



**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 fourth quarter from 1 October 2013 to 31 December 2013 ("4Q13") and the results for the full year from 1 January 2013 to 31 December 2013 ("FY13"). The comparatives are for the fourth quarter from 1 October 2012 to 31 December 2012 ("4Q12") and the full year from 1 January 2012 to 31 December 2012 ("FY12"). 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					
	1.1.2013 to 31.12.2013	1.1.2012 to 31.12.2012	Change	1.10.2013 to 31.12.2013	1.10.2012 to 31.12.2012	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Turnover	814,571	786,517	3.6%	169,863	149,639	13.5%
Cost of sales	(555,587)	(555,857)	(0.1%)	(108,344)	(109,105)	(0.7%)
Gross profit	258,984	230,660	12.3%	61,519	40,534	51.8%
Gross profit margin (%)	31.8%	29.3%	2.5%	36.2%	27.1%	9.1%
Other income	18,474	8,767	110.7%	10,453	1,955	434.7%
Distribution and selling expenses	(59,015)	(55,699)	6.0%	(14,140)	(13,857)	2.0%
Administrative expenses	(68,976)	(65,629)	5.1%	(18,559)	(15,519)	19.6%
Other operating expenses, net	(9,881)	(4,759)	107.6%	(6,993)	(3,710)	88.5%
Financial expenses	(10,591)	(10,645)	(0.5%)	(2,845)	(4,114)	(30.8%)
Profit before income tax	128,995	102,695	25.6%	29,435	5,289	456.5%
Income tax expense	(28,048)	(27,767)	1.0%	(601)	(3,404)	(82.3%)
Profit for the year/period	100,947	74,928	34.7%	28,834	1,885	1,429.7%
Net Profit margin (%)	12.4%	9.5%	2.9%	17.0%	1.3%	15.7%
Profit attributable to:						
Equity holders of the company	101,024	74,893	34.9%	28,794	1,898	1,417.1%
Non-controlling interest	(77)	35	N.M.	40	(13)	N.M.
	100,947	74,928	34.7%	28,834	1,885	1,429.7%

N.M. denotes Not Meaningful



Statement of Comprehensive Income
for the fourth quarter and full year ended 31 December 2013

	Group					
	1.1.2013 to 31.12.2013	1.1.2012 to 31.12.2012	Change	1.10.2013 to 31.12.2013	1.10.2012 to 31.12.2012	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Profit for the year/ period	100,947	74,928	34.7%	28,834	1,885	1,429.7%
Other comprehensive income:						
Items that may be subsequently classified to profit and loss:						
Currency translation differences arising on consolidation	5,961	(1,261)	N.M.	791	(793)	N.M.
Other comprehensive Income/(loss) for the year/period, net of tax	5,961	(1,261)	N.M.	791	(793)	N.M.
Total comprehensive income for the year/period	106,908	73,667	45.1%	29,625	1,092	2,612.9%
Total comprehensive income attributable to:						
Equity holders of the company	106,985	73,632	45.3%	29,585	1,105	2,577.4%
Non-controlling interest	(77)	35	N.M	40	(13)	N.M
	106,908	73,667	45.1%	29,625	1,092	2,612.9%

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 PRC, are wholly-owned subsidiaries of the Company.



(B) Profit Before Income Tax

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

	Group			
	1.1.2013 to 31.12.2013 RMB '000	1.1.2012 to 31.12.2012 RMB '000	1.10.2013 to 31.12.2013 RMB '000	1.10.2012 to 31.12.2012 RMB '000
Allowance for doubtful debts (trade)	2,195	2,554	2,195	2,554
Allowance for doubtful debts (non-trade)	2,515	212	2,515	212
Allowance for doubtful debts written back (trade)	(388)	(397)	(388)	1,075
Allowance for doubtful debts written back (non-trade)	(96)	-	(96)	-
Amortisation of land use rights	3,003	3,003	751	751
Bad debts written off (trade)	1,471	265	457	12
Depreciation of property, plant and equipment	50,501	55,304	9,212	14,050
Interest expenses	10,053	8,973	975	3,873
Interest income	(1,961)	(2,569)	(58)	(2,106)
Loss on disposal of property, plant and equipment	24	111	24	111
Net foreign exchange loss/(gain)	3,567	1,526	806	(189)
Property, plant and equipment written off	-	288	(844)	(1,272)
Gain on disposal of a subsidiary	(1,619)	-	(1,619)	-



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	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RMB '000	RMB '000	RMB '000	RMB '000
Non current assets				
Property, plant and equipment	809,818	740,812	-	-
Intangible assets	149,406	140,447	-	-
Investment in subsidiaries	-	-	758,894	634,371
	959,224	881,259	758,894	634,371
Current assets				
Inventories	439,352	437,568	-	-
Intangible assets	3,003	3,003	-	-
Trade receivables	242,888	327,362	-	-
Other receivables, deposits and prepayments	38,955	86,501	137	16
Due from related parties (trade)	2,962	1,316	-	-
Due from related parties (non-trade)	2,000	-	-	-
Due from a subsidiary (non-trade)	-	-	77	24,919
Cash and bank balances	35,284	145,574	99	1,391
	764,444	1,001,324	313	26,326
Total assets	1,723,668	1,882,583	759,207	660,697
Non current liabilities				
Bank loans	215,000	250,000	-	-
Deferred tax liability	1,477	3,984	-	-
	216,477	253,984	-	-
Current liabilities				
Trade payables	198,205	212,766	-	-
Other payables and accruals	148,782	166,191	1,798	1,672
Due to related parties (trade)	4,330	1,497	-	-
Due to related parties (non-trade)	1,170	12	-	-
Due to subsidiaries (non-trade)	-	-	821	4,164
Bank loans	85,000	266,625	-	56,625
Tax payable	4,175	1,801	-	-
	441,662	648,892	2,619	62,461
Total liabilities	658,139	902,876	2,619	62,461
Net current assets/(liabilities)	322,782	352,432	(2,306)	(36,135)
Net Assets	1,065,529	979,707	756,588	598,236



	Group		Company	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	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
Statutory reserves	137,810	125,416	-	-
Revenue reserve	671,501	603,033	524,587	322,495
Currency translation reserve	5,558	(403)	(18,659)	25,081
	1,065,529	978,706	756,588	598,236
Non-controlling interest	-	1,001	-	-
Total Equity	1,065,529	979,707	756,588	598,236

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

	As at 31 December 2013		As at 31 December 2012	
	Secured	Unsecured	Secured	Unsecured
	RMB '000	RMB '000	RMB '000	RMB '000
Non current liabilities				
Bank loans	215,000	-	250,000	-
Current liabilities				
Bank loans	85,000	-	266,625	-

Details of any collateral

As at 31 December 2013, bank loans comprised the following:

- 1) RMB70.0 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 Wei Yao, has substantial interest. The loan is repayable quarterly with effect from 1Q2012 and has a maturity date in 1H2015.
- 2) RMB230.0 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.

Note:

As at 31 December 2013, trade payables include bills payable amounting to RMB31.0 million which are secured by fixed deposits amounting to 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			
	FY13	FY12	4Q13	4Q12
	1.1.2013 to 31.12.2013	1.1.2012 to 31.12.2012	1.10.2013 to 31.12.2013	1.10.2012 to 31.12.2012
	RMB '000	RMB '000	RMB '000	RMB '000
Cash flow from operating activities				
Profit before tax	128,995	102,695	29,435	5,289
Adjustment for:				
Amortisation of land use rights	3,003	3,003	751	751
Depreciation of property, plant and equipment	50,501	55,304	9,212	14,050
Loss on disposal of property, plant and equipment	24	111	24	111
Interest expense	10,053	8,973	975	3,873
Interest income	(1,961)	(2,569)	(58)	(2,106)
Property, plant and equipment written off	-	288	(844)	(1,272)
Gain on disposal of subsidiary	(1,619)	-	(1,619)	-
Operating profit before working capital changes	188,996	167,805	37,876	20,696
Inventories	(16,835)	(61,712)	(27,806)	(6,426)
Receivables	123,062	78,026	70,783	(4,083)
Payables	(4,425)	(70,577)	(7,895)	(91,145)
Currency translation adjustments	5,955	(1,287)	679	(797)
Cash generated from operations	296,753	112,255	73,637	(81,755)
Interest received	1,961	2,569	58	2,106
Income taxes paid	(26,825)	(25,032)	(5,870)	(2,033)
Net cash from/(used in) operating activities	271,889	89,792	67,825	(81,682)
Cash flow from investing activities				
Proceeds from disposal of property, plant and equipment	454	1,027	454	1,027
Purchase of property, plant and equipment (Note A)	(115,589)	(201,146)	(63,110)	(15,901)
Decrease in prepayment for property, plant and equipment	1,653	21,423	4,024	14,949
Capitalised research and development costs	(11,547)	-	(11,547)	-
Disposal of a subsidiary, net cash inflow	1,644	-	1,644	-
Net cash (used in)/from investing activities	(123,385)	(178,696)	(68,535)	75
Cash flow from financing activities				
Proceeds from bank loans	60,000	474,641	-	203,991
Repayment of bank loans	(276,625)	(208,017)	(20,000)	(113,982)
Cash deposits released from pledge	60,333	5,393	4,003	75,746
Cash deposits pledged	(3,588)	(60,333)	(3,588)	(60,333)
Interest paid	(22,174)	(19,862)	(4,425)	(5,364)
Dividend paid	(20,000)	(54,000)	-	-
Dividend paid to non-controlling interest	-	(4)	-	-
Net cash (used in)/from financing activities	(202,054)	137,818	(24,010)	100,058



	Group			
	FY13	FY12	4Q13	4Q12
	1.1.2013 to 31.12.2013	1.1.2012 to 31.12.2012	1.10.2013 to 31.12.2013	1.10.2012 to 31.12.2012
	RMB '000	RMB '000	RMB '000	RMB '000
Net (decrease)/increase in cash and cash equivalents	(53,550)	48,914	(24,720)	18,451
Cash and cash equivalents at beginning of the year/period	85,241	36,301	56,304	66,786
Effect of currency translation on cash and cash equivalents	5	26	112	4
Cash and cash equivalents at end of the year/period	31,696	85,241	31,696	85,241
Cash and cash equivalents per consolidated statement of cash flows	31,696	85,241	31,696	85,241
Cash deposits pledged	3,588	60,333	3,588	60,333
Cash and cash equivalents as per consolidated financial positions	35,284	145,574	35,284	145,574

Note A

	FY13	FY12	4Q13	4Q12
	1.1.2013 to 31.12.2013	1.1.2012 to 31.12.2012	1.10.2013 to 31.12.2013	1.10.2012 to 31.12.2012
	RMB '000	RMB '000	RMB '000	RMB '000
Total additions to property, plant and equipment	122,031	221,592	83,553	85,469
Less: Unpaid portion	6,124	(9,556)	(16,993)	(68,077)
Interest capitalised	(12,566)	(10,890)	(3,450)	(1,491)
Purchase of plant, property and equipment per consolidated statement of cash flows	115,589	201,146	63,110	15,901



- 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

Attributable to equity holders of the Company

	Share capital RMB'000	Statutory reserves RMB'000	Revenue reserve RMB'000	Currency translation reserve RMB'000	Total attributable to equity holders the Company RMB'000	Non-controlling interest RMB'000	Total Equity RMB'000
Balance as at 1.1.2013	250,660	125,416	603,033	(403)	978,706	1,001	979,707
Profit for the year	-	-	101,024	-	101,024	(77)	100,947
<i>Other comprehensive income</i>							
Currency translation differences arising on consolidation	-	-	-	5,961	5,961	-	5,961
Total comprehensive income for the year	-	-	101,024	5,961	106,985	(77)	106,908
Dividend paid	-	-	(20,000)	-	(20,000)	-	(20,000)
Transfer to statutory reserves fund	-	12,556	(12,556)	-	-	-	-
Disposal of a subsidiary	-	(162)	-	-	(162)	(924)	(1,086)
Balance as at 31.12.2013	250,660	137,810	671,501	5,558	1,065,529	-	1,065,529

	Share capital RMB'000	Statutory reserves RMB'000	Revenue reserve RMB'000	Currency translation reserve RMB'000	Total attributable to equity holders the Company RMB'000	Non-controlling interest RMB'000	Total Equity RMB'000
Balance as at 1.1.2012	250,660	115,826	591,730	858	959,074	970	960,044
Profit for the year	-	-	74,893	-	74,893	35	74,928
<i>Other comprehensive income</i>							
Currency translation differences arising on consolidation	-	-	-	(1,261)	(1,261)	-	(1,261)
Total comprehensive income for the year	-	-	74,893	(1,261)	73,632	35	73,667
Dividend paid	-	-	(54,000)	-	(54,000)	-	(54,000)
Dividend paid to non-controlling interest	-	-	-	-	-	(4)	(4)
Transfer to statutory reserves fund	-	9,590	(9,590)	-	-	-	-
Balance as at 31.12.2012	250,660	125,416	603,033	(403)	978,706	1,001	979,707



Company

	Share capital RMB'000	Revenue reserve 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 year	-	222,092	-	222,092
<i>Other comprehensive income</i>				
Currency translation differences	-	-	(43,740)	(43,740)
Total comprehensive income for the year	-	222,092	(43,740)	178,352
Dividend paid	-	(20,000)	-	(20,000)
Balance as at 31.12.2013	250,660	524,587	(18,659)	756,588

	Share capital RMB'000	Revenue reserve RMB'000	Currency translation reserve RMB'000	Total equity RMB'000
Balance as at 1.1.2012	250,660	201,296	(763)	451,193
Profit for the year	-	175,199	-	175,199
<i>Other comprehensive income</i>				
Currency translation differences	-	-	25,844	25,844
Total comprehensive income for the year	-	175,199	25,844	201,043
Dividend paid	-	(54,000)	-	(54,000)
Balance as at 31.12.2012	250,660	322,495	25,081	598,236

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 31 December 2013, 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 31 December 2013	As at 31 December 2012
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 2012.



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 year, 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 2013. The adoption of the new/revised FRS and INT FRSs 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 years.

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.

	1.1.2013 to 31.12.2013	1.1.2012 to 31.12.2012	1.10.2013 to 31.12.2013	1.10.2012 to 31.12.2012
(a) Based on weighted average number of ordinary shares on issue (RMB); and	0.25	0.18	0.07	0.00
(b) On a fully diluted basis (RMB)	0.25	0.18	0.07	0.00
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	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RMB	RMB	RMB	RMB
Net asset value per ordinary share based on issued share capital at the end of the respective years:	2.66	2.45	1.89	1.50
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 31 December 2013 ("4Q13"), the Group's turnover increased by 13.5% to RMB169.9 million from RMB149.6 million in the 3 months ended 31 December 2012 ("4Q12").

In terms of sales performance for 4Q13, sales of conventional stamping machines decreased by 7.1% while sales of high performance and high tonnage stamping machines increased by 20.9%.

For the full year ended 31 December 2013 ("FY13"), the Group's turnover increased by 3.6% to RMB814.6 million from RMB786.5 million in the full year ended 31 December 2012 ("FY12").

In terms of sales performance for FY13, sales of conventional stamping machines decreased by 5.4% while sales of high performance and high tonnage stamping machines increased by 6.2%.

The increase in number of units sold in high performance and high tonnage stamping machines, which was partially offset by a decrease in number of units sold in conventional stamping machines and 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 Bohai Rim areas.

(ii) Gross Profit

The Group's gross profit for 4Q13 increased by 51.8% to RMB61.5 million from RMB40.5 million in 4Q12. Gross profit margin increased by 9.1% to 36.2% in 4Q13 from 27.1% in 4Q12.

In terms of gross profit margin for 4Q13 year-on-year, gross profit margin for conventional stamping machines increased by 12.9% to 36.2% from 23.3% in 4Q12 while gross profit margin for high performance and high tonnage stamping machines increased by 9.6% to 35.7% from 26.1% in 4Q12.

The increase in the Group's gross profit margin for 4Q13 was due mainly to a decrease in overhead costs as a result of prolonged useful life of certain property, plant and equipment (see note (vi) on depreciation and amortisation expenses) and an increase in production of both conventional stamping machines and high performance and high tonnage stamping machines.

The Group's gross profit for FY13 increased by 12.3% to RMB259.0 million from RMB230.7 million in FY12 in tandem with the increase in turnover. The gross profit margin for FY13 increased by 2.5% to 31.8% from 29.3% in FY12.

In terms of gross profit margin for FY13, gross profit margin for conventional stamping machines increased by 4.2% to 29.3% from 25.1% in FY12 while gross profit margin for high



performance and high tonnage stamping machines increased by 2.2% to 32.4% from 30.2% in FY12.

Overall the increase in the Group's gross profit margin for FY13 was due mainly to a decrease in overhead costs as a result of prolonged useful life of certain property, plant and equipment (see note (vi) for depreciation and amortisation expenses) and an increase in production of high performance and high tonnage stamping machines, which was partially offset by a decrease in production of conventional stamping machines and a downward revision in average selling prices.

(iii) Other Income

In 4Q13, the Group's other income increased by 434.7% to RMB10.5 million from RMB2.0 million in 4Q12.

In FY13, the Group's other income increased by 110.7% to RMB18.5 million from RMB8.8 million in FY12.

Overall, the increase was due mainly to an increase in rental income from a related party, a RMB3.0 million deposit from a customer which was forfeited due to the cancellation of order, gain on disposal of a subsidiary and government subsidy.

(iv) Distribution and Selling Expenses

In 4Q13, the Group's distribution and selling expenses increased by 2.0% to RMB14.1 million from RMB13.9 million in 4Q12.

In FY13, the Group's distribution and selling expenses increased by 6.0% to RMB59.0 million from RMB55.7 million in FY12. As a percentage of total revenue, distribution and selling expenses increased marginally by 0.1% to 7.2% in FY13 from 7.1% in FY12.

The increase was in tandem with the increase in turnover which was due mainly to an increase in sales commission payable to sales personnel for improved trade receivables collection. However, this increase was partially offset by a decrease in travelling expenses, publicity, handling charges and warranty services expense.

(v) Administrative Expenses

In 4Q13, the Group's administrative expenses increased by 19.6% to RMB18.6 million from RMB15.5 million in 4Q12.

In FY13, the Group's administrative expenses increased by 5.1% to RMB69.0 million from RMB65.6 million in FY12. As a percentage of total revenue, administrative expenses increased marginally by 0.2% to 8.5% in FY13 from 8.3% in FY12.

The increase was due mainly to the pre-operating expenses of a subsidiary, WPMS and an increase in staff related costs and the upward adjustment of staff salaries. 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 4Q13, the Group's depreciation and amortisation expenses decreased by 32.7% to RMB10.0 million from RMB14.8 million in 4Q12.

In FY13, the Group's depreciation and amortisation expenses decreased by 8.2% to RMB53.5 million from RMB58.3 million in FY12.

Overall, the decrease was due mainly to 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 additional depreciation charges incurred by Group's subsidiaries for the additional property, plant and equipment acquired during FY12 to FY13.

(vii) Other Operating Expenses, net

In 4Q13, the Group's net other operating expenses increased by 88.5% to RMB7.0 million from RMB3.7 million in 4Q12.

In FY13, the Group's net other operating expenses increased by 107.6% to RMB9.9 million from RMB4.8 million in FY12.

Overall, the increase was due mainly to an increase in allowance for doubtful debts and foreign exchange loss compared to 4Q12 and FY12.

(viii) Finance Expenses

In 4Q13, the Group's finance expenses recorded a decrease of 30.8% to RMB2.8 million from RMB4.1 million in 4Q12.

In FY13, the Group's finance expenses recorded a decrease of 0.5% to RMB10.6 million from RMB 10.6 million in FY12.

The decrease was due mainly to a gradual decrease in interest expenses relating to a gradual decrease in bank loans and an increase in interest expenses relating to the construction of Shenyang plant which had been capitalised. Please refer to page 5 of the Results Announcement for capitalised interest.

(ix) Profit Before Tax

Overall, the Group's profit before tax ("PBT") had increased in tandem with the Group's gross profit for 4Q13 and FY13.

In 4Q13, the Group's PBT increased by 456.5% to RMB29.4 million from RMB5.3 million in 4Q12.

In FY13, the Group's PBT increased by 25.6% to RMB129.0 million from RMB102.7 million in FY12.



(x) Income Tax Expense

In 4Q13, the Group's tax expense decreased by 82.3% to RMB0.6 million from RMB3.4 million in 4Q12. This was due mainly to a tax subsidy from government for capitalised research and development expenses and reversal of deferred tax liability.

In FY13, the Group's tax expense increased by 1.0% to RMB28.0 million from RMB27.8 million in FY12. The increase was partly offset by the tax subsidy from the government for capitalised research and development expenses and reversal of deferred tax liability.

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

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 not increased in tandem with the Group's PBT for 4Q13 and FY13.

In 4Q13, the Group's NPAT increased by 1,429.7% to RMB28.8 million from RMB1.9 million in 4Q12. Net profit margin increased by 15.7% to 17.0% from 1.3% in 4Q12.

In FY13, the Group's NPAT increased by 34.7% to RMB100.9 million from RMB74.9 million in FY12. Net profit margin increased by 2.9% to 12.4% from 9.5% in FY12.

(B) Consolidated Balance Sheet (31 December 2013 vs 31 December 2012)

For the period under review, the Group's non-current assets increased by approximately RMB78.0 million due to the acquisition of property, plant and equipment and intangible assets net of depreciation and amortisation charges in respect of its subsidiaries.

For the period under review, the Group's non-current liabilities decreased by RMB37.5 million due to a decrease in deferred tax liability of RMB2.5 million and reclassification of RMB35.0 million long-term bank loans which are due within a year to current bank loans. The long-term bank loans are 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 RMB236.9 million from RMB1,001.3 million as at 31 December 2012 to RMB764.4 million as at 31 December 2013. This was attributable to a decrease in trade receivables and other receivables due to improved collection efforts, deposits and prepayments (which was due mainly to a decrease in prepayment for property, plant and equipment) and cash and bank balances. Such decrease was offset by an increase in inventories balance and amounts due from related parties (trade and non-trade).

Concurrently, the Group's total current liabilities decreased by approximately RMB207.2 million from RMB648.9 million as at 31 December 2012 to RMB441.7 million as at 31 December 2013. The decrease was attributable to a decrease in trade payables due to improved payments effort, other payables and accruals (which was due mainly to payment for property, plant and equipment completed and/or received) and repayment of bank loans. Such



decrease was offset by an increase in amounts due to related parties (trade and non-trade) and tax payable.

The Group is in a net current assets position as at 31 December 2013 of RMB322.8 million.

(C) Consolidated Cash Flow Statement

For the 3 months ended 31 December 2013, the Group recorded a net cash decrease of approximately RMB24.7 million. This was due mainly to: -

- a) the net cash inflow arising from operating activities which amounted to RMB67.8 million. The reasons were discussed in the consolidated statement of profit and loss and other comprehensive income and consolidated statement of financial position.
- b) the net cash outflow arising from financing activities which amounted to RMB24.0 million arose mainly from repayment of bank loans and net cash deposits released from pledge with financial institution, which were offset by bank loans interest paid.
- c) the net cash outflow arising from investing activities amounted to RMB68.5 million was due mainly to the acquisition of property, plant and equipment and intangible assets which was offset by the proceeds from the disposal of property, plant and equipment and net cash inflow from disposal of a subsidiary.

For the full year ended 31 December 2013, the Group recorded a net cash decrease of approximately RMB53.6 million. This was due mainly to: -

- a) The net cash inflow arising from operating activities amounted to RMB271.9 million. The reasons were discussed in the consolidated statement of profit and loss and other comprehensive income and consolidated statement of financial position.
- b) The net cash outflow arising from financing activities which amounted to RMB202.1 million arose mainly from net repayment of bank loans, bank loans interest paid and dividend paid. This was offset by net cash deposits released from pledge with financial institution.
- c) The net cash outflow arising from investing activities which amounted to RMB123.4 million was due mainly to the acquisition of property, plant and equipment and intangible assets which was offset by the proceeds from the disposal of property, plant and equipment and net cash inflow from disposal of a subsidiary.

Cash and cash equivalent as at 31 December 2013 stood at RMB35.3 million (of which RMB3.6 million was pledged for bank facilities and 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 FY13 Financial Results announcement is in line with the statement made in Paragraph 10 disclosed in the 9M Financial Results announcement dated 13 November 2013 i.e. Barring any unforeseen circumstances, the Group is optimistic on a profitable FY2013.



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.**

As China's GDP grows at a more sustainable rate of 7.7%, its industrial production reports a slower increase of 9.7%, 0.6 percentage points lower than that last year^{1,2}. The decline in manufacturing growth is almost inevitable as China gets richer, inducing higher labour wages. McKinsey reports that there are evidences suggesting that China has lost potential investments to lower-cost locations such as Vietnam³. However, the outlook for China's high-end equipment industry remains positive as China expresses intentions to expand its high-end manufacturing industry.

The Group will continue to place emphasis on its research and development to make qualitative improvements on its current products, enhancing speed and scale. It is crucial to gain a competitive edge by becoming an innovative leader of the industry in order to secure higher-end orders as China's manufacturing industry evolves to become an advanced technology base.

The Group remains optimistic on its growth in China's white goods and automobile markets. Research analyst predict that China's automobile market will continue to maintain a strong growth momentum, and eventually exceed North America and Europe in terms of volume, emerging as the top market in 2020⁴. In fact, recent news reports that China has set a new world record for the number of cars sold in 2013⁵. The Group plans to ride on this wave and secure more deals in the coming years.

Barring any unforeseen circumstances, the Group expects a profitable FY2014. The Group's order book as at 25 February 2014 stood at RMB94.9 million.

¹ Trading Economics - <http://www.tradingeconomics.com/china/industrial-production>

² BBC News - <http://www.bbc.co.uk/news/business-25805227>

³ McKinsey&Company -

http://www.mckinsey.com/insights/manufacturing/a_new_era_for_manufacturing_in_china

⁴McKinsey&Company -

http://csi.mckinsey.com/knowledge_by_region/asia/china/~media/extranets/consumer%20shopper%20insights/reports/2013/chinas_auto_market_in_2020.ashx

⁵ Business Times -

<http://www.businesstimes.com.sg/archive/friday/premium/china/china-sets-new-world-record-22m-cars-sold-year-20140110>

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes. Please see details in item 12 below.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?



Yes. A final dividend of RMB0.05 (equivalent to S\$0.01) per share has been declared for the financial year ended 31 December 2012.

(c) Date payable

2 June 2014.

(d) Books closure date

Up to 5.00 p.m. on 12 May 2014.

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

A final dividend of RMB0.0625 (equivalent to S\$0.0125) per share, tax exempt (one-tier), has been recommended for the financial year ended 31 December 2013. The proposed final dividend is subject to shareholders' approval at the Company's Annual General Meeting to be held on 29 April 2014.

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.

IPTs for FY13 are as follows: -

Name of Interested Person	FY 2013
	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)
	RMB'000
<u>Jiangsu World Machinery and Electronics Group Co., Ltd.</u> Processing fees received, sale of raw materials and parts.	20
<u>Jiangsu World Machinery and Electronics Group Co., Ltd.</u> Processing fees paid and purchase of scrap materials.	4,869
<u>Jiangsu World Plant-Protecting Machinery Co., Ltd</u> Processing fees received and sale of raw materials and parts.	458



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<u>Jiangsu World Plant-Protecting Machinery Co., Ltd</u>	
Purchase of raw materials and parts.	325
<u>Jiangsu World Agriculture Machinery Co., Ltd</u>	
Processing fees received and sale of raw materials, parts and machineries.	4,777
<u>Jiangsu World Agriculture Machinery Co., Ltd</u>	
Processing fees paid and purchase of scrap materials.	649
<u>Jiangsu World Agriculture Machinery & Parts Manufacturing Co., Ltd.</u>	
Processing fees received and sale of raw materials and parts.	289
<u>Jiangsu World Agriculture Machinery & Parts Manufacturing Co., Ltd.</u>	
Processing fees paid and purchase of raw materials, parts and scrap materials.	2,828
<u>World Agriculture (Shenyang) Co., Ltd.</u>	
Factory rental income and sale of parts and machineries.	5,586
<u>World Heavy Industry (China) Co., Ltd.</u>	
Processing fees received and sale of raw materials and parts.	501
<u>World Heavy Industry (China) Co., Ltd.</u>	
Processing fees paid and purchase of raw materials and scrap materials.	2,735
<u>Jiangsu World Crane Co., Ltd</u>	
Sale of raw materials.	11
<u>Jiangsu World Crane Co., Ltd</u>	
Purchase of raw materials, parts and machineries.	41
<u>Jiangsu World Danmian Textile Co., Ltd.</u>	
Purchase of scrap materials.	170
<u>Jiangsu World Precise Machinery Co., Ltd.</u>	
Land rental paid.	720
Total:	23,979



Mr Wang Weiyao, the Non-Executive Director of the Company, has approximately 65% shareholding interest in Jiangsu World Machinery and Electronics Group Co., Ltd. Mr Wang Weiyao is also a controlling shareholder of the Company, through his 100% shareholding interest in World Sharehold Limited.

Accordingly, Jiangsu World Machinery and Electronics Group Co., Ltd. together with its subsidiaries is deemed to be the same interested person within the meaning defined in Chapter 9 of the Listing Manual ("Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST").

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

No information by business segments is presented as the principal operation of the Company relates mainly to the manufacture of stamping machines and its related components (which include machinery parts and accessories as well as resin-casted components). As the business of the Company is engaged entirely in the PRC, no reporting by geographical location of the operation is presented.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not Applicable.

16. A breakdown of sales.

	The Group		
	FY2013	FY2012	Increase/(decrease)
	RMB'000	RMB'000	%
(a) Sales reported for first half year	440,506	449,649	(2.0)
Profit after tax before deducting non-controlling interest for first half year	45,004	71,633	(37.2)
(b) Sales reported for second half of year	374,065	336,868	11.0
Profit after tax before deducting non-controlling interest for first half year	55,943	3,295	1,597.8



(c) Sales reported for full year	814,571	786,517	3.6
Profit after tax before deducting non-controlling interest for full year	100,947	74,928	34.7

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	FY2013	FY2012
	RMB'000	RMB'000
Ordinary	25,000	20,000
Preference	-	-
Total	25,000	20,000

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Shao Xiaopu	33	Son of Mr Shao Jianjun, World Precision Machinery Limited's Executive Chairman	Head of Technical Department of World CNC Machine Tool (Jiangsu) Co., Ltd. since March 2009.	No change
Li Wenjuan	33	Daughter-in-law of Mr Shao Jianjun, World Precision Machinery Limited's Executive Chairman	Deputy Finance Manager of World Heavy Machine Tools (China) Co., Ltd since January 2012.	No change
Ge Minglei	38	Husband of Ms Jiang Hongdi, World Precision Machinery Limited's Executive Director	Deputy Chief Engineer of World Precise Machinery (China) Co., Ltd. since May 2004.	No change

BY ORDER OF THE BOARD

Wu Yufang
Chief Executive Officer
28 February 2014