

**WORLD PRECISION MACHINERY LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 200409453N)

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**DISPOSAL OF SUBSIDIARY-SHANGHAI SHANGDUAN PRESS CO., LTD.**

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**1. INTRODUCTION**

The board of directors (the “**Directors**”) of World Precision Machinery Limited (the “**Company**”) wishes to announce that the Company has on 20 January 2014 signed a sale and purchase agreement (the “**Agreement**”, which was received by the Company and pre-signed by the vendor who is existing equity stakeholder of Shanghai Shangduan Press Co., Ltd (“**SSPC**”) and dated 15 January 2014), for the disposal of the Company’s entire 60% equity stake (the “**Equity Stake**”) in SSPC, upon the terms and subject to the conditions in the Agreement (the “**Disposal**”).

**2. SALE CONSIDERATION**

The consideration for the Disposal is RMB1,800,000 in cash which was arrived at on an arms’ length, willing-buyer, willing-seller basis and corresponds with the book value of the Company’s investment in SSPC as reflected in the Company’s financial statements as at 31 December 2013 immediately prior to the Disposal taking effect.

**3. OTHER SALIENT TERMS**

In the Agreement, it is provided that the transfer of the Equity Stake shall be deemed to have been effected on 31 December 2013.

Accordingly, SSPC will be deemed to have ceased to be a subsidiary of the Company as at 31 December 2013.

**4. RATIONALE FOR THE DISPOSAL**

SSPC’s business and performance is non-material to the Group’s overall business and performance, and as part of the strategic review of the Group’s business, the Board is of the view that it would be in the best interest of the Company and the Group to dispose SSPC.

**5. RELATIVE FIGURES PURSUANT TO RULE 1006**

As each of the relative figures computed on the applicable bases as set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”) is less than 5%, the Disposal is a non-discloseable transaction for the purposes of Chapter 10 of the Listing Manual.

The Disposal is not expected to have a material impact on the net tangible assets per share and the earnings of the Group for the financial year ended 31 December 2013.

## **6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Disposal.

## **7. DOCUMENTS AVAILABLE FOR INSPECTION**

A copy of the Agreement is available for inspection at the registered office of the Company at 36 Robinson Road #17-01 City House Singapore 068877 during normal business hours for 3 months from the date of this Announcement.

By order of the Board

Wu Yufang  
Chief Executive Officer  
21 January 2014