

WORLD PRECISION MACHINERY LIMITED

(Company Registration Number: 200409453N)

FOR IMMEDIATE RELEASE

World Precision Machinery reports 34.7% increase in net profit to RMB100.9 million

- FY2013 sales increased 3.6% to RMB814.6 million due to higher sales of high performance and high tonnage stamping machines
- Gross profit margin increased 2.5 percentage points to 31.8% due to decrease in overhead costs and increase in production of stamping machines
- Group to continue enhance technology R&D in preparation of China's change in manufacturing growth strategy to focus on higher technology

SINGAPORE, 28 February 2014 – SGX Mainboard-listed World Precision Machinery Limited (“World Precision” and together with its subsidiaries, the “Group”) (“沃得精机有限公司”), a manufacturer of precision stamping equipment in the PRC, today posted a turnover of RMB814.6 million and a net profit attributable to equity holders of RMB100.9 million for the full year ended 31 December 2013 (“FY2013”).

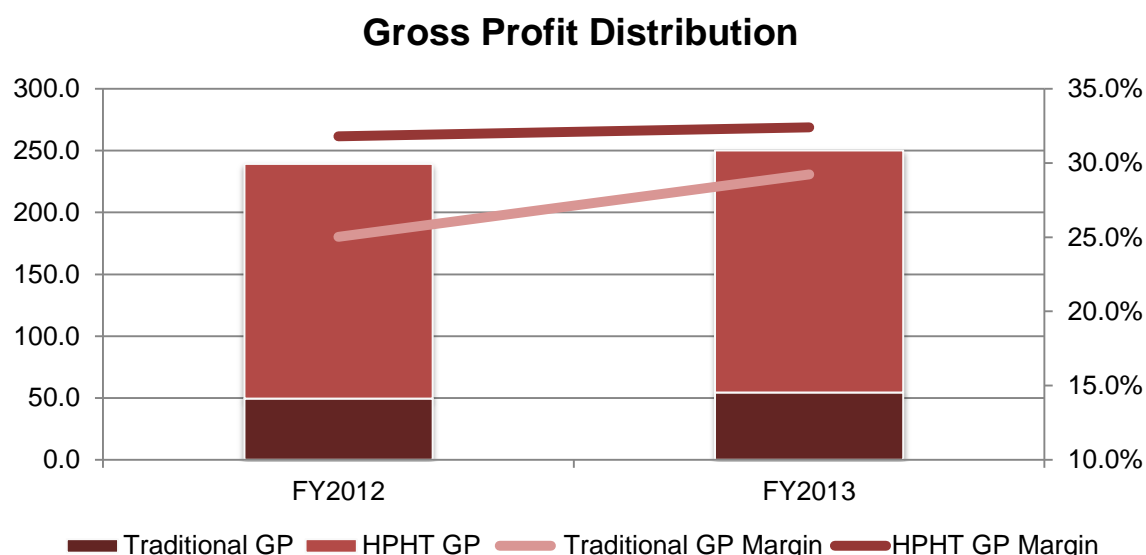
Overall sales increased 3.6% year-on-year (‘yoy’) for FY2013, due mainly to an increase in sales volume for high performance and high tonnage stamping machines, which is partially offset by a decrease in sales volume for conventional stamping machines and a downward revision of overall average selling price (“ASP”).

Financial Highlights

RMB ‘Million	4Q2013	4Q2012	% Chg	FY2013	FY2012	% Chg
Revenue	169.9	149.6	13.5%	814.6	786.5	3.6%
Gross Profit Margin	36.2%	27.1%	9.1pp	31.8%	29.3%	2.5pp
Net Profit	28.8	1.9	1,429.7%	100.9	74.9	34.7%
Net Profit Margin	17.0%	1.3%	15.7pp	12.4%	9.5%	5.7pp
Diluted EPS* (RMB)	0.07	0.00	-	0.25	0.18	-

*Calculated based on the weighted average number of 400,000,000 ordinary shares in 4Q2013, 4Q2012, FY2013 and FY2012

In tandem with the increase in revenue, overall gross profit for FY2013 increased 12.3% yoy to RMB259.0 million as gross profit margin improves 2.5 percentage points to 31.8%. Gross profit margin for high performance and high tonnage stamping machines, and conventional stamping machines increased to 29.2% and 32.4% respectively. The overall increase in gross profit margin is mainly due to a decrease in overhead costs and an increase in production of high performance and high tonnage stamping machines.



In addition, the Group's net profit for FY2013 increased 34.7% yoy to RMB100.9 million from RMB74.9 million due mainly to a 113.4% surge in its other income to RMB18.5 million. These increase mainly come from deposit forfeited by a customer, subsidies granted by government and a new rental agreement that the Group has entered into with a related party in May 2013. The Group will be expecting recurring rental income.

In line with the increase in sales, distribution and selling expenses rose 6.0% yoy to RMB59.0 million along with the increase in sales commission payable to sales personnel for improving the collection of trade receivables. Administrative expenses increased 5.3% yoy to RMB69.1 million from RMB65.6 million. This increase is mainly caused by pre-operating expenses of a subsidiary, WPMS (World Precision Machinery (Shenyang) Co.), and an upward adjustment of staff salaries. However, this increase is partially compensated by the capitalisation of part of the research and development costs for stamping machines.

The Group's net other operating expenses increased by 110.0% to RMB9.8 million mainly due to an increase for allowance for doubtful debts and foreign exchange loss. On the other hand, the Group's finance expenses reflected a marginal decrease of 0.5% due to reduced bank loan.

Despite a rise in revenue and gross profit, the Group's tax expenses increased only marginally by 1.0% as it enjoyed a government tax subsidy for capitalized research and development expenses and a reversal of deferred tax liability. Three of the Group's subsidiaries, WPMC, WHMT and WCNC, have been regarded as High-Tech Enterprises and enjoyed a preferential income tax rate of 15%.

The Group has proposed a final cash dividend of RMB0.0625, which is equivalent to S\$0.0125 for the financial year ended 31 December 2013.

Outlook

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

Mr. Wu Yufang (”吴玉芳”), Chief Executive Officer said, **“We will place more emphasis on making qualitative improvements on our products. This is crucial as China shifts its growth strategy from mass production to high-end manufacturing. We believe our investment in developing high-end technology will give us a better position to capture China's increasingly high-tech industrial market.**

We remain optimistic about China's large automobile sector and believe that it will eventually emerge as one of the world's top market. We will enhance our position as a leader in China's machinery industry by improving our technology through research and development, and readily seize the opportunity during this rising era of China's automobile sector.”

Recent news reported that China has set a new world record for the number of cars sold in 2013⁴.

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

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

³ McKinsey&Company - http://www.mckinsey.com/insights/manufacturing/a_new_era_for_manufacturing_in_china

⁴ Business Times - <http://www.businesstimes.com.sg/archive/friday/premium/china/china-sets-new-world-record-22m-cars-sold-year-20140110>

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

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About World Precision Machinery Limited

Based in Danyang City, Jiangsu Province, PRC, World Precision Machinery Limited ("World Precision" and together with its subsidiaries, the "Group") is a manufacturer of stamping machines and related components. The Group manufactures both standard and customised stamping machines to suit the needs of a myriad of industries, including automotive, electronics and white goods.

With its vertically integrated operations, customers are assured of quality products and timely reactions to changes in their demands. World Precision has established sales network and service centre in large- and medium-sized cities across the PRC and products are exported to Southeast Asia, Europe, South America and South Africa.

World Precision currently manufactures around two hundred models of stamping machines which are classified into more than 20 product series. Its stamping machines are primarily marketed under the "World" trademark, divided into Conventional, High Performance and High Tonnage stamping machines.

Its latest range of products includes bending, cutting and CNC punching machines. Its products have been recognised in 2009 as "Jiangsu Trustworthy Quality Products", while its subsidiary – World Precise Machinery (China) Co., Ltd has been awarded "Trustworthy to customers for 2009" by Danyang Consumer Association. It was awarded the ISO 9001:2000 for its quality management efforts since 2003.

For more information please refer to <http://wpmlimited.listedcompany.com/>

Issued for and on behalf of World Precision Machinery Limited

Contact Information

Financial PR Pte Ltd. Yit Sung Ngo / Kamal Ryan Samuel / Kathy Zhang Investor Relations Consultants Tel: 65-6438 2990 / Fax: 65-6438 0064 Email: staff@financialpr.com.sg	World Precision Machinery Limited Samuel Ng Chief Financial Officer Tel: 65-81802482 Email: saisamuelng@hotmail.com
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沃得精机有限公司

(Company Registration Number: 200409453N)

即时公告

沃得精机净利增长 34.7%至人民币 1 亿 90 万元

- 营业额同比增加 3.6%至人民币 8 亿 1,460 万主要是高性能和高吨位的冲压机的销售增加所致
- 毛利率因间接成本减少和冲压机的生产增加上升 2.5 个百分点至 31.8%
- 集团将继续加强技术研发以应对中国制造业转向高技术的发展战略变化

新加坡, 2014 年 2 月 28 日 - 新交所主板上市公司沃得精机有限公司 (“沃得” 及其子公司, 或 “集团”), 中国精密冲压机械制造商, 公告集团截至 2013 年 12 月 31 日的财年的营业额为人民币 8 亿 1,460 万元, 股权持有人应占溢利净额为人民币 1 亿 90 万元。

2013 财年整体销售同比去年增加 3.6%, 主要原因为高性能和高吨位的冲压机的销量增加, 其中因传统的冲压机的销量减少和整体平均售价向下修正而部分抵消。

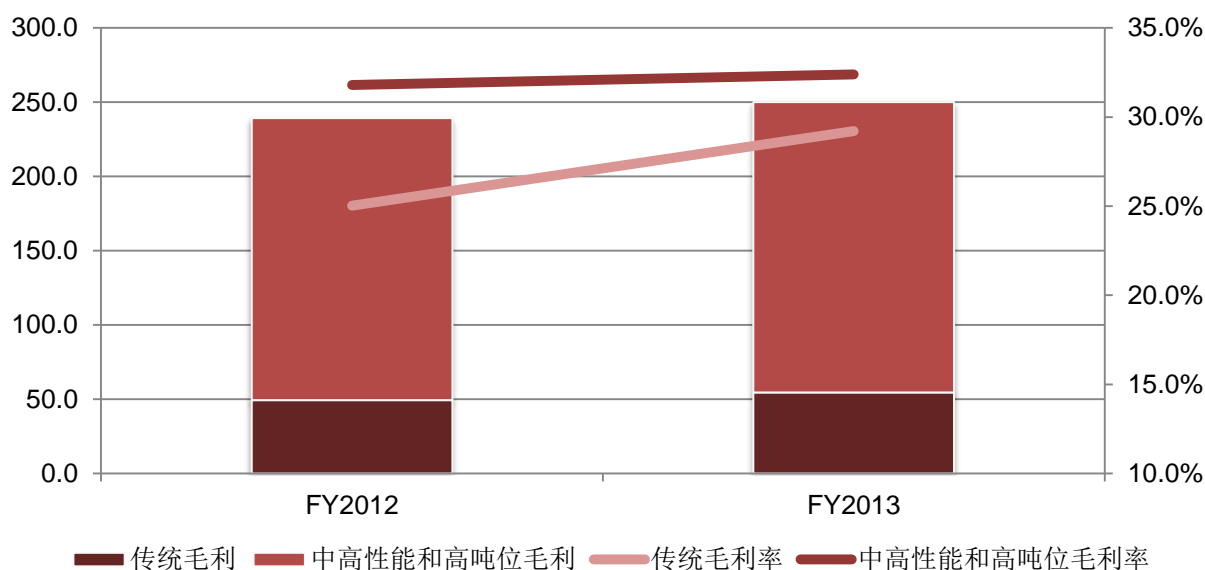
财务摘要

人民币 (百万)	4Q2013	4Q2012	% Chg	FY2013	FY2012	% Chg
营业额	169.9	149.6	13.5%	814.6	786.5	3.6%
毛利率 (%)	36.2%	27.1%	9.1pp	31.8%	29.3%	2.5pp
净利	28.8	1.9	1,429.6%	100.9	74.9	34.7%
净利率 (%)	17.0%	1.3%	15.7pp	12.4%	9.5%	5.7pp
稀释后每股收益* (RMB)	0.07	0.00	-	0.25	0.18	-

*据 2012 财年和 2013 财年的加权平均股数计算, 400,000,000 股普通股。

随着收入增加, 2013 财年的整体毛利同比上升 12.3%至人民币 2 亿 5,900 万元, 毛利率提升 2.5 个百分点至 31.8%。其中高性能和高吨位的冲压机和传统的冲压机毛利率分别提升至 29.2%和 32.4%。整体毛利率的增加主要源于间接成本的减少和高性能和高吨位的冲压机的生产增加。

毛利占比



此外，本集团 2013 财年的净利润同比增长 34.7%，由人民币 7,490 万元增至人民币 1 亿 90 万元。增长的主要原因为本集团的其他收入飙升 113.4%至人民币 1,850 万元。其他收入增长主要原因是收到顾客违约金，政府补贴和本集团在 2013 年 5 月已与关连方签署了新的租赁协议。这租约将会成为本集团的经常性租金收入。

随着销售增长，分销及销售开支按年增长 6.0%至人民币 5,900 万元以支付为勉励销售人员提高收回应收账款的销售佣金增长。行政费用从人民币 6,910 万元同比增长 5.3%至人民币 6,560 万元。这一增长主要是由于一间附属公司，沃得精机（沈阳）有限公司的开办费，以及员工薪金向上调整。然而，这一增长因冲压机的研发费用部分资本化被部分弥补。

本集团的其他经营费用净额主要由于坏账准备和汇兑损失的增加而上升 110.0%至人民币 980 万元。在另一方面，本集团的财务费用由于银行贷款的减少而微幅下滑 0.5%。

尽管收入和毛利的提升，本集团因享受了政府税收补贴资本化的研发费用和冲减递延所得税，所以财年的所得税费用仅轻微上升 1.0%。三家本集团的附属公司，沃得精机（中国）有限公司，沃得重型机床（中国）有限公司和沃得数控机床（江苏）有限公司，都因被视为高新技术企业而享受 15%的优惠所得税率。

截至 2013 年 12 月 31 日的财年本集团献议派发人民币 6.25 分的末期现金股息，这相当于新币 1.25 分。

前景展望

随着中国全年经济向可持续增长率靠近，最新国内生产总值（GDP）以 7.7% 的增长速度发展^{1,2}。其中工业生产的增长速度为 9.7%，比去年下滑了 0.6 个百分点。由于中国越发富裕，人工成本提升而导致制造产业增速的下降几乎是不可避免的。麦肯锡的报告表明已有证据显示中国已因成本的提高而让一些投资项目流失到了成本较低的地区如越南³。然而，因为中国表示有意扩大其高端制造产业，中国的高端装备产业的前景将依然乐观。

本集团的首席执行官，吴玉芳先生（“吴玉芳”）说：“我们将更加重视我们产品的质量改进。既然中国有意改变发展战略，把重点从大规模生产移到到高端制造业，产品的质量及高科技的含量会成为公司发展的关键。我们相信我们在开发高端技术的投资有利于我们更好地掌握中国的高科技工业市场。

我们依然看好中国正在蓬勃发展中的汽车业，并相信它成为全球最大的汽车市场之一。我们会通过技术研发与改进加强我们在中国机械行业举足轻重的地位，以便在中国汽车行业上涨的时代掌握良机。”

近期新闻报道中国已在 2013 年里创下了汽车售量的最新世界纪录⁴。

排除任何不可预见的情况下，集团预计 2014 财年将是盈利的一年。截至 2014 年 2 月 25 日止，集团的未发货订单为人民币 9,490 万元。

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

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

³ McKinsey&Company -

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

⁴ Business Times - <http://www.businesstimes.com.sg/archive/friday/premium/china/china-sets-new-world-record-22m-cars-sold-year-20140110>

关于沃得精机有限公司

沃得精机有限公司（“沃得”，及其子公司“集团”）位于中国江苏省丹阳市，是一家冲床及相关部件制造商。集团生产标准化和定制化冲床，以适应许多行业的需求，包括汽车、电子和白色家电。

集团拥有的垂直综合业务运作，使客户确保能根据他们需求的变化，获得优质产品和及时的反应。沃得已经在中国许多大中型城市建立了销售网络和服务中心，产品甚至出口至东南亚，欧洲，南美和南非。

沃得目前生产 20 多个系列，大约 200 种类型的冲床。它的冲床主要以“沃得”商标进行销售，可分为传统型、高性能型和大吨位型。

其最新系列的产品包括弯曲、切割和数控冲床。产品被评为“2009 年江苏质量信得过产品”。子公司沃得精机（中国）有限公司获丹阳消费者协会“2009 年客户信赖奖”。从 2003 年起，获得 ISO9001：2000 质量管理认证。

更多信息，请登陆 <http://wpmlimited.listedcompany.com>

金融公关代表沃得精机发表

如有垂询，请联系

金融公关有限公司 吴逸松/ Kathy Zhang 投资者关系顾问 电话: 65-6438 2990 / 传真: 65-6438 0064 电邮: staff@financialpr.com.sg	沃得精机有限公司 Samuel Ng 首席财务官 电话: 65-81802482 电邮: saisamuelng@hotmail.com
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