



**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR RESULTS**

The directors are pleased to announce the results for the third quarter from 1 July 2014 to 30 September 2014 ("3Q14") and the results for the nine months from 1 January 2014 to 30 September 2014 ("9M14"). The comparatives are for the third quarter from 1 July 2013 to 30 September 2013 ("3Q13") and the nine months from 1 January 2013 to 30 September 2013 ("9M13"). These figures have not been audited.

- 1(a) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Group					
	1.1.2014 to 30.9.2014	1.1.2013 to 30.9.2013	Change	1.7.2014 to 30.9.2014	1.7.2013 to 30.9.2013	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Turnover	649,928	644,708	0.8%	182,376	204,202	(10.7%)
Cost of sales	(449,585)	(447,243)	0.5%	(126,277)	(136,304)	(7.4%)
Gross profit	200,343	197,465	1.5%	56,099	67,898	(17.4%)
Gross profit margin (%)	30.8%	30.6%	0.2%	30.8%	33.3%	(2.5%)
Other income	5,920	8,021	(26.2%)	1,672	(163)	1,125.8%
Distribution and selling expenses	(44,345)	(44,875)	(1.2%)	(12,742)	(13,233)	(3.7%)
Administrative expenses	(55,901)	(50,417)	10.9%	(18,756)	(17,561)	6.8%
Other operating expenses, net	(7,642)	(2,888)	164.6%	(543)	(2,610)	(79.2%)
Finance expenses	(3,772)	(7,746)	(51.3%)	(1,251)	(1,543)	(18.9%)
Profit before tax	94,603	99,560	(5.0%)	24,479	32,788	(25.3%)
Income tax expense	(19,569)	(27,447)	(28.7%)	(4,966)	(5,679)	(12.6%)
Profit for the year/period	75,034	72,113	4.1%	19,513	27,109	(28.0%)
Net Profit margin (%)	11.5%	11.2%	0.3%	10.7%	13.3%	(2.6%)
Profit attributable to:						
Equity holders of the company	75,034	72,230	3.9%	19,513	27,100	(28.0%)
Non-controlling interests	-	(117)	N.M.	-	9	N.M.
	75,034	72,113	4.1%	19,513	27,109	(28.0%)

N.M. denotes Not Meaningful



Consolidated Statement of Profit or Loss and Other Comprehensive Income (cont'd)
for the third quarter and nine months ended 30 September 2014

	Group					
	1.1.2014 to 30.9.2014	1.1.2013 to 30.9.2013	Change	1.7.2014 to 30.9.2014	1.7.2013 to 30.9.2013	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Profit for the period	75,034	72,113	4.1%	19,513	27,109	(28.0%)
<i>Other comprehensive income:</i>						
Items that are or may be subsequently classified to profit and loss:						
Currency translation differences arising on consolidation	574	5,170	(88.9%)	(24)	2,489	(101.0%)
Total comprehensive income for the period	75,608	77,283	(2.2%)	19,489	29,598	(34.2%)
Total comprehensive income attributable to:						
Equity holders of the company	75,608	77,400	(2.3%)	19,489	29,589	(34.1%)
Non-controlling interests	-	(117)	N.M.	-	9	N.M.
	75,608	77,283	(2.2%)	19,489	29,598	(34.2%)

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.



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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:

	Group			
	1.1.2014 to 30.9.2014	1.1.2013 to 30.9.2013	1.7.2014 to 30.9.2014	1.7.2013 to 30.9.2013
	RMB '000	RMB '000	RMB '000	RMB '000
Allowance for doubtful debts (trade)	4,201	-	-	-
Amortisation of land use rights	2,038	2,252	751	751
Amortisation of intangible assets	897	-	299	-
Bad debts written off (trade)	2,167	1,014	131	38
Depreciation of property, plant and equipment	39,341	41,289	14,030	13,858
Interest expenses on bank loans	6,572	9,078	4,236	3,164
Interest income on bank balances	(204)	(1,903)	(51)	(108)
Net foreign exchange loss/(gain)	602	2,761	(60)	2,597
Property, plant and equipment written off	908	844	368	308



1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30.9.2014	31.12.2013	30.9.2014	31.12.2013
	RMB '000	RMB '000	RMB '000	RMB '000
Non current assets				
Property, plant and equipment	814,730	809,818	-	-
Land use rights	134,337	137,444	-	-
Investment in subsidiaries	-	-	760,612	758,894
Intangibles assets	12,133	11,962	-	-
	961,200	959,224	760,612	758,894
Current assets				
Inventories	422,515	439,351	-	-
Land use rights	3,003	3,003	-	-
Trade receivables	331,751	244,888	-	-
Other receivables, deposits and prepayments	24,547	38,957	66	137
Due from related parties (trade)	3,331	2,962	-	-
Due from related parties (non-trade)	148	-	-	-
Due from a subsidiary (non-trade)	-	-	515	77
Cash and bank balances	14,131	35,285	330	99
	799,426	764,446	911	313
Total assets	1,760,626	1,723,670	761,523	759,207
Non current liabilities				
Bank loans	140,000	215,000	-	-
Deferred tax liability	2,619	1,477	-	-
	142,619	216,477	-	-
Current liabilities				
Trade payables	214,364	198,206	-	-
Other payables and accruals	159,474	148,784	2,843	1,799
Due to related parties (trade)	4,199	4,330	-	-
Due to related parties (non-trade)	715	1,170	-	-
Due to subsidiaries (non-trade)	-	-	1,236	821
Bank loans	117,500	85,000	-	-
Tax payable	5,619	4,175	-	-
	501,871	441,665	4,079	2,620
Total liabilities	644,490	658,142	4,079	2,620
Net current assets/(liabilities)	297	322,781	(3,168)	(2,307)
Net Assets	1,116,136	1,065,528	757,444	756,587



	Group		Company	
	30.9.2014	31.12.2013	30.9.2014	31.12.2013
	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	712,591	671,500	523,151	524,586
Statutory reserves	146,753	137,810	-	-
Currency translation reserve	6,132	5,558	(16,367)	(18,659)
Total Equity	1,116,136	1,065,528	757,444	756,587

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

	As at 30 September 2014		As at 31 December 2013	
	Secured	Unsecured	Secured	Unsecured
	RMB '000	RMB '000	RMB '000	RMB '000
Non current liabilities				
Bank loans	140,000	-	215,000	-
Current liabilities				
Bank loans	107,500	10,000	85,000	-

Details of any collateral

As at 30 September 2014, bank loans comprised the following:

- 1) RMB37.5 million is secured by a guarantee issued by the holding company, World Precision Machinery Limited and a related party, Jiangsu World Agricultural Machinery Co., Ltd. (江苏沃得农业机械有限公司), a company in which the Group's controlling shareholder and director, Mr Wang Weiyao, has substantial interest. The loan is repayable quarterly with effect from 1Q2012 and has a maturity date in 1H2015.
- 2) RMB200.0 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 Wei Yao and his spouse, Mrs Zhang Ah Mei, all of whom are related parties of the Group. The loan is repayable in 2Q2015.
- 4) RMB10.0 million is unsecured and repayable in 4Q2014.

Note:

As at 30 September 2014, trade payables include bills payable amounting to RMB20.0 million (FY2013: RMB31.0 million) which are secured by fixed deposits amounting to RMB2.0 million (FY2013: RMB3.1 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			
	9M14	9M13	3Q14	3Q13
	1.1.2014 to 30.9.2014	1.1.2013 to 30.9.2013	1.7.2014 to 30.9.2014	1.7.2013 to 30.9.2013
	RMB '000	RMB '000	RMB '000	RMB '000
Cash flow from operating activities				
Profit before tax	94,603	99,560	24,479	32,788
Adjustment for:				
Amortisation of land use rights	2,038	2,252	751	751
Amortisation of intangible assets	897	-	299	-
Depreciation of property, plant and equipment	39,341	41,289	14,030	13,858
Interest expense	6,572	9,078	4,236	3,164
Interest income	(204)	(1,903)	(51)	(108)
Property, plant and equipment written off	908	844	368	308
Operating profit before working capital changes	144,155	151,120	44,112	50,761
Inventories	17,512	10,971	(9,816)	2,002
Receivables	(70,695)	52,279	(14,892)	7,630
Payables	35,276	3,470	16,097	(5,405)
Currency translation adjustments	575	5,176	(23)	2,489
Cash generated from operations	126,823	223,016	35,478	57,477
Interest received	204	1,903	51	108
Income taxes paid	(16,983)	(20,955)	(2,988)	(5,483)
Net cash from operating activities	110,044	203,964	32,541	52,102
Cash flow from investing activities				
Purchase of property, plant and equipment (Note A)	(52,337)	(54,850)	(9,126)	(22,620)
Net cash used in investing activities	(52,337)	(54,850)	(9,126)	(22,620)
Cash flow from financing activities				
Proceeds from bank loans	20,000	60,000	10,000	-
Repayment of bank loans	(62,500)	(256,625)	(22,500)	(35,000)
Cash deposits released from pledge	3,588	60,333	1,000	15,126
Cash deposits pledged	(2,000)	(4,003)	(2,000)	(4,003)
Interest paid	(11,359)	(17,749)	(4,236)	(4,948)
Dividend paid	(25,000)	(20,000)	-	-
Net cash used in financing activities	(77,271)	(178,044)	(17,736)	(28,825)



	Group			
	9M14	9M13	3Q14	3Q13
	1.1.2014 to 30.9.2014	1.1.2013 to 30.9.2013	1.7.2014 to 30.9.2014	1.7.2013 to 30.9.2013
	RMB '000	RMB '000	RMB '000	RMB '000
Net (decrease)/increase in cash and cash equivalents	(19,564)	(28,930)	5,679	657
Cash and cash equivalents at beginning of the period	31,696	85,240	6,453	55,647
Effect of exchange rate changes on cash and cash equivalents	(1)	(6)	(1)	-
Cash and cash equivalents at end of the period	12,131	56,304	12,131	56,304
Cash and cash equivalents per consolidated statement of cash flows	12,131	56,304	12,131	56,304
Cash deposits pledged	2,000	4,003	2,000	4,003
Cash and cash equivalents as per consolidated financial positions	14,131	60,307	14,131	60,307

Note A

	9M14	9M13	3Q14	3Q13
	1.1.2014 to 30.9.2014	1.1.2013 to 30.9.2013	1.7.2014 to 30.9.2014	1.7.2013 to 30.9.2013
	RMB '000	RMB '000	RMB '000	RMB '000
Total additions to property, plant and equipment	45,837	38,478	9,799	14,940
Add/(less): Unpaid portion	9,011	23,117	(212)	7,442
Add/(less): Prepayments	2,276	2,371	(461)	2,022
Less: Interest capitalised	(4,787)	(9,116)	-	(1,784)
Purchase of plant, property and equipment per consolidated statement of cash flows	52,337	54,850	9,126	22,620



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

	Total attributable to equity holders of the Company				
	Share capital	Retained earnings	Statutory reserve	Currency translation reserve	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2014	250,660	671,500	137,810	5,558	1,065,528
Profit for the period	-	75,034	-	-	75,034
<i>Other comprehensive income</i>					
Currency translation differences arising on consolidation	-	-	-	574	574
Total comprehensive income for the period	-	75,034	-	574	75,608
Dividend paid	-	(25,000)		-	(25,000)
Transfer to statutory reserves	-	(8,943)	8,943	-	-
Balance as at 30.9.2014	250,660	712,591	146,753	6,132	1,116,136

	Share capital	Retained earnings	Statutory reserve	Currency translation reserve	Total attributable to equity holders of the Company	Non-controlling interest	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2013	250,660	603,033	125,416	(403)	978,706	1,001	979,707
Profit for the period	-	72,230	-	-	72,230	(117)	72,113
<i>Other comprehensive income</i>							
Currency translation differences arising on consolidation	-	-	-	5,170	5,170	-	5,170
Total comprehensive income for the period	-	72,230	-	5,170	77,400	(117)	77,283
Dividend paid	-	(20,000)		-	(20,000)	-	(20,000)
Transfer to statutory reserves	-	(9,568)	9,568	-	-	-	-
Balance as at 30.9.2013	250,660	645,695	134,984	4,767	1,036,106	884	1,036,990



Company

	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	-	23,565	-	23,565
<i>Other comprehensive income</i>				
Currency translation differences	-	-	2,292	2,292
Total comprehensive income for the Period	-	23,565	2,292	25,857
Dividend paid	-	(25,000)	-	(25,000)
Balance as at 30.9.2014	250,660	523,151	(16,367)	757,444

	Share capital RMB'000	Retained earnings RMB'000	Currency translation reserve RMB'000	Total equity RMB'000
Balance as at 1.1.2013	250,660	322,495	25,081	598,236
Profit for the period	-	222,638	-	222,638
<i>Other comprehensive loss</i>				
Currency translation differences	-	-	(34,272)	(34,272)
Total comprehensive income for the period	-	222,638	(34,272)	188,266
Dividend paid	-	(20,000)	-	(20,000)
Balance as at 30.9.2013	250,660	525,133	(9,191)	766,602

Explanatory Notes:

Statutory Reserves

The non-distributable statutory reserves represent amounts set aside in compliance with the local laws in the PRC where the subsidiaries operate. The subsidiaries are considered foreign investment enterprises 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 the PRC, the subsidiaries are required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10 per cent of the statutory after tax profits of each subsidiary as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the registered capital of each subsidiary.

The SRF may be used to offset accumulated losses or increase the registered capital of the company, subject to approval from relevant PRC authorities and is not available for dividend distribution to the shareholders. The PRC enterprises 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 September 2014, 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 September 2014	As at 31 December 2013
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 2013.



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 2014. 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.

	1.1.2014 to 30.9.2014	1.1.2013 to 30.9.2013	1.7.2014 to 30.9.2014	1.7.2013 to 30.9.2013
(a) Based on weighted average number of ordinary shares on issue (RMB); and	0.19	0.18	0.05	0.07
(b) On a fully diluted basis (RMB)	0.19	0.18	0.05	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 total number of issued share capital excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30.9.2014	31.12.2013	30.9.2014	31.12.2013
	RMB	RMB	RMB	RMB
Net asset value per ordinary share based on issued share capital at the end of the respective periods:	2.79	2.66	1.89	1.89
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 Income Statement

(i) Turnover

For the 3 months ended 30 September 2014 ("3Q14"), the Group's turnover decreased by 10.7% to RMB182.4 million from RMB204.2 million in the 3 months ended 30 September 2013 ("3Q13").

In terms of sales performance for 3Q14, sales of conventional stamping machines decreased by 20.2% while sales of high performance and high tonnage stamping machines decreased by 8.7%.

The increase in number of units sold in high performance and high tonnage stamping machines partially offset by a decrease in number of units sold in conventional stamping machines and downward revision in the average selling prices of the stamping machines contributed to the overall decrease in turnover.

For the 9 months ended 30 September 2014 ("9M14"), the Group's turnover increased by 0.8% to RMB649.9 million from RMB644.7 million in the 9 months ended 30 September 2013 ("9M13").

In terms of sales performance for 9M14, sales of conventional stamping machines decreased by 21.2% while sales of high performance and high tonnage stamping machines increased by 7.7%.

The increase in number of units sold in high performance and high tonnage stamping machines partially offset by a decrease in number of units sold in conventional stamping machines and 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 at Guangdong, Jiangsu, Zhejiang and Shanghai.

(ii) Gross Profit

The Group's gross profit for 3Q14 decreased by 17.4% to RMB56.1 million from RMB67.9 million in 3Q13 in tandem with the decrease in turnover. Gross profit margin decreased by 2.5% to 30.8% in 3Q14 from 33.3% in 3Q13.

In terms of gross profit margin for 3Q14 year-on-year, gross profit margin for conventional stamping machines decreased by 4.7% to 24.7% in 3Q14 from 29.4% in 3Q13 while gross profit margin for high performance and high tonnage stamping machines decreased by 4.0% to 30.4% in 3Q14 from 34.4% in 3Q13.

The decrease in the Group's gross profit margin for 3Q14 was mainly due to a downward revision in the average selling prices of the stamping machines and a increase in overhead cost as a result of 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.



The Group's gross profit for 9M14 increased by 1.5% to RMB200.3 million from RMB197.5 million in 9M13 in tandem with the increase in turnover. The gross profit margin for 9M14 increased by 0.2% to 30.8% from 30.6% in 9M13.

In terms of gross profit margin for 9M14, gross profit margin for conventional stamping machines decreased by 3.3% to 24.4% in 9M14 from 27.7% in 9M13 while gross profit margin for high performance and high tonnage stamping machines decreased by 0.3% to 31.2% in 9M14 from 31.5% in 9M13.

The increase in the Group's gross profit margin for 9M14 was mainly due to a decrease in overhead cost as a result of increase in production of high performance and high tonnage stamping machines partially offset by a decrease in production of conventional stamping machines and a downward revision in average selling prices of stamping machines.

(iii) Other Income

The Group's other income increased by 1,125.8% to RMB1.7 million in 3Q14 compared to negative RMB0.2 million in 3Q13.

In 9M14, the Group's other income decreased by 26.2% to RMB5.9 million from RMB8.0 million in 9M13.

Overall, the decrease in the Group's other income was mainly due to a deposit of RMB3.0 million forfeited from a customer due to cancellation of order in 9M13.

(iv) Distribution and Selling Expenses

In 3Q14, the Group's distribution and selling expenses decreased by 3.7% to RMB12.7 million from RMB13.2 million in 3Q13.

The decrease in the Group's distribution and selling expenses was in tandem with the decrease in turnover.

In 9M14, the Group's distribution and selling expenses decreased by 1.2% to RMB44.3 million from RMB44.9 million in 9M13. As a percentage of total revenue, distribution and selling expenses decreased by 0.2% to 6.8% in 9M14 from 7.0% in 9M13.

The decrease in the Group's distribution and selling expenses was mainly due to a decrease in publicity and warranty services expense which was partially offset by an increase in sales commission payable to the sales personnel in tandem with the increase in turnover.

(v) Administrative Expenses

In 3Q14, the Group's administrative expenses increased by 6.8% to RMB18.8 million from RMB17.6 million in 3Q13.

In 9M14, the Group's administrative expenses increased by 10.9% to RMB55.9 million from RMB50.4 million in 9M13. As a percentage of total revenue, administrative expenses decreased by 0.8% to 8.6% in 9M14 from 7.8% in 9M13.



Overall, the increase in the Group's administrative expenses was mainly due to an increase in staff related costs, research and development costs and administrative expenses of a subsidiary, WPMS, which starts its production in 2Q14. These expenses were partially offset by part of the research and development costs for stamping machines which had been capitalised.

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 3Q14, the Group's depreciation and amortisation expenses increased by 3.2% to RMB15.1 million from RMB14.6 million in 3Q13.

The increase in Group's depreciation and amortisation expenses was mainly due to a subsidiary, WPMS, which starts its production in 2Q14, also starts its depreciation charge on property, plant and equipment which was partially offset by a prolonged useful life of certain property, plant and equipment.

In 9M14, the Group's depreciation and amortisation expenses decreased by 2.9% to RMB42.3 million from RMB43.5 million in 9M13.

The decrease in Group's depreciation and amortisation expenses was mainly due to a prolonged useful life of certain property, plant and equipment and certain property, plant and equipment which had already been fully depreciated and/or disposed. The decrease was partially offset by a subsidiary, WPMS, which starts its production in 2Q14, also starts its depreciation charge on property, plant and equipment.

(vii) Other Operating Expenses, net

In 3Q14, the Group's net other operating expenses decreased by 79.2% to RMB0.5 million from RMB2.6 million in 3Q13.

The decrease in the Group's net other operating expenses was mainly due to a decrease in foreign exchange loss.

In 9M14, the Group's net other operating expenses increased by 164.6% to RMB7.6 million from RMB2.9 million in 9M13.

The increase in the Group's net other operating expenses was mainly due to an increase in allowance for doubtful debts and bad debts written off, which was partially offset by a decrease in foreign exchange loss.

(viii) Finance Expenses

In 3Q14, the Group's finance expenses recorded a decrease of 18.9% to RMB1.3 million from RMB1.5 million in 3Q13.

In 9M14, the Group's finance expenses recorded a decreased of 51.3% to RMB3.8 million from RMB7.7 million in 9M13.



The decrease in the Group's finance expenses was mainly due to a gradual decrease in interest expenses relating to a gradual decrease in bank loans which was partially offset by a decrease in interest expenses relating to the construction of Shenyang plant being capitalised. Please refer to page 7 of the Results Announcement for interest being capitalised.

(ix) Profit Before Tax

In 3Q14, the Group's profit before tax ("PBT") decreased by 25.3% to RMB24.5 million from RMB32.8 million in 3Q13.

In 9M14, the Group's PBT decreased by 5.0% to RMB94.6 million from RMB99.6 million in 9M13.

(x) Income Tax Expense

In 3Q14, the Group's tax expense decreased by 12.6% to RMB5.0 million from RMB5.7 million in 3Q13. The decrease was in tandem with the Group's PBT for 3Q14.

In 9M14, the Group's tax expense decreased by 28.7% to RMB19.6 million from RMB27.4 million in 9M13. This was mainly due to the Group's tax expenses which included withholding tax payment of RMB2.5 million for 9M14 as compared to RMB8.8 million for 9M for the retained earnings distributed from the subsidiaries to the holding company.

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

In 3Q14, the Group's net profit after tax ("NPAT") decreased by 28.0% to RMB19.5 million from RMB27.1 million in 3Q13. Net profit margin decreased by 2.6% to 10.7% from 13.3% in 3Q13.

In 9M14, the Group's NPAT increased by 4.1% to RMB75.0 million from RMB72.1 million in 9M13. Net profit margin increased by 0.3% to 11.5% from 11.2% in 9M13.

(B) Consolidated Statement of Financial Position (30 September 2014 vs 31 December 2013)

For the period under review, the Group's non-current assets increased by approximately RMB2.0 million due to the acquisition of property, plant and equipment net of the depreciation and amortisation charges in respect of its subsidiaries.

For the period under review, the Group's non-current liabilities decreased by RMB73.9 million due to a reclassification of RMB97.5 million long-term bank loans due within a year to current bank loans which was offset by an increase in deferred tax liability of RMB1.1 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 RMB35.0 million from RMB764.4 million as at 31 December 2013 to RMB799.4 million as at 30 September 2014. This was attributable to an increase in trade receivables (due to china credit tightening policy resulted in slow payment from customers) and amounts due from related parties (trade and non-trade related) which were offset by a decrease in inventories, other receivables, deposits and prepayments (which was mainly due to a decrease in prepayment for raw materials and property, plant and equipment) and cash and cash equivalents.

Concurrently, the Group's total current liabilities increased by approximately RMB60.2 million from RMB441.7 million as at 31 December 2013 to RMB501.9 million as at 30 September 2014. This was attributable to an increase in trade payables, other payables and accruals (mainly due to increase in accrued for operating expenses), bank loans (reclassification from long term bank loans to short term bank loans) and tax payables which were offset by a decrease in amounts due to related parties (trade and non-trade related).

The Group is in a net current assets position as at 30 September 2014 of RMB298.8 million.

(C) Consolidated Cash Flow Statement

For the 3 months ended 30 September 2014, the Group recorded a net cash increase of approximately RMB5.7 million. This was due mainly to: -

- a) the net cash inflow arising from operating activities which amounted to RMB32.5 million. The reasons were discussed in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position.
- b) the net cash outflow arising from financing activities which amounting to RMB17.7 million which arose mainly from net cash deposits pledge with financial institution, net repayment of bank loans and interest paid.
- c) the net cash outflow arising from investing activities amounting to RMB9.1 million which was due mainly to the acquisition of property, plant and equipment.

For the 9 months ended 30 September 2014, the Group recorded a net cash decrease of approximately RMB19.6 million. This was due mainly to: -

- a) the net cash inflow arising from operating activities which amounted to RMB110.0 million. The reasons were discussed in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position.
- b) the net cash outflow arising from financing activities amounting to RMB77.3 million which arose mainly from net cash deposits released from pledge with financial institution offset by net repayment of bank loans, interest paid and dividend paid.
- c) the net cash outflow arising from investing activities amounting to RMB52.3 million which was due mainly to the acquisition of property, plant and equipment.

Cash and cash equivalent as at 30 September 2014 stood at RMB14.1 million (of which RMB2.0 million was pledged for bills payable.)



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

The 9M14 Financial Results announcement is in line with the statement made in Paragraph 10 disclosed in the 1H14 Financial Results announcement dated 12 August 2014 i.e. The Group is generally optimistic about the industry outlook. However, it will tread cautiously as China's industrial output statistics have yet to indicate a clear trend.

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.**

Manufacturing industry in China remains challenging as its GDP for third quarter of 2014 grew at a slower rate of 7.3%, falling to a five-year low. Manufacturing PMI continues to fluctuate between a high of 52.0 in July to a low of 50.2 in August, and subsequently hovering around 50.8 in October¹. As China continues to shift its focus from exports to domestic consumption², short term fluctuation in the manufacturing industry is expected.

Despite the challenging environment, the Group will continue to grow by tapping on China's robust automobile and smart home appliance markets^{3,4}. With the increasing disposable income, demand for high-end consumer products such as automobile and smart electronic appliances has heightened, translating to increased manufacturing to meet demand for these goods. Manufacturing of higher-end goods often requires high-performance stamping machines with improved precision and reliability. Thus, the Group will continue to focus on research and development for high-performance high-tonnage machines.

As China's industrial output statistics have yet to indicate a clear trend, the Group will continue to tread on cautiously. The Group is optimistic on a profitable FY2014.

As at 6 November 2014, the Group's order book stood at RMB79.9 million.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? **Yes**

Name of dividend	Interim
Dividend Type	Cash; Tax-Exempt (One-Tier) dividend
Dividend Amount	RMB0.10 (equivalent to S\$0.0208) per share
Tax Rate	Tax-Exempt (One-Tier) dividend

¹ <http://www.nasdaq.com/article/asian-shares-flat-on-mixed-china-manufacturing-outlook-tokyo-shut-cm409155>

² http://www.nytimes.com/2014/01/21/business/international/for-china-a-shift-from-exports-to-consumption.html?_r=0

³ <http://www.ibtimes.com/china-extends-lead-worlds-largest-car-market-sales-gm-ford-china-deliveries-double-digits-1621254>

⁴ http://news.xinhuanet.com/tech/2014-07/03/c_126704295.htm



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(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

Friday, 12 December 2014.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 2 December 2014 at 5.00 p.m. for the preparation of dividend payment.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758 up to 5.00 p.m. on 2 December 2014 will be registered to determine shareholders' entitlements to the interim dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 2 December 2014 will be entitled to the interim dividend.

The interim dividend will be paid on 12 December 2014.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

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

11 November 2014



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

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Confirmation Pursuant to Rule 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 September 2014, 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
Executive Chairman

Wu Yufang
CEO and Executive Director

11 November 2014