



**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 2017 to 30 June 2017 (“2Q17”) and the results for the first half year from 1 January 2017 to 30 June 2017 (“1H17”). The comparatives are for the second quarter from 1 April 2016 to 30 June 2016 (“2Q16”) and the first half year from 1 January 2016 to 30 June 2016 (“1H16”). 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					
	1.1.2017 to 30.6.2017	1.1.2016 to 30.6.2016	Change	1.4.2017 to 30.6.2017	1.4.2016 to 30.6.2016	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Revenue	411,434	365,919	12.4%	213,540	176,529	21.0%
Cost of sales	(318,689)	(274,879)	15.9%	(165,885)	(133,417)	24.3%
Gross profit	92,745	91,040	1.9%	47,655	43,112	10.5%
Gross profit margin (%)	22.5%	24.9%	(2.4%)	22.3%	24.4%	(2.1%)
Other income	5,602	6,952	(19.4%)	2,492	4,048	(38.4%)
Distribution and selling expenses	(32,660)	(26,119)	25.0%	(18,588)	(14,527)	28.0%
Administrative expenses	(30,200)	(27,522)	9.7%	(15,202)	(14,221)	6.9%
Other expenses, net	(2,595)	(7,199)	(64.0%)	(2,455)	(3,553)	(30.9%)
Financial expenses	(2,206)	(4,410)	(50.0%)	(988)	(2,215)	(55.4%)
Profit before tax	30,686	32,742	(6.3%)	12,914	12,644	2.1%
Tax expense	(5,412)	(6,930)	(21.9%)	(2,925)	(2,769)	5.6%
Profit for the period	25,274	25,812	(2.1%)	9,989	9,875	1.2%
Net profit margin (%)	6.1%	7.1%	(1.0%)	4.7%	5.6%	(0.9%)
Profit attributable to:						
Equity holders of the Company	25,274	25,812	(2.1%)	9,989	9,875	1.2%



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

	Group					
	1.1.2017 to 30.6.2017	1.1.2016 to 30.6.2016	Change	1.4.2017 to 30.6.2017	1.4.2016 to 30.6.2016	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Profit for the period	25,274	25,812	(2.1%)	9,989	9,875	1.2%
<i>Other comprehensive (loss)/income</i>						
Items that are or may be reclassified subsequently to profit and loss:						
Currency translation differences arising on consolidation	(51)	1,631	N.M	25	(525)	N.M.
Total comprehensive income for the period	<u>25,223</u>	<u>27,443</u>	<u>(8.1%)</u>	<u>10,014</u>	<u>9,350</u>	<u>7.1%</u>
Total comprehensive income attributable to:						
Equity holders of the Company	<u>25,223</u>	<u>27,443</u>	<u>(8.1%)</u>	<u>10,014</u>	<u>9,350</u>	<u>7.1%</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.



(B) Profit Before Tax

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

	Group			
	1.1.2017 to 30.6.2017	1.1.2016 to 30.6.2016	1.4.2017 to 30.6.2017	1.4.2016 to 30.6.2016
	RMB '000	RMB '000	RMB '000	RMB '000
Allowance for doubtful debts (trade)	2,000	2,000	2,000	2,000
Amortisation of land use rights	1,518	1,942	759	1,183
Amortisation of intangible assets	3,143	3,173	1,087	1,358
Bad debts written off (trade)	309	1,346	309	602
Depreciation of property, plant and equipment	26,015	27,410	12,987	13,481
Interest expenses	2,164	4,208	958	2,034
Interest income	(19)	(61)	(9)	(20)
Net foreign exchange (gain)/loss	(2)	2,106	47	(80)
Property, plant and equipment written off	1,322	1,994	35	807



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	
	30.6.2017 RMB '000	31.12.2016 RMB '000	30.6.2017 RMB '000	31.12.2016 RMB '000
Non-current assets				
Property, plant and equipment	689,868	700,810	-	-
Land use rights	126,848	128,366	-	-
Investment in subsidiaries	-	-	789,157	769,293
Intangible assets	49,634	36,318	-	-
Other receivables	26,072	10,723	-	-
	<u>892,422</u>	<u>876,217</u>	<u>789,157</u>	<u>769,293</u>
Current assets				
Inventories	378,720	353,545	-	-
Land use rights	3,003	3,003	-	-
Trade receivables	183,493	192,724	-	-
Other receivables	23,614	21,737	-	14
Due from related parties (trade)	83,313	58,142	-	-
Due from related parties (non-trade)	36	46	-	-
Due from subsidiaries (non-trade)	-	-	-	105
Cash and cash equivalents	9,645	10,166	803	375
	<u>681,824</u>	<u>639,363</u>	<u>803</u>	<u>494</u>
Total assets	<u>1,574,246</u>	<u>1,515,580</u>	<u>789,960</u>	<u>769,787</u>
Non-current liabilities				
Deferred tax liability	4,491	3,300	-	-
Current liabilities				
Trade payables	253,215	212,097	-	-
Bills payables	26,678	27,936	-	-
Other payables	163,551	145,834	408	758
Due to related parties (trade)	3,632	2,124	-	-
Due to related parties (non-trade)	2,342	587	-	-
Due to a subsidiary (non-trade)	-	-	1,970	1,840
Bank loans	68,000	98,000	-	-
Income tax payable	2,447	1,035	-	-
	<u>519,865</u>	<u>487,613</u>	<u>2,378</u>	<u>2,598</u>
Total liabilities	<u>524,356</u>	<u>490,913</u>	<u>2,378</u>	<u>2,598</u>
Net current assets/(liabilities)	<u>161,959</u>	<u>151,750</u>	<u>(1,574)</u>	<u>(2,104)</u>
Net Assets	<u>1,049,890</u>	<u>1,024,667</u>	<u>787,582</u>	<u>767,189</u>



	Group		Company	
	30.6.2017	31.12.2016	30.6.2017	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	565,910	543,919	534,711	534,131
Statutory reserves	126,340	123,057	-	-
Currency translation reserve	9,883	9,934	2,211	(17,602)
Total Equity	1,049,890	1,024,667	787,582	767,189

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

	As at 30 June 2017		As at 31 December 2016	
	Secured	Unsecured	Secured	Unsecured
	RMB '000	RMB '000	RMB '000	RMB '000
Current liabilities				
Bank loans	68,000	-	98,000	-

Details of any collateral

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

- 1) RMB30.0 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 1Q2018.
- 3) RMB10.0 million is secured by personal guarantee by the Group's non-executive director, Mr. Wang Weiyao and his spouse, Mrs. Zhang Ahmei, all of whom are related parties of the Group. The loan is repayable in 3Q2017.
- 4) RMB18.0 million is secured by personal guarantee by the Group's non-executive director, Mr. Wang Weiyao and his spouse, Mrs. Zhang Ahmei, all of whom are related parties of the Group. The loan is repayable in 3Q2017.



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

	Group			
	1H17 1.1.2017 to 30.6.2017 RMB '000	1H16 1.1.2016 to 30.6.2016 RMB '000	2Q17 1.4.2017 to 30.6.2017 RMB '000	2Q16 1.4.2016 to 30.6.2016 RMB '000
Cash flow from operating activities				
Profit before tax	30,686	32,742	12,914	12,644
Adjustments for:				
Amortisation of land use rights	1,518	1,942	759	1,183
Amortisation of intangible assets	3,143	3,173	1,087	1,358
Depreciation of property, plant and equipment	26,015	27,410	12,987	13,481
Interest expense	2,164	4,208	958	2,034
Interest income	(19)	(61)	(9)	(20)
Property, plant and equipment written off	1,322	1,994	35	807
Operating cash flow before working capital changes	64,829	71,408	28,731	31,487
Inventories	(25,175)	11,312	(39,856)	(11,724)
Receivables	(17,807)	(32,447)	3,166	829
Payables	69,783	32,065	49,461	51,482
Currency translation adjustments	(55)	1,359	31	(617)
Cash generated from operations	91,575	83,697	41,533	71,457
Interest received	19	61	9	20
Income taxes paid	(2,810)	(5,734)	(748)	(3,668)
Net cash from operating activities	88,784	78,024	40,794	67,809
Cash flow from investing activities				
Purchase of property, plant and equipment (Note A)	(40,686)	(8,380)	(20,419)	(1,909)
Addition of intangible assets	(16,458)	(4,551)	1,530	(2,223)
Net cash used in investing activities	(57,144)	(12,931)	(18,889)	(4,132)
Cash flow from financing activities				
Proceeds from bank loans	10,000	28,000	10,000	10,000
Repayment of bank loans	(40,000)	(40,000)	(25,000)	(25,000)
Bank deposits released from pledge	570	2,000	570	535
Bank deposits pledged	(570)	(570)	(570)	(570)
Interest paid	(2,164)	(4,208)	(958)	(2,034)
Dividend paid	-	(50,000)	-	(50,000)
Net cash used in financing activities	(32,164)	(64,778)	(15,958)	(67,069)



	Group			
	1H17	1H16	2Q17	2Q16
	1.1.2017 to 30.6.2017	1.1.2016 to 30.6.2016	1.4.2017 to 30.6.2017	1.4.2016 to 30.6.2016
	RMB '000	RMB '000	RMB '000	RMB '000
Net (decrease)/increase in cash and cash equivalents	(524)	315	5,947	(3,392)
Cash and cash equivalents at beginning of the period	9,595	8,601	3,134	12,488
Effect of exchange rate changes on cash and cash equivalents	4	272	(6)	92
Cash and cash equivalents at end of the period	9,075	9,188	9,075	9,188
Cash and cash equivalents per consolidated statement of cash flows	9,075	9,188	9,075	9,188
Bank deposits pledged	570	570	570	570
Cash and cash equivalents as per consolidated statement of financial positions	9,645	9,758	9,645	9,758

Note A

	1H17	1H16	2Q17	2Q16
	1.1.2017 to 30.6.2017	1.1.2016 to 30.6.2016	1.4.2017 to 30.6.2017	1.4.2016 to 30.6.2016
	RMB '000	RMB '000	RMB '000	RMB '000
Total additions to property, plant and equipment	16,394	5,790	10,775	2,876
Add/(less): changes in unpaid portion	8,943	422	2,664	(895)
Add/(less): changes in prepayments	15,349	2,168	6,980	(72)
Purchase of plant, property and equipment per consolidated statement of cash flows	40,686	8,380	20,419	1,909



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	-	-	25,274	-	-	25,274
<i>Other comprehensive loss</i>						
Currency translation differences arising on consolidation	-	-	-	-	(51)	(51)
Total comprehensive income/(loss) for the period	-	-	25,274	-	(51)	25,223
Transfer to statutory reserves	-	-	(3,283)	3,283	-	-
Balance as at 30.6.2017	250,660	97,097	565,910	126,340	9,883	1,049,890

	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	-	-	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	-	-
Balance as at 30.6.2016	250,660	97,097	540,492	122,217	9,642	1,020,108



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	-	580	-	580
<i>Other comprehensive income</i>				
Currency translation differences arising from translation into the presentation currency	-	-	19,813	19,813
Total comprehensive income for the period	-	580	19,813	20,393
Balance as at 30.6.2017	250,660	534,711	2,211	787,582

	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	-	(5,860)	-	(5,860)
<i>Other comprehensive income</i>				
Currency translation differences arising from translation into the presentation currency	-	-	55,197	55,197
Total comprehensive (loss)/income for the period	-	(5,860)	55,197	49,337
Dividend paid	-	(50,000)	-	(50,000)
Balance as at 30.6.2016	250,660	520,115	2,890	773,665

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 six months ended 30 June 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 end of the current financial period and as at the end of the immediately preceding year.

	As at 30 June 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 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 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 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 30.6.2017	1.1.2016 to 30.6.2016	1.4.2017 to 30.6.2017	1.4.2016 to 30.6.2016
(a) Based on weighted average number of ordinary shares on issue (RMB); and	0.06	0.06	0.02	0.02
(b) On a fully diluted basis (RMB)	0.06	0.06	0.02	0.02
Weighted average number of shares	400,000,000	400,000,000	400,000,000	400,000,000

7. Net asset value (for the issuer and group) per ordinary share based on 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	
	30.6.2017	31.12.2016	30.6.2017	31.12.2016
	RMB	RMB	RMB	RMB
Net asset value ("NAV") per ordinary share based on issued share capital at the end of the respective periods:	2.62	2.56	1.97	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) Revenue

For the 3 months ended 30 June 2017 ("2Q17"), the Group's turnover increased by 21.0% to RMB213.5 million from RMB176.5 million for the 3 months ended 30 June 2016 ("2Q16").

In terms of sales performance for 2Q17, sales of conventional stamping machines increased by 7.7% while sales of high performance and high tonnage stamping machines increased by 30.4%.

For the 6 months ended 30 June 2017 ("1H17"), the Group's turnover increased by 12.4% to RMB411.4 million from RMB365.9 million for the 6 months ended 30 June 2016 ("1H16").

In terms of sales performance for 1H17, sales of conventional stamping machines increased by 8.1% while sales of high performance and high tonnage stamping machines increased by 18.2%.

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 2Q17 increased by 10.5% to RMB47.7 million from RMB43.1 million in 2Q16. However, the gross profit margin decreased by 2.1% to 22.3% in 2Q17 from 24.4% in 2Q16.

In terms of gross profit margin for 2Q17, gross profit margin for conventional stamping machines decreased by 7.3% to 11.1% from 18.4% in 2Q16 while gross profit margin for high performance and high tonnage stamping machines decreased by 4.7% to 21.3% from 26.0% in 2Q16.

The Group's gross profit for 1H17 increased by 1.9% to RMB92.7 million from RMB91.0 million in 1H16. However, the gross profit margin for 1H17 decreased by 2.4% to 22.5% from 24.9% in 1H16.



In terms of gross profit margin for 1H17, gross profit margin for conventional stamping machines decreased by 6.8% to 13.0% from 19.8% in 1H16 while gross profit margin for high performance and high tonnage stamping machines decreased by 4.3% to 22.6% from 26.9% in 1H16.

Overall, the decrease in the Group's gross profit margin for 1Q2017 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

In 2Q17, other income decreased by 38.4% to RMB2.5 million from RMB4.0 million in 2Q16.

In 1H17, other income decreased by 19.4% to RMB5.6 million from RMB7.0 million in 1H16.

The decrease was mainly due to a decrease in government grant and subsidies received and write back of trade and other payables written off.

(iv) Distribution and Selling Expenses

In 2Q17, distribution and selling expenses increased by 28.0% to RMB18.6 million from RMB14.5 million in 2Q16.

In 1H17, distribution and selling expenses increased by 25.0% to RMB32.7 million from RMB26.1 million in 1H16. As a percentage of total revenue, distribution and selling expenses increased by 0.8% to 7.9% in 1H17 from 7.1% in 1H16.

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 2Q17, administrative expenses increased by 6.9% to RMB15.2 million from RMB14.2 million in 2Q16.

In 1H17, administrative expenses increased by 9.7% to RMB30.2 million from RMB27.5 million in 1H16. As a percentage of total revenue, administrative expenses decreased by 0.2% to 7.3% in 1H17 from 7.5% in 1H16.

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 2Q17, depreciation and amortisation expenses decreased by 7.4% to RMB14.8 million from RMB16.0 million in 2Q16.

In 1H17, depreciation and amortisation expenses decreased by 5.7% to RMB30.7 million from RMB32.5 million in 1H16.

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

(vii) Other Expenses, net

In 2Q17, other expenses decreased by 30.9% to RMB2.5 million from RMB3.6 million in 2Q16.

In 1H17, other expenses decreased by 64.0% to RMB2.6 million from RMB7.2 million in 1H16.

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

(viii) Financial Expenses

In 2Q17, the Group's finance expenses recorded a decrease of 55.4% to RMB1.0 million from RMB2.2 million in 2Q16.

In 1H17, the Group's finance expenses recorded a decrease of 50.0% to RMB2.2 million from RMB4.4 million in 1H16.

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

In 2Q17, the Group's PBT increased by 2.1% to RMB12.9 million from RMB12.6 million in 2Q16

In 1H17, the Group's PBT decreased by 6.3% to RMB30.7 million from RMB32.7 million in 1H16.

(x) Tax Expense

In 2Q17, the Group's tax expense increased by 5.6% to RMB2.9 million from RMB2.8 million in 2Q16. The increase was mainly due to the Group's tax expenses in 2Q17 which included withholding tax expense whereas there was no withholding tax expense in 2Q2016.

In 1H17, the Group's tax expense decreased by 21.9% to RMB5.4 million from RMB6.9 million in 1H16.

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

In 2Q17, the Group's NPAT increased by 1.2% to RMB10.0 million from RMB9.9 million in 2Q16. Net profit margin decreased by 0.9% to 4.7% from 5.6% in 2Q16.

In 1H17, the Group's NPAT decreased by 2.1% to RMB25.3 million from RMB25.8 million in 1H16. Net profit margin decreased by 1.0% to 6.1% from 7.1% in 1H16.

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

For the period under review, the Group's non-current assets increased by approximately RMB16.2 million mainly due to the acquisition of property, plant and equipment and addition of intangible assets net of 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 RMB1.2 million due to an increase in deferred tax liability.

The Group's total current assets increased by approximately RMB42.5 million from RMB639.4 million as at 31 December 2016 to RMB681.8 million as at 30 June 2017. This was attributable to an increase in inventories (increase in production due to increase order books), other receivables (which was mainly due to an increase in prepayment for raw materials) and amounts due from related parties (trade related) which were partially offset by a decrease in trade receivables (which was mainly due to management efforts in debt collections), amounts due from related parties (non-trade related), and cash and cash equivalent (explained in the consolidated statement of cash flows).

Concurrently, the Group's total current liabilities increased by approximately RMB32.3 million from RMB487.6 million as at 31 December 2016 to RMB519.9 million as at 30 June 2017. This was attributable to an increase in trade payables (which was 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 income tax payable which were partially offset by a decrease in bills payables (which was mainly issued to pay suppliers) and bank loans (which was mainly due to net repayments of bank loans).

The Group is in a net current assets position as at 30 June 2017 of RMB162.0 million.

(C) Consolidated Statement of Cash Flows

For the 3 months ended 30 June 2017, the Group recorded a net cash increase of approximately RMB5.9 million. This was mainly due to: -

- a) the net cash inflow arising from operating activities which amounted to RMB40.8 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 RMB16.0 million mainly due to net repayments of bank loans and interest paid.
- c) the net cash outflow arising from investing activities which amounted to RMB18.9 million mainly due to the acquisition of property, plant and equipment and addition of intangible assets.

For the 6 months ended 30 June 2017, the Group recorded a net cash decrease of approximately RMB0.5 million. This was mainly due to: -

- a) the net cash inflow arising from operating activities which amounted to RMB88.8 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 RMB32.2 million mainly due to net repayments of bank loans and interest paid.
- c) the net cash outflow arising from investing activities which amounted to RMB57.1 million and which was mainly due to the acquisition of property, plant and equipment and addition of intangible assets.

Cash and cash equivalents as at 30 June 2017 stood at RMB9.6 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 1H17 Financial Results announcement is in line with the statement made in Paragraph 10 disclosed in the 1Q17 Financial Results announcement dated 28 April 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 RMB203.6 million as at 5 August 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 1H2017 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 and sale of raw materials and parts.		48
Processing fees paid and purchase of raw materials.		338
<u>Jiangsu World Plant-Protecting Machinery Co., Ltd.</u>	N/A	
Processing fees received, sale of raw materials and parts.		77
Purchase of raw materials and		1,094



scrap materials.		
<u>Jiangsu World Agriculture Machinery Co., Ltd.</u> Processing fees received, sale of raw materials, parts and machineries. Processing fees paid and purchase of raw materials and scrap materials.	N/A	11,174 121
<u>Jiangsu World Agriculture Machinery & Parts Manufacturing Co., Ltd.</u> Processing fees received, sale of raw materials, parts and machineries. Purchase fees paid and purchase of raw materials and scrap materials.	N/A	7,239 1,498
<u>World Agriculture (Shenyang) Co., Ltd.</u> Sales of raw materials, parts and machineries and rental income of factory.	N/A	4,339
<u>World Heavy Industry (China) Co., Ltd.</u> Processing fees received and sale of raw materials and parts. Processing fees paid, purchase of raw materials, scrap materials and equipment.	N/A	2,110 13,815
<u>Jiangsu World Crane Co., Ltd</u> Processing fees paid and purchase of equipment	N/A	1,508
<u>Jiangsu World Precise Machinery Co., Ltd.</u> Land rental paid.	N/A	343
<u>Jiangsu World Furniture Co., Ltd.</u>	N/A	



Processing fees received and sale of raw materials, parts and machineries.		212
Total		43,916

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 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 August 2017