



**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 first quarter from 1 January 2015 to 31 March 2015 (“1Q2015”). The comparative is for the first quarter from 1 January 2014 to 31 March 2014 (“1Q2014”). The 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		
	1.1.2015 to 31.3.2015 RMB'000	1.1.2014 to 31.3.2014 RMB'000	Change %
Revenue	132,666	234,759	(43.5%)
Cost of sales	(92,400)	(161,518)	(42.8%)
Gross profit	40,266	73,241	(45.0%)
Gross profit margin (%)	30.4%	31.2%	(0.8%)
Other income	1,613	1,427	13.0%
Distribution and selling expenses	(9,241)	(15,740)	(41.3%)
Administrative expenses	(14,565)	(19,154)	(24.0%)
Other expenses, net	(356)	(3,263)	(89.1%)
Finance expenses	(4,557)	(1,337)	240.8%
Profit before tax	13,160	35,174	(62.6%)
Tax expense	(3,152)	(6,997)	(55.0%)
Profit for the period	10,008	28,177	(64.5%)
Net profit margin (%)	7.5%	12.0%	(4.5%)
Other comprehensive income/(loss):			
Items that are or may be reclassified subsequently to profit and loss:			
Currency translation differences arising on consolidation	86	(55)	N.M.
Total comprehensive income for the period	10,094	28,122	(64.1%)
Total comprehensive income attributable to:			
Equity holders of the Company	10,094	28,122	(64.1%)

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 PRC, are wholly-owned subsidiaries of the Company.

(B) Profit Before Tax

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

	Group	
	1.1.2015 to 31.3.2015 RMB'000	1.1.2014 to 31.3.2014 RMB'000
Allowance for doubtful debts (trade)	-	1,536
Amortisation of land use rights	1,357	751
Amortisation of intangible assets	1,656	299
Bad debts written off (trade)	-	1,557
Depreciation of property, plant and equipment	14,084	12,626
Interest expenses	4,448	1,177
Interest income	(50)	(61)
Foreign exchange gain/(loss), net	221	(19)
Property, plant and equipment written off	120	217



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	
	31.3.2015 RMB'000	31.12.2014 RMB'000	31.3.2015 RMB'000	31.12.2014 RMB'000
Non-current assets				
Property, plant and equipment	751,433	764,895	-	-
Land use rights	133,299	134,656	-	-
Investment in subsidiaries	-	-	700,479	730,845
Intangible assets	23,525	25,181		
	<u>908,257</u>	<u>924,732</u>	<u>700,479</u>	<u>758,894</u>
Current assets				
Inventories	377,124	347,792	-	-
Land use rights	3,003	3,003	-	-
Trade receivables	286,306	300,980	-	-
Other receivables	25,354	26,116	48	13
Due from related parties (trade)	16,057	11,986	-	-
Due from related parties (non-trade)	263	46	-	-
Due from subsidiaries (non-trade)	-	-	71	74
Cash and cash equivalents	10,298	50,916	2,658	4,946
	<u>718,405</u>	<u>740,839</u>	<u>2,777</u>	<u>5,033</u>
Total assets	<u>1,626,662</u>	<u>1,665,571</u>	<u>703,256</u>	<u>735,878</u>
Non-current liabilities				
Bank loans	115,000	130,000	-	-
Deferred tax liability	2,312	2,160	-	-
	<u>117,312</u>	<u>132,160</u>	<u>-</u>	<u>-</u>
Current liabilities				
Trade payables	179,704	185,455	-	-
Other payables	114,044	126,686	361	1,138
Due to related parties (trade)	2,328	2,548	-	-
Due to related parties (non-trade)	731	731	-	-
Due to a subsidiary (non-trade)	-	-	5,176	5,401
Bank loans	92,500	105,000	-	-
Income tax payable	1,320	4,362	-	-
	<u>390,627</u>	<u>424,782</u>	<u>5,537</u>	<u>6,539</u>
Total liabilities	<u>507,939</u>	<u>556,942</u>	<u>5,537</u>	<u>6,539</u>
Net current assets/(liabilities)	<u>327,779</u>	<u>316,057</u>	<u>(2,760)</u>	<u>(1,506)</u>
Net assets	<u>1,118,723</u>	<u>1,108,629</u>	<u>697,719</u>	<u>729,339</u>



	Group		Company	
	31.3.2015 RMB'000	31.12.2014 RMB'000	31.3.2015 RMB'000	31.12.2014 RMB'000
Equity attributable to the equity holders of the Company				
Share capital	250,660	250,660	250,660	250,660
Statutory reserves	152,289	150,752	-	-
Retained earnings	710,046	701,575	523,963	525,303
Currency translation reserve	5,728	5,642	(76,904)	(46,624)
Total Equity	1,118,723	1,108,629	697,719	729,339

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

	As at 31 Mar 2015		As at 31 December 2014	
	Secured RMB '000	Unsecured RMB '000	Secured RMB '000	Unsecured RMB '000
Non-current liabilities				
Bank loans	115,000	-	130,000	-
Current liabilities				
Bank loans	92,500	-	105,000	-

Details of any collateral

As at 31 March 2015, bank loans comprised the following:

- 1) RMB12.5 million is secured by a guarantee issued by the holding company, World Precision Machinery Limited and a related party, Jiangsu World Agricultural Machinery Co., Ltd. (江苏沃得农业机械有限公司), a company in which the Group's controlling shareholder and director, Mr Wang Weiyao, has substantial interest. The loan is repayable quarterly with effect from 1Q2012 and has a maturity date in 1H2015.
- 2) RMB175.0 million is secured by a guarantee issued by a subsidiary, World Precise Machinery (China) Co., Ltd. (沃得精机(中国)有限公司), and land and building of World Precise Machinery (Shenyang) Co., Ltd. (沃得精机(沈阳)有限公司). The loan is repayable quarterly with effect from 1Q2013 and has a maturity date in 3Q2017.
- 3) RMB10.0 million is secured by personal guarantee by the Group's non-executive director, Mr. Wang Weiyao and his spouse, Mrs. Zhang Ahmei, all of whom are related parties of the Group. The loan is repayable in 2Q2015.
- 4) RMB10.0 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 3Q2015.

Note:

As at 31 March 2015, trade payables include bills payables amounting to RMB20.0 million (FY2014: RMB20.0 million) which are secured by fixed deposits amounting to RMB2.0 million (FY2014: RMB2.0 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	
	1.1.2015 to 31.3.2015 RMB'000	1.1.2014 to 31.3.2014 RMB'000
Cash flows from operating activities		
Profit before tax	13,160	35,174
Adjustments for:		
Amortisation of land use rights	1,357	751
Amortisation of intangible assets	1,656	299
Depreciation of property, plant and equipment	14,084	12,626
Interest expense	4,448	1,177
Interest income	(50)	(61)
Property, plant and equipment written off	120	217
	34,775	50,183
Operating cash flow before working capital changes		
Inventories	(29,332)	22,678
Receivables	11,880	(72,222)
Payables	(14,868)	26,834
Currency translation adjustments	143	(27)
	2,598	27,446
Cash generated from operations		
Interest received	50	61
Income tax paid	(6,042)	(6,411)
	(3,394)	21,096
Net cash (used in)/from operating activities		
Cash flows from investing activities		
Purchase of property, plant and equipment (Note A)	(5,219)	(12,910)
	(5,219)	(12,910)
Net cash used in investing activities		
Cash flows from financing activities		
Proceeds from bank loans	-	10,000
Repayment of bank loans	(27,500)	(20,000)
Bank deposits released from pledge	2,000	3,588
Bank deposits pledge	(2,000)	(4,100)
Interest paid	(4,448)	(4,767)
	(31,948)	(15,279)
Net cash used in financing activities		



	Group	
	1.1.2015 to 31.3.2015 RMB'000	1.1.2014 to 31.3.2014 RMB'000
Net decrease in cash and cash equivalents	(40,561)	(7,093)
Cash and cash equivalents at beginning of the financial	48,916	31,696
Effect of exchange rate changes on cash and cash	(57)	(28)
	<hr/>	<hr/>
Cash and cash equivalents at end of the financial period	8,298	24,575
	<hr/>	<hr/>
Cash and cash equivalents per consolidated statement of cash flows	8,298	24,575
Bank deposits pledged	2,000	4,100
	<hr/>	<hr/>
Cash and cash equivalents per consolidated statement of financial positions	10,298	28,675
	<hr/>	<hr/>

Note A:

	Group	
	1.1.2015 to 31.3.2015 RMB'000	1.1.2014 to 31.3.2014 RMB'000
Total additions to property, plant and equipment	743	8,763
Add: unpaid portion	3,744	5,792
Add: prepayments	732	1,946
Less: interest capitalised	-	(3,591)
	<hr/>	<hr/>
Purchase of property, plant and equipment per consolidated statement of cash flows	5,219	12,910
	<hr/>	<hr/>



1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group

Total attributable to equity holders of the Company

	Share capital	Retained earnings	Statutory reserves	Currency translation reserve	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2015	250,660	701,575	150,752	5,642	1,108,629
Profit for the period	-	10,008	-	-	10,008
<i>Other comprehensive income</i>					
Currency translation differences rising on consolidation	-	-	-	86	86
Total comprehensive income for the period	-	10,008	-	86	10,094
Transfer to statutory reserves	-	(1,537)	1,537	-	-
Balance as at 31.3.2015	250,660	710,046	152,289	5,728	1,118,723

	Share capital	Retained earnings	Statutory reserves	Currency translation reserve	Total Equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1.1.2014	250,660	671,500	137,810	5,558	1,065,528
Profit for the period	-	28,177	-	-	28,177
<i>Other comprehensive loss</i>					
Currency translation differences rising on consolidation	-	-	-	(55)	(55)
Total comprehensive income for the period	-	28,177	-	(55)	28,122
Transfer to statutory reserves	-	(3,463)	3,463	-	-
Balance as at 31.3.2014	250,660	696,214	141,273	5,503	1,093,650

Company

	Share capital RMB'000	Retained earnings RMB'000	Currency translation reserve RMB'000	Total Equity RMB'000
Balance as at 1.1.2015	250,660	525,303	(46,624)	729,339
Loss for the period	-	(1,340)	-	(1,340)
<i>Other comprehensive loss</i>				
Currency translation differences	-	-	(30,280)	(30,280)
Total comprehensive loss for the period	-	(1,340)	(30,280)	(31,620)
Balance as at 31.3.2015	250,660	523,963	(76,904)	697,719
	Share capital RMB'000	Retained earnings RMB'000	Currency translation reserve RMB'000	Total Equity RMB'000
Balance as at 1.1.2014	250,660	524,586	(18,659)	756,587
Loss for the period	-	(1,124)	-	(1,124)
<i>Other comprehensive income</i>				
Currency translation differences	-	-	11,986	11,986
Total comprehensive income for the period	-	(1,124)	11,986	10,862
Balance as at 31.3.2014	250,660	523,462	(6,673)	767,449

Explanatory Notes:
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 are 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 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 March 2015, 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 March 2015	As at 31 December 2014
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 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 2014.



5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

In the current financial period, the Group has adopted all new and revised Financial Reporting Standards (“FRS”) and Interpretation of FRS (“INT FRS”) that are relevant to its operations and effective for annual periods beginning on 1 January 2015. The adoption of the new/revised FRS and INT FRS does not result in any significant changes to the accounting policies of the Group and has no material effect on the amounts reported for the current and prior periods.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	1.1.2015 to 31.3.2015	1.1.2014 to 31.3.2014
(a) Based on weighted average number of ordinary shares on issue (RMB); and	0.03	0.07
(b) On a fully diluted basis (RMB)	0.03	0.07
Weighted average number of shares	400,000,000	400,000,000

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares 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	
	31.3.2015	31.12.2014	31.3.2015	31.12.2014
	RMB	RMB	RMB	RMB
Net asset value per ordinary share based on issued share capital at the end of the respective periods:	2.80	2.77	1.74	1.82
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 Statement of Profit or Loss and Other Comprehensive Income

(i) Turnover

For the 3 months ended 31 March 2015 ("1Q2015"), the Group's turnover decreased by 43.5% to RMB132.7 million from RMB234.8 million for the 3 months ended 31 March 2014 ("1Q2014").

In terms of sales performance for 1Q2015, sales of conventional stamping machines decreased by 30.3% and sales of high performance and high tonnage stamping machines decreased by 49.2% compared to 1Q2014.

The decreased in number of units sold in the conventional stamping machines and the high performance and high tonnage stamping machines, together with downward revision in the average selling prices of the stamping machines contributed to the overall decrease in turnover.

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

(ii) Gross Profit

The Group's gross profit for 1Q2015 decreased by 45.0% to RMB40.3 million from RMB73.2 million in 1Q2014 in tandem with the decrease in turnover. Gross profit margin decreased by 0.8% to 30.4% in 1Q2015 from 31.2% in 1Q2014.

In terms of stamping machines' gross profit margin for 1Q2015, gross profit margin for conventional stamping machines decreased by 3.9% to 24.6% in 1Q2015 from 28.5% in 1Q2014 while gross profit margin for high performance and high tonnage stamping machines increased by 0.6% to 31.8% in 1Q2015 from 31.2% in 1Q2014.

Overall, the decrease in the Group's gross profit margin for 1Q2015 was mainly due to a downward revision in average selling prices of stamping machines and an increase in overhead costs as a result of a decrease in production of conventional stamping machines.

(iii) Other Income

In 1Q2015, the Group's other income increased by 13.0% to RMB1.6 million from RMB1.4 million in 1Q2014.

The increase was mainly due to an increase in rental income received from a related party which was partially offset by a decrease in government grant and subsidies received.

(iv) Distribution and Selling Expenses

In 1Q2015, the Group's distribution and selling expenses decreased by 41.3% to RMB9.2 million from RMB15.7 million in 1Q2014 in tandem with decrease in turnover. As a percentage of total revenue, distribution and selling expenses increased by 0.3% to 7.0% in 1Q2015 from 6.7% in 1Q2014.

The decrease was mainly due to a decrease in sales commission payable to sales personnel.



(v) Administrative Expenses

In 1Q2015, the Group's administrative expenses decreased by 24.0% to RMB14.6 million from RMB19.2 million in 1Q2014. As a percentage of total revenue, administrative expenses increased by 2.8% to 11.0% in 1Q2015 from 8.2% in 1Q2014.

The decrease was due mainly to a decrease in research and development costs for stamping machines which was partially offset by an increase in staff related costs. 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 1Q2015, the Group's depreciation and amortisation expenses increased by 25.0% to RMB17.1 million from RMB13.7 million in 1Q2014.

The increase was mainly due to additional depreciation charges incurred by its subsidiary in Shenyang, China which started its trial production in 2Q2014 and an increase in amortisation charges for the intangible assets acquired in 4Q2014.

(vii) Other Expenses, Net

In 1Q2015, the Group's other expenses decreased by 89.1% to RMB0.4 million from RMB3.3 million in 1Q2014.

There was a decrease as there were no bad debts written off in 1Q2015 compared to 1Q2014.

(viii) Finance Expenses

For 1Q2015, the Group's finance expenses recorded an increase of 240.8% to RMB4.6 million from RMB1.3 million in 1Q2014.

There was an increase as there was no capitalisation of interest expenses of the Shenyang plant since it started its trial production in 2Q2014 and the payment of interest for early redemption of bill receivables which was partially offset by a gradual decrease in interest expenses relating to a gradual decrease in bank loans.

(ix) Profit Before Tax

Overall, the Group's profit before tax ("PBT") had decreased in tandem with the Group's gross profit for 1Q2015.

In 1Q2015, the Group's PBT decreased by 62.6% to RMB13.2 million from RMB35.2 million in 1Q2014.

(x) Tax Expense

Overall, the Group's tax expenses had decreased in tandem with the Group's PBT for 1Q2015.

In 1Q2015 the Group's tax expense decreased by 55.0% to RMB3.2 million from RMB7.0 million in 1Q2014.

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 decreased in tandem with the Group's PBT for 1Q2015.

In 1Q2015, the Group's NPAT decreased by 64.5% to RMB10.0 million from RMB28.2 million in 1Q2014. Net profit margin decreased by 4.5% to 7.5% from 12.0% in 1Q2014.

(B) Consolidated Statement of Financial Positions

For the period under review, the Group's non-current assets decreased by approximately RMB16.5 million due to the depreciation and amortisation charges net of the acquisition of property, plant and equipment in respect of its subsidiaries.

For the period under review, the Group's non-current liabilities decreased by RMB14.9 million due to a reclassification of RMB15.0 million long-term bank loans due within a year to current bank loans which was offset by an increase in deferred tax liability of RMB0.1 million. The 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 RMB22.4 million from RMB740.8 million as at 31 December 2014 to RMB718.4 million as at 31 March 2015. This was attributable to an increase in inventories (mainly due to a decrease in sales) and amounts due from related parties (trade and non-trade related) which were offset by a decrease in, trade receivables (mainly due to an improvement in trade receivables collection), other receivables and cash and cash equivalents.

Concurrently, the Group's total current liabilities decreased by approximately RMB34.2 million from RMB424.8 million as at 31 December 2014 to RMB390.6 million as at 31 March 2015. This was attributable to a decrease in trade payables, other payables (mainly due to a decrease in advance payment received from customers and payment for property, plant and equipment completed and/or received), bank loans (due to repayment of bank loans), amounts due to related parties (trade related) and income tax payable.

The Group is in a net current assets position as at 31 March 2015 of RMB327.8 million.

(C) Consolidated Statement of Cash Flows

For the 3 months ended 31 March 2015, the Group recorded a net cash decrease of approximately RMB40.6 million. These were mainly due to: -

- a) the net cash outflow arising from operating activities amounted to RMB3.4 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 amounted to RMB31.9 million and which arose mainly from repayment of bank loans of RMB27.5 million and payment of bank loans interest of RMB4.4 million.
 - c) the net cash outflow arising from investing activities amounted to RMB5.2 million and which was mainly due to the acquisition of property, plant and equipment.
- Cash and cash equivalent as at 31 March 2015 stood at RMB10.3 million (of which RMB2.0 million was pledged for bills payables).



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

The 1Q2015 Financial Results announcement is in line with the statement made in Paragraph 10 disclosed in the FY2014 Financial Results announcement dated 28 February 2015 i.e. Barring any unforeseen circumstances, the Group is optimistic to remain profitable in FY2015.

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.

China's economy is entering a stage known as the "new normal" that aims for slower but better-quality growth. China's GDP slowed to 7 percent for the first quarter, a six-year low, with shrinking demand at home and abroad.¹ In addition, profits earned by Chinese industrial firms fell 4.2% year-on-year ("yoy") in the first two months this year, which also adds to the evidence of slowing economy.²

Negatively affected by the weak economy, China's automobile market shows signs of deceleration with auto output and sales recording a yoy growth of 3.9% and 5.26%³ respectively, both notably lower than that for the same period last year. In addition, more cities imposed restrictions on vehicle registrations, which aggravated the deceleration of automobile market. Nevertheless, China's new energy vehicle production rocketed threefold yoy to 25,400 vehicles, which marks a new growing segment in China's automobile sector.

China has been shifting its economic model from export-led growth toward greater reliance on consumption. In the first quarter, China's consumption accounted for more than 50% of the GDP⁴ and became the main economy driver. As consumption is a key element of China's rebalancing act, its larger proportion of GDP indicates an increasing demand of domestic commodities including home appliances. With the growing per capita disposable income and desire to elevate living standards in both urban and rural areas, the demand for smart home appliances, which can help to make life simpler and more comfortable, is set to grow rapidly. This bodes well for the Group as home appliance manufacturers invest more in capital goods to expand their production facilities.

Going forward, the Group will thread on cautiously due to uncertainties in China's economy as we continue to focus on research and development and product diversification.

The Group's order book stood at RMB61.8 million as at 25 April 2015.

¹ National Bureau of Statistics of China

http://www.stats.gov.cn/english/PressRelease/201504/t20150415_712435.html

² China industrial profits down 4.2% for first two months of 2015

<http://www.straitstimes.com/news/business/economy/story/china-industrial-profits-down-42-first-two-months-2015-20150327>

³ The growth of sales and production fell back

<http://www.caam.org.cn/AutomotivesStatistics/20150416/1305155130.html>

⁴ Consumption to exceed 50% of the GDP

<http://www.perthnow.com.au/business/breaking-news/consumption-to-exceed-50-of-chinas-gdp/story-fnn9c0ha-1227307962609>



11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(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/recommended, a statement to that effect.

No dividend has been declared / (recommended) for the current financial period reported on.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from shareholders for IPTs.

BY ORDER OF THE BOARD

Wu Yufang
Chief Executive Officer
29 April 2015



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WORLD

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

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Statement By Directors Pursuant to Clause 705(5) of the Listing Manual of SGX-ST

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of World Precision Machinery Limited which may render the interim financial results of the Group for the quarter ended 31 March 2015, to be false or misleading in any material aspect.

For and on behalf of the
Board of Directors of
WORLD PRECISION MACHINERY LIMITED

Shao Jianjun
Executive Chairman

Wu Yufang
CEO and Executive Director

29 April 2015