



**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 2018 to 31 December 2018 (“4Q18”) and the results for the full year from 1 January 2018 to 31 December 2018 (“FY18”). The comparatives are for the fourth quarter from 1 October 2017 to 31 December 2017 (“4Q17”) and the full year from 1 January 2017 to 31 December 2017 (“FY17”). 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					
	1.1.2018 to 31.12.2018 RMB '000	1.1.2017 to 31.12.2017 RMB '000	Change %	1.10.2018 to 31.12.2018 RMB '000	1.10.2017 to 31.12.2017 RMB '000	Change %
Revenue	888,863	803,883	10.6%	209,130	189,604	10.3%
Cost of sales	(756,719)	(645,944)	17.1%	(183,367)	(161,405)	13.6%
Gross profit	132,144	157,939	(16.3%)	25,763	28,199	(8.6%)
Gross profit margin (%)	14.9%	19.6%	(4.7%)	12.3%	14.9%	(2.6%)
Other income and gains	12,361	17,235	(28.3%)	3,962	8,382	(52.7%)
Distribution and selling expenses	(80,532)	(71,228)	13.1%	(25,334)	(21,455)	18.1%
Administrative expenses	(51,937)	(55,703)	(6.8%)	(15,593)	(12,397)	25.8%
Other expenses, net	(3,583)	(3,073)	16.6%	(3,201)	(227)	1,310.1%
Financial expenses	(1,635)	(3,348)	(51.2%)	(372)	(425)	(12.5%)
Profit/(loss) before tax	6,818	41,822	(83.7%)	(14,775)	2,077	N.M.
Tax (expense)/refund	(693)	(5,073)	(86.3%)	3,910	1,353	189.0%
Profit/(loss) for the year/period	6,125	36,749	(83.3%)	(10,865)	3,430	N.M.
Net profit/(loss) margin (%)	0.7%	4.6%	(3.9%)	(5.2%)	1.8%	N.M.
Profit/(loss) attributable to:						
Equity holders of the Company	6,125	36,749	(83.3%)	(10,865)	3,430	N.M.

N.M. denotes Not Meaningful



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

	Group					
	1.1.2018 to 31.12.2018	1.1.2017 to 31.12.2017	Change	1.10.2018 to 31.12.2018	1.10.2017 to 31.12.2017	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Profit/(loss) for the year/ period	6,125	36,749	(83.3%)	(10,865)	3,430	N.M.
Other comprehensive (loss)/income:						
Items that are or may be reclassified subsequently to profit and loss:						
Currency translation differences arising on consolidation	(115)	(33)	(248.5%)	(15)	12	N.M.
Total comprehensive income/(loss) for the year/period	6,010	36,716	(83.6%)	(10,880)	3,442	N.M.
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	6,010	36,716	(83.6%)	(10,880)	3,442	N.M.

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 were amalgamated into WPMC.



(B) Profit/(Loss) Before Income Tax

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

	Group			
	1.1.2018 to 31.12.2018	1.1.2017 to 31.12.2017	1.10.2018 to 31.12.2018	1.10.2017 to 31.12.2017
	RMB '000	RMB '000	RMB '000	RMB '000
Allowance for doubtful receivables (trade)	5,657	7,287	4,157	5,287
Allowance for doubtful receivables (non-trade)	741	424	741	424
Write-back of allowance for doubtful receivables (trade)	(3,740)	(5,401)	(2,300)	(5,401)
Write-back of allowance for doubtful receivables (non-trade)	-	(510)	-	(510)
Write-down of inventories	-	761	-	761
Amortisation of intangible assets	10,363	9,930	2,495	4,508
Amortisation of land use rights	3,038	2,931	760	653
Bad debts written off (trade)	763	-	763	(309)
Depreciation of property, plant and equipment	54,841	51,039	14,540	11,902
(Gain)/loss on disposal of property, plant and equipment	(16)	326	(16)	326
Gain on foreign currency exchange	(276)	(394)	(193)	(465)
Interest expense	1,501	3,312	370	418
Interest income	(663)	(38)	(51)	(6)
Property, plant and equipment written off	258	5	(270)	(1,678)



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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RMB '000	RMB '000	RMB '000	RMB '000
Non-current assets				
Property, plant and equipment	783,145	737,820	-	-
Land use rights	122,397	125,435	-	-
Investment in subsidiaries	-	-	812,892	780,669
Intangible assets	36,924	33,802	-	-
Other receivables	846	8,106	-	-
	943,312	905,163	812,892	780,669
Current assets				
Inventories	391,167	384,119	-	-
Land use rights	3,003	3,003	-	-
Trade receivables	132,101	130,022	-	-
Other receivables	25,052	21,416	14	14
Due from related parties (trade)	48,063	46,830	-	-
Due from a subsidiary (non-trade)	-	-	25	-
Cash and cash equivalents	21,261	16,510	366	249
	620,647	601,900	405	263
Total assets	1,563,959	1,507,063	813,297	780,932
Non-current liability				
Deferred tax liabilities	5,018	4,885	-	-
Current liabilities				
Trade payables	247,257	204,419	-	-
Bills payables	9,125	520	-	-
Other payables	205,726	195,773	766	559
Due to related parties (trade)	1,059	1,840	-	-
Due to related parties (non-trade)	981	243	-	-
Due to a subsidiary (non-trade)	-	-	1,012	1,565
Bank loans	27,400	38,000	-	-
	491,548	440,795	1,778	2,124
Total liabilities	496,566	445,680	1,778	2,124
Net current assets/(liabilities)	129,099	161,105	(1,373)	(1,861)
Net Assets	1,067,393	1,061,383	811,519	778,808



	Group		Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	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	-	-
Statutory reserves	128,694	127,118	-	-
Retained earnings	581,156	576,607	537,542	534,407
Currency translation reserve	9,786	9,901	23,317	(6,259)
Total Equity	1,067,393	1,061,383	811,519	778,808

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

	As at 31 December 2018		As at 31 December 2017	
	Secured	Unsecured	Secured	Unsecured
	RMB '000	RMB '000	RMB '000	RMB '000
Current liabilities				
Bank loans	27,400	-	38,000	-

Details of any collateral

As at 31 December 2018, bank loans comprised the following:

- 1) RMB20.9 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 1Q2019.
- 2) RMB6.5 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 2Q2019.



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			
	FY18	FY17	4Q18	4Q17
	1.1.2018 to 31.12.2018	1.1.2017 to 31.12.2017	1.10.2018 to 31.12.2018	1.10.2017 to 31.12.2017
	RMB '000	RMB '000	RMB '000	RMB '000
Cash flows from operating activities				
Profit/(loss) before tax	6,818	41,822	(14,775)	2,077
Adjustments for:				
Allowance for doubtful receivables (trade)	5,657	7,287	4,157	5,287
Allowance for doubtful receivables (non-trade)	741	424	741	424
Amortisation of intangible assets	10,363	9,930	2,495	4,508
Amortisation of land use rights	3,038	2,931	760	653
Bad debts written off	763	-	763	(309)
Depreciation of property, plant and equipment	54,841	51,039	14,540	11,902
(Gain)/loss on disposal of property, plant and equipment	(16)	326	(16)	326
Interest expense	1,501	3,312	370	418
Interest income	(663)	(38)	(51)	(6)
Property, plant and equipment written off	258	5	(270)	(1,678)
Write down of inventories	-	761	-	761
Operating profit before working capital changes	83,301	117,799	8,714	24,363
Inventories	(7,048)	(31,335)	(2,788)	(30,262)
Receivables	(14,109)	66,858	22,230	94,654
Payables	58,910	41,888	1,525	(21,717)
Currency translation adjustments	(217)	(26)	(31)	20
Cash generated from operations	120,837	195,184	29,650	67,058
Interest received	663	38	51	6
Taxes paid/(refund)	(560)	(4,711)	3,149	(1,028)
Net cash from operating activities	120,940	190,511	32,850	66,036
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	23	3,019	23	3,019
Purchase of property, plant and equipment (Note A)	(99,333)	(90,391)	(16,039)	(40,574)
Addition of intangible assets	(13,485)	(6,073)	(3,137)	10,754
Net cash used in investing activities	(112,795)	(93,445)	(19,153)	(26,801)
Cash flows from financing activities				
Proceeds from bank loans	37,400	38,000	-	-
Repayment of bank loans	(48,000)	(98,000)	(1,700)	-
Cash deposits released from pledge	570	-	9,331	-
Cash deposits pledged	(9,296)	-	(9,296)	-
Interest paid	(1,501)	(3,312)	(370)	(418)
Increase/(decrease) in bills payables to bank	8,605	(27,416)	(12,000)	(27,416)
Net cash used in financing activities	(12,222)	(90,728)	(14,035)	(27,834)



	Group			
	FY18	FY17	4Q18	4Q17
	1.1.2018 to 31.12.2018	1.1.2017 to 31.12.2017	1.10.2018 to 31.12.2018	1.10.2017 to 31.12.2017
	RMB '000	RMB '000	RMB '000	RMB '000
Net (decrease)/increase in cash and cash equivalents	(4,077)	6,338	(338)	11,401
Cash and cash equivalents at beginning of the year/period	15,940	9,596	12,287	4,534
Effect of exchange rate changes on cash and cash equivalents	102	6	16	5
Cash and cash equivalents at end of the year/period	11,965	15,940	11,965	15,940
Cash and cash equivalents per consolidated statement of cash flows	11,965	15,940	11,965	15,940
Cash deposits pledged	9,296	570	9,296	570
Cash and cash equivalents as per consolidated financial positions	21,261	16,510	21,261	16,510

Note A:

	Group			
	FY18	FY17	4Q18	4Q17
	1.1.2018 to 31.12.2018	1.1.2017 to 31.12.2017	1.10.2018 to 31.12.2018	1.10.2017 to 31.12.2017
	RMB '000	RMB '000	RMB '000	RMB '000
Total additions to property, plant and equipment	100,431	92,740	58,101	57,095
Add/(less): Change in unpaid portion	6,162	268	(28,846)	(10,519)
Less: Change in prepayments	(7,260)	(2,617)	(13,216)	(6,002)
Purchase of property, plant and equipment per consolidated statement of cash flows	99,333	90,391	16,039	40,574



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	Statutory reserves RMB'000	Retained earnings RMB'000	Currency translation reserve RMB'000	Total equity RMB'000
Balance as at 1.1.2018	250,660	97,097	127,118	576,607	9,901	1,061,383
Profit for the year	-	-	-	6,125	-	6,125
<i>Other comprehensive loss</i>						
Currency translation differences arising on consolidation	-	-	-	-	(115)	(115)
Total comprehensive income/(loss) for the year	-	-	-	6,125	(115)	6,010
Transfer to statutory reserve fund	-	-	1,576	(1,576)	-	-
Balance as at 31.12.2018	250,660	97,097	128,694	581,156	9,786	1,067,393

	Share capital RMB'000	Capital reserve RMB'000	Statutory reserves RMB'000	Retained earnings RMB'000	Currency translation reserve RMB'000	Total equity RMB'000
Balance as at 1.1.2017	250,660	97,097	123,057	543,919	9,934	1,024,667
Profit for the year	-	-	-	36,749	-	36,749
<i>Other comprehensive income</i>						
Currency translation differences arising on consolidation	-	-	-	-	(33)	(33)
Total comprehensive income/(loss) for the year	-	-	-	36,749	(33)	36,716
Transfer to statutory reserve fund	-	-	4,061	(4,061)	-	-
Balance as at 31.12.2017	250,660	97,097	127,118	576,607	9,901	1,061,383



Company

	Share capital RMB'000	Retained earnings RMB'000	Currency translation reserve RMB'000	Total equity RMB'000
Balance as at 1.1.2018	250,660	534,407	(6,259)	778,808
Profit for the year	-	3,135	-	3,135
<i>Other comprehensive income</i>				
Currency translation differences arising on consolidation	-	-	29,576	29,576
Total comprehensive income for the year	-	3,135	29,576	32,711
Balance as at 31.12.2018	250,660	537,542	23,317	811,519
	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 year	-	276	-	276
<i>Other comprehensive Income</i>				
Currency translation differences arising on consolidation	-	-	11,343	11,343
Total comprehensive income for the year	-	276	11,343	11,619
Balance as at 31.12.2017	250,660	534,407	(6,259)	778,808

Explanatory Notes:

Capital Reserve

Capital reserve arises from amalgamation of subsidiaries. With effect from 1 December 2015, WHMT, WCNC and WPMC 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 twelve months ended 31 December 2018, 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 31 December 2018	As at 31 December 2017
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, 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 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 2017.

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.**

The Group adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)") on 1 January 2018. The financial statements for the financial year ended 31 December 2018 are the first set of the financial statements of the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 31 December 2017 were prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

In adopting SFRS(I) on 1 January 2018, the Group is required to apply all of the specific transition requirements in SFRS(I). The Group's opening balance sheet under SFRS(I) has been prepared as at 1 January 2017, which is the Group's date of transition to SFRS(I) ("date of transition").

The Group has performed a detailed analysis of the transition options and other requirements of SFRS(I) and has determined that there are no significant change to the Group's current accounting policies under the financial reporting standards in Singapore or material adjustment on the initial transition of the new framework.

Other than the adoption of the new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect in the current financial year, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited financial statements.

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.**

	1.1.2018 to 31.12.2018	1.1.2017 to 31.12.2017	1.10.2018 to 31.12.2018	1.10.2017 to 31.12.2017
(a) Based on weighted average number of ordinary shares on issue (RMB); and	0.02	0.09	(0.03)	0.01
(b) On a fully diluted basis (RMB)	0.02	0.09	(0.03)	0.01
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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RMB	RMB	RMB	RMB
Net asset value per ordinary share based on issued share capital at the end of the respective years:	2.67	2.65	2.03	1.95
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 2018 ("4Q18"), the Group's turnover increased by 10.3% to RMB209.1 million from RMB189.6 million in the 3 months ended 31 December 2017 ("4Q17").

In terms of sales performance for 4Q18, sales of conventional stamping machines decreased by 16.2% while sales of high performance and high tonnage stamping machines increased by 2.0%.

For the full year ended 31 December 2018 ("FY18"), the Group's turnover increased by 10.6% to RMB888.9 million from RMB803.9 million in the full year ended 31 December 2017 ("FY17").

In terms of sales performance for FY18, sales of conventional stamping machines decreased by 8.9% while sales of high performance and high tonnage stamping machines increased by 8.5%.

Overall, an upward revision in the average selling prices of the stamping machines which was partially offset by a decrease in number of units sold in conventional stamping machines and high performance and high tonnage stamping machines, contributed to the overall increase in turnover.

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



(ii) Gross Profit

The Group's gross profit for 4Q18 decreased by 8.6% to RMB25.8 million from RMB28.2 million in 4Q17. The gross profit margin decreased by 2.6% to 12.3% in 4Q18 from 14.9% in 4Q17.

In terms of gross profit margin for 4Q18 year-on-year, gross profit margin for conventional stamping machines increased by 2.3% to 9.4% from 7.1% in 4Q17 while gross profit margin for high performance and high tonnage stamping machines decreased by 1.1% to 15.1% from 16.2% in 4Q17.

The Group's gross profit for FY18 decreased by 16.3% to RMB132.1 million from RMB157.9 million in FY17. The gross profit margin for FY18 decreased by 4.7% to 14.9% from 19.6% in FY17.

In terms of gross profit margin for FY18, gross profit margin for conventional stamping machines remained constant at 10.4% while gross profit margin for high performance and high tonnage stamping machines decreased by 3.0% to 17.2% from 20.2% in FY17.

Overall, the decrease in the Group's gross profit margin for 4Q2018 and FY18 was mainly due to an increase in raw materials costs and a decrease in production of conventional stamping machines and high performance and high tonnage stamping machines which was partially offset by an increase in upward revision in the average selling prices of the stamping machines.

(iii) Other Income and gains

In 4Q18, the Group's other income decreased by 52.7% to RMB4.0 million from RMB8.4 million in 4Q17.

In FY18, the Group's other income decreased by 28.3% to RMB12.4 million from RMB17.2 million in FY17.

The decrease was mainly due to a decrease in government grant received and income from discounting of bills receivables during 4Q2018 and FY2018.

(iv) Distribution and Selling Expenses

In 4Q18, the Group's distribution and selling expenses increased by 18.1% to RMB25.3 million from RMB21.5 million in 4Q17 in tandem with increase in turnover.

In FY18, the Group's distribution and selling expenses increased by 13.1% to RMB80.5 million from RMB71.2 million in FY17 in tandem with increase in turnover. As a percentage of total revenue, distribution and selling expenses increased by 0.2% to 9.1% in FY18 from 8.9% in FY17.

Overall, 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 travelling expenses, sales rebate to suppliers and sales consultation expenses which was partially offset by a decrease in transport expenses and after sales services expenses.



(v) Administrative Expenses

In 4Q18, the Group's administrative expenses increased by 25.8% to RMB15.6 million from RMB12.4 million in 4Q17.

In FY18, the Group's administrative expenses decreased by 6.8% to RMB51.9 million from RMB55.7 million in FY17. As a percentage of total revenue, administrative expenses decreased by 1.1% to 5.8% in FY18 from 6.9% in FY17.

Overall, the decrease was mainly due to a decrease in research and development costs for stamping machines which was partially offset by an increase in administrative expenses and staff related costs.

Nevertheless, 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 4Q18, the Group's depreciation and amortisation expenses increased by 4.3% to RMB17.8 million from RMB17.1 million in 4Q17.

In FY18, the Group's depreciation and amortisation expenses increased by 6.8% to RMB68.2 million from RMB63.9 million in FY17.

The increase was mainly due to an increase in depreciation and amortisation charged for acquisition of property, plant and equipment and addition of intangible assets acquired in FY18.

(vii) Other Expenses, net

In 4Q18, the Group's net other expenses increased by 1,310.1% to RMB3.2 million from RMB0.2 million in 4Q17.

In FY18, the Group's net other expenses increased by 16.6% to RMB3.6 million from RMB3.1 million in FY17.

Overall, the increase was mainly due to an increase in net allowance for doubtful debts (trade and non-trade) and bad debts written off (trade).

(viii) Finance Expenses

In 4Q18, the Group's finance expenses recorded a decrease of 12.5% to RMB0.4 million from RMB0.4 million in 4Q17.

In FY18, the Group's finance expenses recorded a decrease of 51.2% to RMB1.6 million from RMB3.3 million in FY17.

The decrease was mainly due to a gradual decrease in interest expenses relating to a gradual decrease in bank loans which was partially offset by an interest paid for early redemption of bill receivables.



(ix) Profit/(Loss) Before Tax

In 4Q18, the Group recorded a loss before tax of RMB14.8 million compared to 4Q17 which recorded a profit before tax of RMB2.1 million.

In FY18, the Group's profit before tax decreased by 83.7% to RMB6.8 million from RMB41.8 million in FY17.

(x) Tax (Expense)/Refund

In 4Q18, the Group's tax refund increased by 189% to RMB3.9 million from RMB1.4 million in 4Q17.

In FY18, the Group's tax expense decreased by 86.3% to RMB0.7 million from RMB5.1 million in FY17 in tandem with profit before tax.

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

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

(xi) Net Profit/(Loss) After Tax

In 4Q18, the Group recorded a loss after tax of RMB10.9 million compared to 4Q17 which recorded a profit after tax of RMB3.4 million.

In FY18, the Group's net profit after tax decreased by 83.3% to RMB6.1 million from RMB36.7 million in FY17. Net profit margin decreased by 3.9% to 0.7% from 4.6% in FY17.

(B) Consolidated Balance Sheet (31 December 2018 vs 31 December 2017)

For the period under review, the Group's non-current assets increased by approximately RMB38.1 million mainly due to the acquisition of property, plant and equipment and intangible assets net of the depreciation and amortisation charges. Such increase was partially offset by a decrease in prepayment for property, plant and equipment.

For the period under review, the Group's non-current liabilities increased by RMB0.1 million due to an increase in deferred tax liabilities.

The Group's total current assets increased by approximately RMB18.7 million from RMB601.9 million as at 31 December 2017 to RMB620.6 million as at 31 December 2018. This was attributable to an increase in inventories, trade receivables, other receivables (which was mainly due to an increase in prepayment for raw materials), amounts due from related parties (trade related) and cash and cash equivalents (explain in the consolidated cash flows statement).

Concurrently, the Group's total current liabilities increased by approximately RMB50.8 million from RMB440.8 million as at 31 December 2017 to RMB491.5 million as at 31 December 2018. This was attributable to an increase in trade payables (mainly due to slower payment to suppliers), bills payables (mainly issued to suppliers for settlement), other payables (which was mainly due to an increase in accrued for property, plant and equipment and operating



expenses which was partially offset by a decrease in advance payment received from customers), amounts due to related parties (non-trade related) which was partially offset by a decrease in bank loans (which was mainly due to net repayments of bank loans) and amounts due to related parties (trade related).

The Group is in a net current assets position as at 31 December 2018 of RMB129.1 million.

(C) Consolidated Cash Flows Statement

For the 3 months ended 31 December 2018, the Group recorded a net cash decrease of approximately RMB0.3 million. This was mainly due to: -

- a) the net cash inflow arising from operating activities which amounted to RMB32.9 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 amounted to RMB14.0 million arose mainly from repayment of bills payables, repayment of bank loan and interest paid.
- c) the net cash outflow arising from investing activities amounted to RMB19.2 million was mainly due to the acquisition of property, plant and equipment and capitalisation of research and development costs.

For the full year ended 31 December 2018, the Group recorded a net cash decrease of approximately RMB4.1 million. This was mainly due to: -

- a) the net cash inflow arising from operating activities amounted to RMB120.9 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 amounted to RMB12.2 million arose mainly from net repayment of bank loans, net bank deposits pledged with financial institution and interest paid which was partially offset by increase in bills payables to bank.
- c) the net cash outflow arising from investing activities which amounted to RMB112.8 million was mainly due to the acquisition of property, plant and equipment and capitalisation of research and development costs.

Cash and cash equivalents as at 31 December 2018 stood at RMB21.3 million (of which RMB9.3 million was pledged for letter of credit and performance guarantee).

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

Although there was no deviation from the statement made in Paragraph 10 disclosed in the 9M18 Financial Results announcement dated 13 November 2018, "Barring any unforeseen circumstances, the Group is cautiously optimistic to remain profitable in FY2018", the Company had released a profit guidance announcement on 21 February 2019 in view of the loss after tax in 4Q18.



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 FY2019.

The Group's order book stood at RMB172.4 million as at 23 February 2019.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(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/recommendeded, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared/recommendeded for the current financial period reported on due to capital expenditure investment of RMB112.8 million in FY2018 and to reserve funds for future capital expenditure requirements.

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.



IPTs for FY18 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)	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)	(RMB'000)
<u>Jiangsu World Machinery and Electronics Group Co., Ltd.</u> Processing fees received, sale of raw materials, part and machineries. Processing fees paid and purchase of raw materials and scrap materials.	N/A	4,436 1,580
<u>Jiangsu World Plant-Protecting Machinery Co., Ltd.</u> Processing fees received, sale of raw materials, parts and machineries. Purchase of scrap materials.	N/A	338 873
<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	33,103 8,883
<u>Jiangsu World Agriculture Machinery & Parts Manufacturing Co., Ltd.</u> Processing fees received, sale of raw materials and parts. Processing fees paid and purchase of raw materials and scrap materials.	N/A	11,047 4,365



<u>World Agriculture (Shenyang) Co., Ltd.</u> Sales of raw materials, parts and machineries and rental income of factory.	N/A	7,964
<u>World Heavy Industry (China) Co., Ltd.</u> Processing fee received and sale of raw materials and parts. Processing fee paid, purchase of raw materials and equipment.	N/A	2,832 25,810
<u>Jiangsu World Crane Co., Ltd.</u> Purchase of equipment.	N/A	670
<u>Jiangsu World Precise Machinery Co., Ltd.</u> Land rental paid.	N/A	686
<u>Jiangsu World Furniture Co., Ltd.</u> Sale of raw materials, parts and machineries.	N/A	269
<u>Jiangsu World High End Agriculture Equipment Co., Ltd.</u> Processing fee received and sale of raw materials, parts, machineries and equipment. Purchase of scrap materials.	N/A	6,975 4,688
<u>Jiangsu World Construction Machinery Sales Co., Ltd.</u> Processing fee paid.	N/A	11
Total		114,530



14. **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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

15. **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 Group 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 Group is engaged entirely in the PRC, no reporting by geographical location of the operation is presented.

16. **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.

17. **A breakdown of sales.**

	The Group		
	FY2018	FY2017	Increase/(decrease)
	RMB'000	RMB'000	%
(a) Sales reported for first half year	457,584	411,434	11.2
Profit after tax before deducting non-controlling interest for first half year	13,767	25,274	(45.5)
(b) Sales reported for second half of year	431,279	392,449	9.9
(Loss)/profit after tax before deducting non-controlling interest for first half year	(7,642)	11,475	N.M.
(c) Sales reported for full year	888,863	803,883	10.6



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Profit after tax before deducting non-controlling interest for full year	6,125	36,749	(83.3)
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N.M. denotes Not Meaningful

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

	FY2018	FY2017
	RMB'000	RMB'000
Ordinary	-	-
Preference	-	-
Total	-	-

19. 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.

Pursuant to Rule 704(13) of the Listing Manual, the Board wishes to confirm that there is no person occupying a managerial position in the Company or any of its principal subsidiaries as at the financial year ended 31 December 2018 who is a relative of a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Shao Jianjun
Executive Chairman
27 February 2019