



**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 2020 to 31 December 2020 (“4Q20”) and the results for the full year from 1 January 2020 to 31 December 2020 (“FY20”). The comparatives are for the fourth quarter from 1 October 2019 to 31 December 2019 (“4Q19”) and the full year from 1 January 2019 to 31 December 2019 (“FY19”). 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					
	1.1.2020 to 31.12.2020 RMB '000	1.1.2019 to 31.12.2019 RMB '000	Change %	1.10.2020 to 31.12.2020 RMB '000	1.10.2019 to 31.12.2019 RMB '000	Change %
Revenue	1,029,350	837,226	22.9%	321,808	214,756	49.8%
Cost of sales	(831,094)	(680,430)	22.1%	(252,143)	(176,701)	42.7%
Gross profit	198,256	156,796	26.4%	69,665	38,055	83.1%
Gross profit margin (%)	19.3%	18.7%	0.6%	21.6%	17.7%	3.9%
Other income	21,255	17,410	22.1%	8,602	5,966	44.2%
Distribution and selling expenses	(94,349)	(83,925)	12.4%	(30,463)	(20,911)	45.7%
Administrative expenses	(75,048)	(67,318)	11.5%	(21,557)	(17,906)	20.4%
Other (expenses)/income, net (Provision)/write-back of impairment losses on trade and other receivables	(888)	279	N.M.	(536)	2,343	N.M.
Financial expenses	(7,142)	407	N.M.	(7,142)	407	N.M.
Financial expenses	(1,687)	(2,202)	(23.4%)	(461)	(703)	(34.4%)
Profit before tax	40,397	21,447	88.4%	18,108	7,251	149.7%
Tax expense	(3,816)	(1,369)	178.7%	(140)	(1,042)	(86.6%)
Profit for the year/period	36,581	20,078	82.2%	17,968	6,209	189.4%
Net profit margin (%)	3.6%	2.4%	1.2%	5.6%	2.9%	2.7%
Profit attributable to:						
Equity holders of the Company	36,581	20,078	82.2%	17,968	6,209	189.4%

N.M. denotes Not Meaningful



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

	Group					
	1.1.2020 to 31.12.2020	1.1.2019 to 31.12.2019	Change	1.10.2020 to 31.12.2020	1.10.2019 to 31.12.2019	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Profit for the year/ period	36,581	20,078	82.2%	17,968	6,209	189.4%
Other comprehensive Income/(loss): Items that are or may be reclassified subsequently to profit and loss: Currency translation differences arising on consolidation	273	(13)	N.M.	115	12	858.3%
Total comprehensive income for the year/period	<u>36,854</u>	<u>20,065</u>	<u>83.7%</u>	<u>18,083</u>	<u>6,221</u>	<u>190.7%</u>
Total comprehensive income attributable to:						
Equity holders of the Company	<u>36,854</u>	<u>20,065</u>	<u>83.7%</u>	<u>18,083</u>	<u>6,221</u>	<u>190.7%</u>

N.M. denotes Not Meaningful

Explanatory Notes

On 12 April 2006, the Company was converted to a public limited company. The Company was admitted to the Official List of the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 27 April 2006. World Precise Machinery (China) Co., Ltd. ("WPMC"), World Heavy Machine Tools (China) Co., Ltd. ("WHMT"), World CNC Machine Tool (Jiangsu) Co., Ltd. ("WCNC"), World Precise Machinery Marketing Company ("WPMM"), World Precise Machinery (Shenyang) Co., Ltd. ("WPMS") and World Precise Machinery Parts (Jiangsu) Co., Ltd. ("WPMP") which are incorporated in China, are wholly-owned subsidiaries of the Company. Shenyang World High-End Equipment Manufacturing Co., Ltd. ("SWHM") Which is incorporated in China, is a wholly-owned subsidiary of WPMS. With effect from 1 December 2015, WHMT, WCNC and WPMM were amalgamated into WPMC.



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

Page 3 of 21

(B) Profit Before Income Tax

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

	Group			
	1.1.2020 to 31.12.2020	1.1.2019 to 31.12.2019	1.10.2020 to 31.12.2020	1.10.2019 to 31.12.2019
	RMB '000	RMB '000	RMB '000	RMB '000
Amortisation of intangible assets	11,166	8,488	2,455	2,414
Amortisation of land use rights	-	-	-	(2,278)
Depreciation of investment properties	188	360	69	360
Depreciation of property, plant and equipment	67,021	57,176	18,866	16,711
Loss on disposal of property, plant and equipment	45	365	-	365
Loss on foreign currency exchange	136	842	44	(1)
Interest expense	1,669	2,202	329	757
Interest income	(276)	(226)	(23)	(47)
Property, plant and equipment written off	380	185	135	185
Provision/(write-back) of impairment losses on trade and other receivables	7,142	(407)	7,142	(407)
Provision/(reversal) of write-down for slow-moving and obsolete inventories	396	(2,176)	396	(2,176)



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WORLD PRECISION MACHINERY LIMITED
(Incorporated in Singapore)
(Co. Regn. No: 200409453N)

Page 4 of 21

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	
	31.12.2020 RMB '000	31.12.2019 RMB '000	31.12.2020 RMB '000	31.12.2019 RMB '000
Non-current assets				
Property, plant and equipment	695,018	921,249	-	-
Investment in subsidiaries	-	-	796,092	827,042
Investment properties	3,373	3,561	-	-
Intangibles assets	34,202	36,856	-	-
Other receivables	11,352	10,518	-	-
	<u>743,945</u>	<u>972,184</u>	<u>796,092</u>	<u>827,042</u>
Current assets				
Assets held for sale (Note A)	209,814	-	-	-
Inventories	375,791	378,473	-	-
Trade receivables	297,817	163,690	-	-
Other receivables	25,233	21,666	14	14
Due from related parties (trade)	19,423	10,188	-	-
Due from subsidiaries (non-trade)	-	-	104	57
Cash and cash equivalents	41,173	42,791	2,351	780
	<u>969,251</u>	<u>616,808</u>	<u>2,469</u>	<u>851</u>
Total assets	<u>1,713,196</u>	<u>1,588,992</u>	<u>798,561</u>	<u>827,893</u>
Non-current liabilities				
Deferred tax liability	4,951	5,018	-	-
Deferred income from government grants	892	1,072	-	-
Lease liabilities	3,783	4,801	-	-
	<u>9,626</u>	<u>10,891</u>	<u>-</u>	<u>-</u>
Current liabilities				
Contract liabilities	111,867	51,450	-	-
Trade payables	334,831	269,754	-	-
Bills payables	-	5,000	-	-
Other payables	144,117	129,838	1,978	1,012
Due to related parties (trade)	5,833	3,696	-	-
Due to related parties (non-trade)	756	885	-	-
Due to subsidiaries (non-trade)	-	-	245	511
Borrowings	-	29,100	-	-
Lease liabilities	467	739	-	-
Deferred income from government grants	180	180	-	-
Tax payables	1,206	-	-	-
	<u>599,257</u>	<u>490,642</u>	<u>2,223</u>	<u>1,523</u>
Total liabilities	<u>608,883</u>	<u>501,533</u>	<u>2,223</u>	<u>1,523</u>
Net current assets/(liabilities)	<u>369,994</u>	<u>126,166</u>	<u>246</u>	<u>(672)</u>
Net Assets	<u>1,104,313</u>	<u>1,087,459</u>	<u>796,338</u>	<u>826,370</u>



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WORLD PRECISION MACHINERY LIMITED
(Incorporated in Singapore)
(Co. Regn. No: 200409453N)

Page 5 of 21

	Group		Company	
	31.12.2020 RMB '000	31.12.2019 RMB '000	31.12.2020 RMB '000	31.12.2019 RMB '000
Equity attributable to the equity holders of the Company				
Share capital	250,660	250,660	250,660	250,660
Retained earnings	631,188	618,983	538,901	538,257
Currency translation reserve	10,046	9,773	6,777	37,453
Statutory reserves	115,322	110,946	-	-
Capital reserve	97,097	97,097	-	-
Total Equity	1,104,313	1,087,459	796,338	826,370

Note A:

Noted that at the Extraordinary General Meeting (the “EGM”) of the Company held on 22 December 2020, the Shareholders had approved the proposed sale of Shenyang World High-End Equipment Manufacturing Co., Ltd. by World Precise Machinery (Shenyang) Co., Ltd. (the “Seller”), a subsidiary of the Company, to World Agriculture (Shenyang) Co., Ltd. (the “Buyer” and the proposed sale, the “Proposed Sale”). Completion of the Proposed Sale is underway, and it is expected to take place within 6 months from the date of the EGM. As a gesture of goodwill, the Buyer has made a non-refundable deposit payment of RMB 20 million to the Seller in January 2021.

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

	As at 31 December 2020		As at 31 December 2019	
	Secured RMB '000	Unsecured RMB '000	Secured RMB '000	Unsecured RMB '000
Current liabilities				
Bank loans	-	-	29,100	-



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			
	FY20	FY19	4Q20	4Q19
	1.1.2020 to 31.12.2020	1.1.2019 to 31.12.2019	1.10.2020 to 31.12.2020	1.10.2019 to 31.12.2019
	RMB '000	RMB '000	RMB '000	RMB '000
Cash flows from operating activities				
Profit/(loss) before tax	40,397	21,447	18,108	7,251
Adjustments for:				
Amortisation of intangible assets	11,166	8,488	2,455	2,414
Amortisation of land use rights	-	-	-	(2,278)
Depreciation of investment properties	188	360	69	360
Depreciation of property, plant and equipment	67,021	57,176	18,866	16,711
Inventories provision/(written back)	396	(2,176)	396	(2,176)
Interest expense	1,669	2,202	329	757
Interest income	(276)	(226)	(23)	(47)
Loss on disposal of property, plant and equipment	45	365	-	365
Provision/(write-back) of impairment losses on trade and other receivables	7,142	(407)	7,142	(407)
Property, plant and equipment written off	380	185	135	(457)
Operating profit before working capital changes	128,128	87,414	47,477	22,493
Inventories	2,286	14,870	(6,258)	31,953
Trade and other receivables	(154,071)	17,591	82,658	(16,554)
Trade and other payables	83,079	36,222	(107,620)	(35,202)
Contract liabilities	60,417	(26,419)	26,121	9,700
Cash generated from operations	119,839	129,678	42,378	12,390
Interest received	276	213	23	34
Withholding tax paid	(1,252)	(213)	-	(213)
Taxes paid	(1,425)	(1,156)	(1,114)	(2,963)
Net cash from operating activities	117,438	128,522	41,287	9,248
Cash flows from investing activities				
Purchase of property, plant and equipment (Note A)	(58,532)	(97,837)	(10,048)	(7,832)
Additions of intangible assets	(8,512)	(8,420)	(2,799)	(716)
Proceeds from disposal of property, plant and equipment	87	276	-	276
Net cash used in investing activities	(66,957)	(105,981)	(12,847)	(8,272)
Cash flows from financing activities				
Repayment of bank loans	(35,600)	(50,000)	-	-
Proceeds from bank loans	6,500	51,700	-	-
Payment of lease liabilities	(1,290)	(990)	(434)	(990)
Bank deposits released from pledge	368	9,296	-	368
Bank deposits pledged	-	(368)	-	(368)
Dividend paid	(20,000)	-	-	-
Interest paid	(1,669)	(1,755)	(329)	(310)
Net cash (used in)/generated from financing activities	(51,691)	7,883	(763)	(1,300)



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WORLD

WORLD PRECISION MACHINERY LIMITED
(Incorporated in Singapore)
(Co. Regn. No: 200409453N)

Page 7 of 21

	Group			
	FY20	FY19	4Q20	4Q19
	1.1.2020 to 31.12.2020	1.1.2019 to 31.12.2019	1.10.2020 to 31.12.2020	1.10.2019 to 31.12.2019
	RMB '000	RMB '000	RMB '000	RMB '000
Net (decrease)/increase in cash and cash equivalents	(1,210)	30,424	27,677	(324)
Cash and cash equivalents at beginning of the year/period	42,423	11,965	13,519	42,794
Effect of exchange rate changes on cash and cash equivalents	(40)	34	(23)	(47)
Cash and cash equivalents at end of the year/period	41,173	42,423	41,173	42,423
Cash and cash equivalents per consolidated statement of cash flows	41,173	42,423	41,173	42,423
Bank deposits pledged	-	368	-	368
Cash and cash equivalents as per consolidated financial positions	41,173	42,791	41,173	42,791

Note A:

	Group			
	FY20	FY19	4Q20	4Q19
	1.1.2020 to 31.12.2020	1.1.2019 to 31.12.2019	1.10.2020 to 31.12.2020	1.10.2019 to 31.12.2019
	RMB '000	RMB '000	RMB '000	RMB '000
Total additions to property, plant and equipment	51,116	95,070	8,603	28,665
Less: Right-of-use assets	-	(1,375)	-	(1,375)
Add/(less): Changes in unpaid portion	834	12,570	1,652	(10,672)
Add/(less): Changes in prepayments	6,582	(8,428)	(207)	(8,786)
Purchase of property, plant and equipment per consolidated statement of cash flows	58,532	97,837	10,048	7,832



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	Retained earnings RMB'000	Currency translation reserve RMB'000	Statutory reserves RMB'000	Capital reserve RMB'000	Total equity RMB'000
Balance as at 1.1.2020	250,660	618,983	9,773	110,946	97,097	1,087,459
Profit for the year	-	36,581	-	-	-	36,581
<i>Other comprehensive income</i>						
Currency translation differences arising on consolidation	-	-	273	-	-	273
Total comprehensive income for the year	-	36,581	273	-	-	36,854
Dividend paid	-	(20,000)	-	-	-	(20,000)
Transfer to statutory reserve fund	-	(4,376)	-	4,376	-	-
Balance as at 31.12.2020	250,660	631,188	10,046	115,322	97,097	1,104,313

	Share capital RMB'000	Retained earnings RMB'000	Currency translation reserve RMB'000	Statutory reserves RMB'000	Capital reserve RMB'000	Total equity RMB'000
Balance as at 1.1.2019	250,660	581,157	9,786	128,694	97,097	1,067,394
Profit for the year	-	20,078	-	-	-	20,078
<i>Other comprehensive loss</i>						
Currency translation differences arising on consolidation	-	-	(13)	-	-	(13)
Total comprehensive income/(loss) for the year	-	20,078	(13)	-	-	20,065
Transfer to statutory reserve fund	-	17,748	-	(17,748)	-	-
Balance as at 31.12.2019	250,660	618,983	9,773	110,946	97,097	1,087,459



Company

	Share capital RMB'000	Retained earnings RMB'000	Currency translation reserve RMB'000	Total equity RMB'000
Balance as at 1.1.2020	250,660	538,257	37,453	826,370
Profit for the year	-	20,644	-	20,644
<i>Other comprehensive loss</i>				
Currency translation differences arising on consolidation	-	-	(30,676)	(30,676)
Total comprehensive income/(loss) for the year	-	20,644	(30,676)	(10,032)
Dividend paid	-	(20,000)	-	(20,000)
Balance as at 31.12.2020	250,660	538,901	6,777	796,338
	Share capital RMB'000	Retained earnings RMB'000	Currency translation reserve RMB'000	Total equity RMB'000
Balance as at 1.1.2019	250,660	537,542	23,317	811,519
Profit for the year	-	715	-	715
<i>Other comprehensive income</i>				
Currency translation differences arising on consolidation	-	-	14,136	14,136
Total comprehensive income for the year	-	715	14,136	14,851
Balance as at 31.12.2019	250,660	538,257	37,453	826,370

Explanatory Notes:

Capital Reserve

Capital reserve arises from amalgamation of subsidiaries. With effect from 1 December 2015, WHMT, WCNC and WPMM were amalgamated into WPMC. This reserve is non-distributable.

Statutory Reserves

The non-distributable statutory reserves represent amounts set aside in compliance with the local laws in China where the subsidiaries operate. The subsidiaries are considered a foreign investment enterprise and the percentage of appropriation from the net profit after tax to the various reserve funds are determined by the Board of Directors of the subsidiaries.

In accordance with the Foreign Enterprise Law applicable to subsidiaries in China, the subsidiaries are required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10 per cent of the statutory after tax profits as determined in accordance with the applicable Chinese accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the registered capital of the respective subsidiaries.

The SRF may be used to offset accumulated losses or increase the registered capital of the company, subject to approval from relevant Chinese authorities and is not available for dividend distribution to the shareholders. The Chinese enterprise are prohibited from distributing dividends unless the losses (if any) of previous years have been made good.



- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 2020, 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 2020	As at 31 December 2019
Total number of issued shares	400,000,000	400,000,000
Less: treasury shares	-	-
Total number of issued shares excluding treasury shares	<u>400,000,000</u>	<u>400,000,000</u>

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.**

The Company does not have any outstanding treasury shares as at the end of the current financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial 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 modifications or emphasis of a matter).**

Not applicable.

- 3A. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

(a) **Updates on the efforts taken to resolve each outstanding audit issue.**

(b) **Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

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 most recently audited annual financial statements.

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 has adopted all new and revised and interpretations of Singapore Financial Standards (International) ("SFRS(I)") that are relevant to its operations and effective for annual periods beginning after 1 January 2020. The adoption of these new and revised SFRS(I) did not result in significant changes to the Group's accounting policies and 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.**

	1.1.2020 to 31.12.2020	1.1.2019 to 31.12.2019	1.10.2020 to 31.12.2020	1.10.2019 to 31.12.2019
(a) Based on weighted average number of ordinary shares on issue (RMB); and	0.09	0.05	0.04	0.02
(b) On a fully diluted basis (RMB)	0.09	0.05	0.04	0.02
Weighted average number of shares	400,000,000	400,000,000	400,000,000	400,000,000



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WORLD

WORLD PRECISION MACHINERY LIMITED
(Incorporated in Singapore)
(Co. Regn. No: 200409453N)

Page 12 of 21

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	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RMB	RMB	RMB	RMB
Net asset value per ordinary share based on issued share capital at the end of the respective years:	2.76	2.72	1.99	2.07
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 2020 ("4Q20"), the Group's turnover increased by 49.8% to RMB321.8 million from RMB214.8 million in the 3 months ended 31 December 2019 ("4Q19").

In terms of sales performance for 4Q20, sales of conventional stamping machines increased by 54.3% while sales of high performance and high tonnage stamping machines increased by 45.7%.

For the full year ended 31 December 2020 ("FY20"), the Group's turnover increased by 22.9% to RMB1,029.4 million from RMB837.2 million in the full year ended 31 December 2019 ("FY19").

In terms of sales performance for FY20, sales of conventional stamping machines increased by 15.0% while sales of high performance and high tonnage stamping machines increased by 23.4%.

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

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



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

Page 13 of 21

(ii) Gross Profit

The Group's gross profit for 4Q20 increased by 83.1% to RMB69.7 million from RMB38.1 million in 4Q19. The gross profit margin increased by 3.9% to 21.6% in 4Q20 from 17.7% in 4Q19.

In terms of gross profit margin for 4Q20 year-on-year, gross profit margin for conventional stamping machines decreased by 4.9% to 13.8% from 18.7% in 4Q19 while gross profit margin for high performance and high tonnage stamping machines increased by 2.9% to 21.0% from 18.1% in 4Q19.

The Group's gross profit for FY20 increased by 26.4% to RMB198.3 million from RMB156.8 million in FY19. The gross profit margin for FY20 increased by 0.6% to 19.3% from 18.7% in FY19.

In terms of gross profit margin for FY20, gross profit margin for conventional stamping machines decreased by 3.2% to 14.7% from 17.9% in FY19 while gross profit margin for high performance and high tonnage stamping machines decreased by 1.5% to 18.4% from 19.9% in FY19.

Overall, the increase in the Group's gross profit margin for FY20 was mainly due to a downward revision in the average selling prices of the stamping machines which was partially offset by an increase in production of conventional stamping machines and high performance and high tonnage stamping machines.

(iii) Other Income

In 4Q20, the Group's other income increased by 44.2% to RMB8.6 million from RMB6.0 million in 4Q19.

In FY20, the Group's other income increased by 22.1% to RMB21.3 million from RMB17.4 million in FY19.

The increase was mainly due to an increase in grant received from government and receipt of processing fees.

(iv) Distribution and Selling Expenses

In 4Q20, the Group's distribution and selling expenses increased by 45.7% to RMB30.5 million from RMB21.0 million in 4Q19.

In FY20, the Group's distribution and selling expenses increased by 12.4% to RMB94.3 million from RMB83.9 million in FY19. As a percentage of total revenue, distribution and selling expenses decreased by 0.8% to 9.2% in FY20 from 10.0% in FY19.

Overall, the increase was mainly due to an increase in sales commission payable to sales personnel, sales personnel salary (due to increase in number of sales personnel) and rebate to suppliers which were partially offset by a decrease in travelling, after sales services and repair and maintenance expenses.



沃得
WORLD

WORLD PRECISION MACHINERY LIMITED
(Incorporated in Singapore)
(Co. Regn. No: 200409453N)

Page 14 of 21

(v) Administrative Expenses

In 4Q20, the Group's administrative expenses increased by 20.4% to RMB21.6 million from RMB17.9 million in 4Q19.

In FY20, the Group's administrative expenses increased by 11.5% to RMB75.0 million from RMB67.3 million in FY19. As a percentage of total revenue, administrative expenses decreased by 0.7% to 7.3% in FY20 from 8.0% in FY19.

Overall, the increase was mainly due to an increase in research and development costs for stamping machines, staff costs and consultancy fees.

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 4Q20, the Group's depreciation and amortisation expenses increased by 23.4% to RMB21.2 million from RMB17.2 million in 4Q19.

In FY20, the Group's depreciation and amortisation expenses increased by 18.5% to RMB78.2 million from RMB66.0 million in FY19.

Overall, the increase was mainly due to additional depreciation and amortisation charged in FY2020 and 4Q2020 due to acquisition of property plant and equipment and additions of intangible assets during FY2019 and FY2020.

(vii) Other (Expenses)/Income, net

In 4Q20, the Group's recorded net other expenses of RMB0.5 million compared to net other income of RMB2.3 million in 4Q19.

In FY20, the Group recorded at net other expenses of RMB0.9 million compared to net other income of RMB0.3 million in FY19.

Overall, the net other expenses were mainly due to a provision of write down inventories in FY2020 compared to a write-back of write down inventories in FY2019.

(viii) (Provision)/Write-back of Impairment Losses on Trade and Other receivables

In 4Q20 and FY20, the Group recorded a net provision of impairment losses on trade and other receivables of RMB7.1 million compared to a net write-back of impairment losses on trade and other receivables of RMB0.4 million in 4Q19 and FY19.

(ix) Finance Expenses

In 4Q20, the Group's finance expenses recorded a decrease of 34.4% to RMB0.5 million from RMB0.7 million in 4Q19.

In FY20, the Group's finance expenses recorded a decrease of 23.4% to RMB1.7 million from RMB2.2 million in FY19.



沃得
WORLD

WORLD PRECISION MACHINERY LIMITED
(Incorporated in Singapore)
(Co. Regn. No: 200409453N)

Page 15 of 21

Overall, the decrease was mainly due to a decrease in bank loans interest as the bank loans have been fully paid during the period which were partially offset by interest paid for early redemption of bills receivables.

(x) Profit Before Tax

In 4Q20, the Group's profit before tax ("PBT") increased by 149.7% to RMB18.1 million from RMB7.3 million in 4Q19.

In FY20, the Group's PBT increased by 88.4% to RMB40.4 million from RMB21.4 million in FY19.

(xi) Tax Expense

In 4Q20, the Group's tax expense decreased by 86.6% to RMB0.1 million from RMB1.0 million.

In FY20, the Group's tax expense increased by 178.7% to RMB3.8 million from RMB1.4 million in FY19.

Overall, the increase was mainly due to changes in corporate tax rate for WPMC from 15% to 25% in FY2020.

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

(xii) Net Profit After Tax

In 4Q20, the Group's net profit after tax ("NPAT") increased by 189.4% to RMB18.0 million from RMB6.2 million in 4Q19. Net profit margin increased by 2.7% to 5.6% from 2.9% in 4Q19.

In FY20, the Group's NPAT increased by 82.2% to RMB36.3 million from RMB20.1 million in FY19. Net profit margin increased by 1.2% to 3.6% from 2.4% in FY19.

(B) Consolidated Balance Sheet (31 December 2020 vs 31 December 2019)

For the period under review, the Group's non-current assets decreased by approximately RMB228.2 million mainly due to RMB209.8 million of property, plant and equipment being reclassified to current assets as assets held for sale based on the approval obtained from shareholders at the Extraordinary General Meeting held on 22 December 2020 for the proposed sale of assets, the depreciation and amortisation expenses net off acquisition of property, plant and equipment and addition of intangible assets. The decrease was partially offset by an increase in prepayment for property, plant and equipment.

For the period under review, the Group's non-current liabilities decreased by RMB1.3 million mainly due to revenue recognition of deferred income from government grants, lease liabilities expensed off and decrease in deferred tax liabilities.

The Group's total current assets increased by approximately RMB352.5 million from RMB616.8 million as at 31 December 2019 to RMB969.3 million as at 31 December 2020. This was attributable to RMB209.8 million of property, plant and equipment being reclassified from non-current assets to assets held for sale based on the approval obtained from



shareholders at the Extraordinary General Meeting held on 22 December 2020 for the proposed sale of assets and an increase in trade receivables (which was mainly due to increase in bill receivables), other receivables (which was mainly due to an increase in VAT tax recoverable which was partially offset by a decrease in advance payments to suppliers), amounts due from related parties (trade related) which was partially offset by a decrease in inventories (which was mainly due to increase in sales in December 2020) and cash and cash equivalents (explain in the consolidated cash flows statement).

Concurrently, the Group's total current liabilities increased by approximately RMB108.7 million from RMB490.6 million as at 31 December 2019 to RMB599.3 million as at 31 December 2020. This was attributable to an increase in contract liabilities (which was mainly due to an increase in advance received from customers), trade payables (mainly due to slow payment to suppliers and a reclassification of \$90.3 million of bill receivables received which were used to pay suppliers but not yet mature), other payables (mainly due to an increase in staff costs payables and accrued operating expenses which was partially offset by a decrease in payables relating to property, plant and equipment), amounts due to related parties (trade) and tax payables which was partially offset by a decrease in bills payables (fully repaid), amounts due to related parties (non-trade related), bank loans (fully repaid) and recognition of lease liabilities.

The Group is in a net current assets position as at 31 December 2020 of RMB370.0 million.

(C) Consolidated Cash Flows Statement

For the 3 months ended 31 December 2020, the Group recorded a net cash increase of approximately RMB27.7 million. This was mainly due to: -

- a) the net cash inflow arising from operating activities which amounted to RMB41.3 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 RMB0.8 million arose mainly from payment of lease liabilities and interest paid.
- c) the net cash outflow arising from investing activities amounted to RMB12.8 million was mainly due to the acquisition of property, plant and equipment and additions of intangible assets.

For the full year ended 31 December 2020, the Group recorded a net cash decrease of approximately RMB1.2 million. This was mainly due to: -

- a) the net cash inflow arising from operating activities amounted to RMB117.4 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 RMB51.7 million arose mainly from net repayment of bank loans, payment of lease liabilities, interest paid and dividend paid which was partially offset by bank deposits released from pledged with financial institution.
- c) the net cash outflow arising from investing activities which amounted to RMB67.0 million was mainly due to the acquisition of property, plant and equipment and additions of intangible assets which were partially offset by proceeds from disposal of property, plant and equipment.



沃得
WORLD

WORLD PRECISION MACHINERY LIMITED
(Incorporated in Singapore)
(Co. Regn. No: 200409453N)

Page 17 of 21

Cash and cash equivalents as at 31 December 2020 stood at RMB41.2 million.

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

The FY20 Financial Results announcement is in line with the statement made in Paragraph 10 of the 9M20 Financial Results announcement dated 9 November 2020 i.e. Barring any unforeseen circumstances, the Group is cautiously optimistic to remain profitable in FY2020.

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 optimistic to remain profitable in FY2021.

The Group's order book stood at RMB323.0 million as at 24 February 2021.

11. Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

Yes. A final tax-exempt (one-tier) dividend has been recommended.

(b)(i) Amount per share

A final tax-exempt (one-tier) dividend of RMB0.075 per share has been recommended for the financial year ended 31 December 2020.

(ii) Previous corresponding period

Name of dividend	First and final
Dividend type	Cash
Dividend amount per share	RMB0.05
Tax rate	Tax-exempt (one-tier)

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Tax-exempt (one-tier).

(d) The date the dividend is payable.

The proposed dividend, if approved at the forthcoming Annual General Meeting to be held on 30 April 2021, will be paid on 22 June 2021 in Singapore Dollar. The exchange rate to be used in determining payment of above final tax-exempt (one-tier) dividend in Singapore Dollar will be disclosed in due course.



沃得
WORLD

WORLD PRECISION MACHINERY LIMITED
(Incorporated in Singapore)
(Co. Regn. No: 200409453N)

Page 18 of 21

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

21 May 2021.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

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 has obtained a general mandate from shareholders for IPTs.

IPTs for FY20 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>	N/A	
Processing fees received, sale of raw materials and parts.		385
Processing fees paid and purchase of scrap materials.		2,131
<u>Jiangsu World Plant-Protecting Machinery Co., Ltd.</u>	N/A	
Processing fees received, sale of raw materials, parts and machineries.		1,139
Purchase of raw materials.		312



沃得
WORLD

WORLD PRECISION MACHINERY LIMITED
(Incorporated in Singapore)
(Co. Regn. No: 200409453N)

Page 19 of 21

<u>Jiangsu World Agriculture Machinery Co., Ltd.</u> Processing fees received, sale of raw materials, parts, machineries and equipment. Processing fees paid, purchase of raw materials, scrap materials and equipment.	N/A	69,040 8,457
<u>Jiangsu World Agriculture Machinery & Parts Manufacturing Co., Ltd.</u> Processing fees received, sale of raw materials, parts, machineries and equipment. Processing fees paid, purchase of raw materials, scrap materials and equipment.	N/A	7,002 42,879
<u>World Agriculture (Shenyang) Co., Ltd.</u> Processing fee received, sales of raw materials, parts, scrap materials and machineries and rental income of factory. Purchase of raw materials.	N/A	23,857 10
<u>World Heavy Industry (China) Co., Ltd.</u> Processing fee received, sales of raw materials, parts and scrap materials. Processing fee paid, purchase of raw materials and scrap materials.	N/A	3,813 9,462
<u>Jiangsu World Crane Co., Ltd.</u> Processing fee paid, purchase of raw materials and equipment.	N/A	1,422
<u>Jiangsu World Precise Machinery Co., Ltd.</u> Land rental paid.	N/A	591



<u>Jiangsu World Furniture Co., Ltd.</u> Processing fee received, sale of raw materials, parts and machineries.	N/A	267
<u>Jiangsu World High End Agriculture Equipment Co., Ltd.</u> Processing fee received, sale of parts and machineries. Purchase of raw materials and scrap materials.	N/A	28,679 13,143
<u>Jiangsu World Construction Machinery Sales Co., Ltd.</u> Purchase of equipment.	30	N/A
<u>Danyang World Machinery Parts Manufacturing Co., Ltd.</u> Sale of parts and machineries.	90	N/A
Total	120	212,589

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		
	FY2020	FY2019	Increase/(decrease)
	RMB'000	RMB'000	%
(a) Sales reported for first half year	418,524	430,634	(2.8)
Profit after tax before deducting non-controlling interest for first half year	1,158	6,794	(83.0)
(b) Sales reported for second half of year	610,826	406,592	50.2
Profit after tax before deducting non-controlling interest for first half year	35,423	13,284	166.7
(c) Sales reported for full year	1,029,350	837,226	22.9
Profit after tax before deducting non-controlling interest for full year	36,581	20,078	82.2

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

	FY2020	FY2019
	RMB'000	RMB'000
Ordinary	30,000	20,000
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 2020 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
1 March 2021