H14. Net profit margin decreased by 3.6% to 8.3% from 11.9% in 1H14.

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

For the period under review, the Group's non-current assets decreased by approximately RMB23.9 million due to the depreciation and amortisation charges net of the acquisition of property, plant and equipment and intangible assets in respect of its subsidiaries.

For the period under review, the Group's non-current liabilities decreased by RMB29.3 million due to a reclassification of RMB30.0 million long-term bank loans due within a year to current bank loans which was offset by an increase in deferred tax liability of RMB0.7 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 decreased by approximately RMB27.1 million from RMB740.8 million as at 31 December 2014 to RMB713.7 million as at 30 June 2015. This was attributable to a decrease in trade receivables (which was mainly due to tighten debt collection control imposed by the Company) and cash and cash equivalent (explained in the consolidated cash flow statement) which were offset by an increase in inventories (as a result of decrease in sales), other receivables, deposits and prepayments (which was mainly due to an increase in prepayment for raw materials and prepayment for purchase of property, plant and equipment) and amounts due from related parties (trade and non-trade related).

Concurrently, the Group's total current liabilities decreased by approximately RMB7.9 million from RMB424.8 million as at 31 December 2014 to RMB416.9 million as at 30 June 2015. This was attributable to a decrease in bank loans (due to repayment of bank loans) and tax payables which were offset by an increase in trade payables (mainly due to increase in bill payables, please see page 5 of Result Announcement), other payables and accruals (mainly due to accrual for property, plant and equipment completed and/or received and operating expenses) and amounts due to related parties (trade).

The Group is in a net current assets position as at 30 June 2015 of RMB296.8 million.

(C) Consolidated Cash Flow Statement

For the 3 months ended 30 June 2015, the Group recorded a net cash decrease of approximately RMB33.4 million. This was mainly due to: -

- a) the net cash inflow arising from operating activities which amounted to RMB82.9 million. The reasons were 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 RMB103.5 million mainly due to net repayments of bank loans, interest paid and dividend paid.
- c) the net cash outflow arising from investing activities amounted to RMB12.8 million and which was mainly due to the acquisition of property, plant and equipment and intangible assets.

For the 6 months ended 30 June 2015, the Group recorded a net cash increase of approximately RMB7.1 million. This was mainly due to: -

- a) the net cash inflow arising from operating activities which amounted to RMB84.8 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 RMB71.6 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 RMB6.1 million and which was mainly due to the acquisition of property, plant and equipment and intangible assets.

Cash and cash equivalent as at 30 June 2015 stood at RMB17.5 million (of which RMB2.0 million was pledged for bills payables).

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

The 1H15 Financial Results announcement is in line with the statement made in Paragraph 10 disclosed in the 1Q15 Financial Results announcement dated 29 April 2015 i.e. the Group will thread cautiously due to uncertainties in China's economy.

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.

In June, the sales and production of automobiles declined by 0.2% and 2.3% year-on-year, unlike positive year-on-year growth for the past few years. The monthly cumulative growth continued to decline as well. Their growth rates both decreased by 7.0% compared to the previous year¹. Amidst the slowing economy, passenger car sales in China also slipped 3.4% for the first time in more than two years². Due to the slowing demand for automobiles in China, global automakers will manufacture fewer vehicles in China this year³.



Notwithstanding the challenging macroeconomic outlook, the Group will continue to make concerted effort to look out for more business opportunities. Per capita disposal income in China has increased by 10.5% to 9,700 yuan in the first half of 2015⁴, according to the National Bureau of Statistics. In tandem with the growing per capita disposal income, demand for smart home appliances is expected to flourish, resulting in a higher demand for smart home appliances manufacturing capacity. In order to capitalise on these favourable trends, the Group remains committed in innovating new products to cater to the demands of home appliances manufacturers.

In light of the uncertain business environment, the Group remains cautiously optimistic about the industry outlook.

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

The Group's order book stood at RMB51.6 million as at 4 August 2015.

¹ The sales and production fell again

<http://www.caam.org.cn/AutomotivesStatistics/20150720/1605165988.html>

² Car sales fall in China for first time in 2 years

<http://www.ft.com/intl/fastft/358281/passenger-car-sales-fall-china-first-time-2-years>

³ Carmakers seen making fewer cars in China than they can

<http://www.bloomberg.com/news/articles/2015-07-23/carmakers-seen-making-fewer-cars-in-china-than-they-can>

⁴ China's Economy Showed Moderate but Steady Growth

http://www.stats.gov.cn/english/PressRelease/201507/t20150715_1214964.html

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.



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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 does not have a general mandate from shareholders for IPTs.

BY ORDER OF THE BOARD

Wu Yufang
Chief Executive Officer
12 August 2015



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(Incorporated in Singapore)
(Co. Regn. No: 200409453N)

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Statement By Directors Pursuant to Clause 705(5) of the Listing Manual of SGX-ST

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

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

Shao Jianjun
Chairman and Executive Director

Wu Yufang
CEO and Executive Director
12 August 2015