

WORLD PRECISION MACHINERY LIMITED

(Company Registration Number: 200409453N)

FOR IMMEDIATE RELEASE

World Precision Machinery reports 30.0% increase in net profit to RMB28.2 million in 1QFY2014

- 1QFY2014 sales increased 12.2% to RMB234.8 million from RMB209.3 million due to higher sales of high performance and high tonnage stamping machines
- Gross profit margin increased 2.2 percentage points to 31.2% due to decrease in overhead cost and increase in production of stamping machines
- Group to continue to gain market shares through active marketing strategies targeting the rising automobile and white goods sector

SINGAPORE, 30 April 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 RMB234.8 million and a net profit of RMB28.2 million attributable to equity holders for first quarter ended 31 March 2014 (“1QFY2014”).

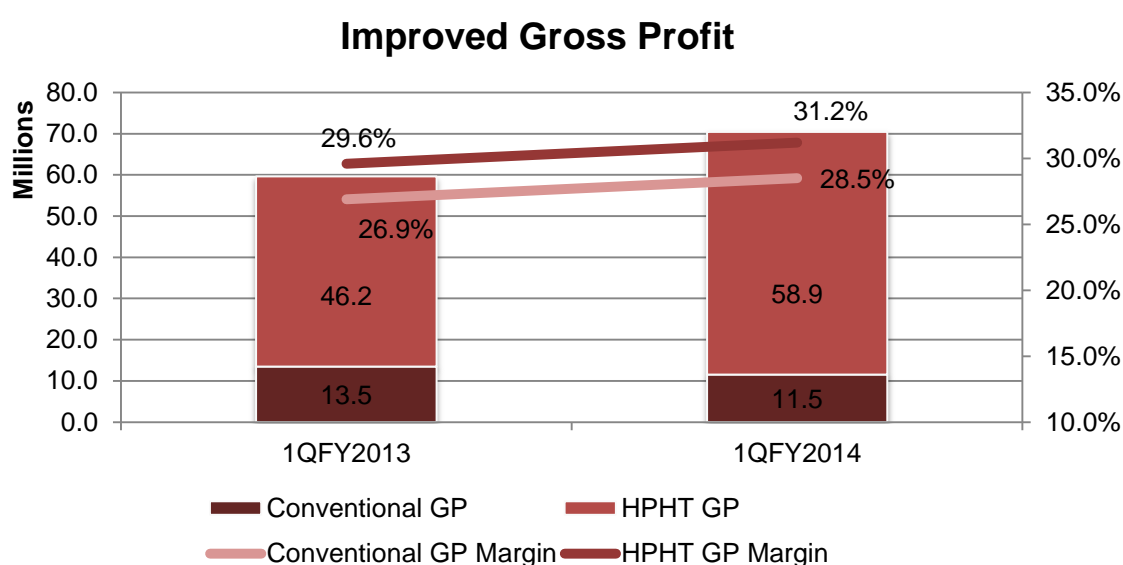
Overall sales increased 12.2% year-on-year (‘yoy’) for 1QFY2014, due mainly to an increase in sales volume for high performance and high tonnage stamping machines (“HPHT”), which is partially offset by a decrease in sales volume for conventional stamping machines. The increase in sales volume for HPHT stamping machines is mainly derived from an increased demand in the PRC’s automotive and white goods industry.

Financial Highlights

RMB 'Million	1Q2014	1Q2013	% Chg
Revenue	234.8	209.3	12.2%
Gross Profit	73.2	60.6	20.8%
Gross Profit Margin	31.2%	29.0%	2.2 pp
Net Profit	28.2	21.7	30.0%
Net Profit Margin	12.0%	10.4%	1.6 pp
Diluted EPS* (RMB)	0.07	0.05	-

*Calculated based on the weighted average number of 400,000,000 ordinary shares in 1Q2014, 1Q2013.

In tandem with the increase in revenue, overall gross profit for 1QFY2014 increased 20.8% yoy to RMB73.2 million as gross profit margin continues to improve 2.2 percentage points (“pp”) from 29.0% to 31.2%. Gross profit margin for HPHT stamping machines, and conventional stamping machines increased yoy to 31.2% and 28.5% from 29.6% and 26.8%, respectively. The overall increase in gross profit margin is due mainly to an depreciation and amortisation adjustment implemented in 4Q2013, in addition to a decrease in overhead cost caused by an increase in production of HPHT stamping machines. The depreciation and amortisation adjustment will likely create a positive accumulative effect on the Group’s gross profit margin for the next two quarters.



In line with the increase in gross profit, the Group’s net profit for 1QFY2014 improved by 30.0% yoy to RMB28.2 million from RMB21.7 million.

In line with the increase in sales, distribution and selling expenses rose 15.8% yoy to RMB15.7 million. This translates to about 6.7% of the overall revenue, a 6.5 pp increase from 0.2% of overall revenue in 1QFY2013. The increase is mainly caused by a higher sales commission payable to sales personnel due to a new action plan developed by the Group to improve collection efforts of trade receivables. The Group foresees a need to take precautionary actions towards debt recovery as a result of the banks’ tightening of credit and the prevailing uncertainty in China’s overall manufacturing industry.

Administrative expenses increased 17.9% yoy to RMB19.2 million from RMB16.2 million due mainly to an upward adjustment of staff salaries. However, this increase is partially compensated by the capitalisation of a part of research and development cost for stamping machines. The Group will continue to improve its technical capabilities to launch higher value added stamping machines as the demand for higher-technology products rises from the booming automotive and white goods industry.

The Group's other income decreased by 52.8% yoy to RMB1.4 million due to a decrease in interest income received from banks. A substantial amount of deposits are used for working capital purposes to further improve its business operations.

Finance expenses decreased substantially by 67.1% to 1.3 million due to a gradual decrease in interest expenses along with a decrease in bank loans. The increase in interest expenses from the construction of Shenyang plant has been capitalised.

Despite a rise in revenue and gross profit, the Group's tax expenses decreased by 14.6% as the withholding tax paid was lesser due to less dividend paid from its subsidiaries to the holding company. Three of the Group's subsidiaries have been regarded as High-Tech Enterprises and enjoyed a preferential income tax rate of 15%.

Outlook

China's manufacturing industry remains challenging as the PRC's GDP continues to expand at a slower rate of 7.4% yoy¹. With an indicative shift of focus from exports to domestic consumption, many manufacturing business experience a squeeze in profit margin due to higher labour cost implemented by government policies². However, in spite of the unfavourable environment, the Group achieved a substantial net profit growth at 30.0% yoy.

Mr. Wu Yufang ("吴玉芳"), Chief Executive Officer comments, **"We are pleased to deliver satisfactory results despite the fierce price competition in the market. Although the general environment for the PRC's manufacturing sector remains uncertain, we see a promising rebound in the white goods and automobile sectors. Riding on the Chinese' increasing disposable income, many home appliance businesses launched a series of "smart home" electronics and appliances, creating a new market demand. We anticipate an increase in "smart goods" production which will positively translate onto our business. We will leverage on our good business relationship and strong track record with clients in the booming white goods and automobile sectors to capture the rising market demand."**

The Group is generally optimistic about the industry outlook. However, it will tread cautiously as the PRC's industrial output statistics have yet to indicate a clear trend.

¹ *China GDP Growth Rate*. (2014, April 25). Retrieved April 25, 2014, from Trading Economics: <http://www.tradingeconomics.com/china/gdp-growth>

² *For China, a Shift From Exports to Consumption*. (2014, Jan 20). Retrieved April 25, 2014, from The New York Times: http://www.nytimes.com/2014/01/21/business/international/for-china-a-shift-from-exports-to-consumption.html?_r=0

The Group's running order book stands at RMB101.6 million as at 25 April 2014, a 7.4% increase compared to RMB94.9 million reported on 25 Feb 2014, indicating a positive growth.

- End -

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.com/>

Issued for and on behalf of World Precision Machinery Limited

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沃得精机有限公司

(Company Registration Number: 200409453N)

即时公告**沃得精机 1Q2014 净利增长 30.0%
至人民币 2,818 万元**

- **1Q2014** 销售额因高性能高吨位冲压机的销售量增加，由人民币 2.093 亿元增加 12.2% 至人民币 2.348 亿元
- 毛利率因间接成本降低和高性能高吨位冲压机的生产增加而提升 2.2 个百分点至 31.2%
- 集团透过积极的营销策略以提升在正蓬勃发展的汽车和家电行业的市场份额

新加坡，2014 年 4 月 30 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 2014 年 3 月 31 日止的三个月（“1Q2014”）取得人民币 2.348 亿元的营业额和人民币 2,818 万元的净利润。

集团于 1Q2014 的营收同比增长 12.1%，主要是因为高性能高吨位冲压机销售量的提高，但这被普通冲压机销售量的减少所部分抵销。高性能高吨位冲压机的销售量增加主要源自于中国的汽车和白色家电行业对产品的需求增加。

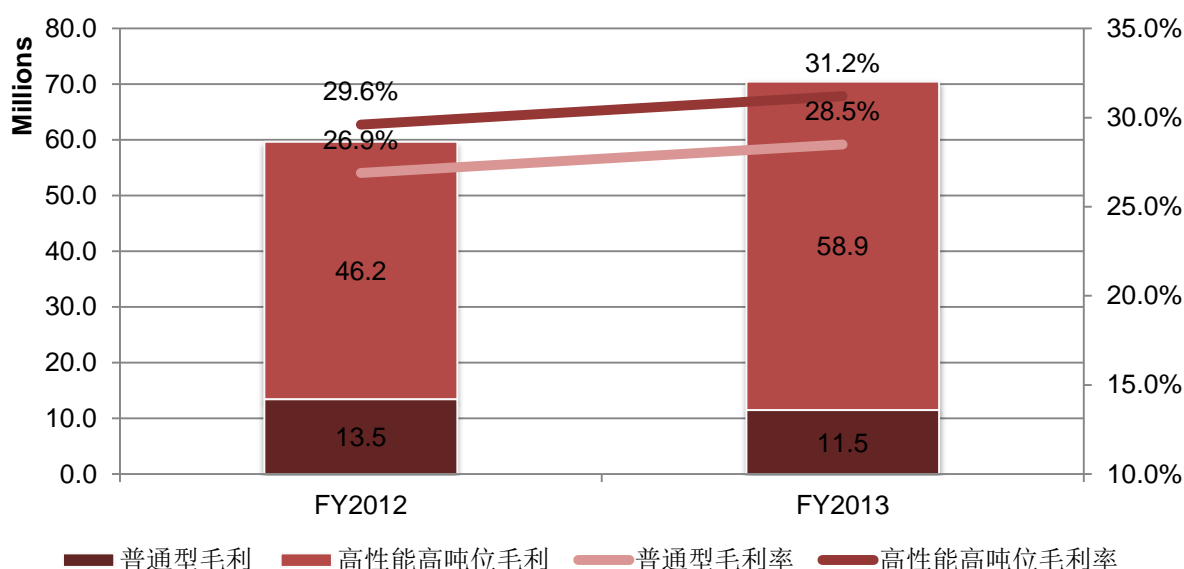
财务摘要

人民币（百万）	4Q2013	4Q2012	% Chg
营业额	234.8	209.3	12.2%
毛利	73.2	60.6	20.8%
毛利率 (%)	31.2%	29.0%	2.2 pp
净利	28.2	21.7	30.0%
净利率 (%)	12.0%	10.4%	1.6 pp
稀释后每股收益* (RMB)	0.7	0.5	-

*据 1Q2014 和 1Q2013 财年的加权平均股数计算，400,000,000 股普通股。

随着较高的营收，集团于 1Q2014 的毛利同比也跃升 20.8%至人民币 7,324 万元，而毛利率继续增长 2.2 个百分点，由 29.0%增至 31.2%。普通冲压机和高性能高吨位冲压机的毛利率分别从 26.8%和 29.6%同比增长至 28.5%及 31.2%。毛利率整体的增加，主要源于去年 4Q2013 所做的折旧及摊销调整以及随高性能高吨位冲压机生产增加而降低的开销成本。折旧及摊销的调整很可能对本集团未来两个季度的毛利率产生累积性的正面效应。

毛利的提高



随着集团毛利的增加，1Q2014 的净利同比增加了 30.0%，由人民币 2,167 万元增至人民币 2,818 万元。

随销售的增长，分销及销售开支同比增长 15.8%至人民币 1,574 万元，约销售总额的 6.7%，比 1Q2013 高出了 6.5 个百分点。此开支的增张源于销售人员销售佣金增加。这是集团为了鼓励销售人员更有效的收回应收款而新制定的举措。由于中国的生产业目前仍处于动荡阶段，加上银行为了迎合中国政府的新政策收紧了信贷，本集团认为必须采取一定的防范措施提高追收应收款的效率，以降低财务风险。

管理费用主要由于员工薪酬的上调而同比增长 17.9%，由人民币 1,624 万元增至人民币 1,915 万元。然而，这开支的增长已因冲压机研发费用的资本化而被部分抵消。本集团将继续提高技术能力，推出具有附加值的冲压机以便迎合正在迅速发展的汽车和白色家电行业对高技术产品的需求量。

本集团的其他收入由于从银行收到的利息收入减少而同比降低了 52.8%至人民币 1,427 万元。集团挪用了相当一部分的存款为营运资金，以进一步提高我们的业务营运。

财务费用因银行贷款所产生的利息开支逐渐减少而大幅下降 67.1%至人民币 1,337 万元。此外由沈阳工厂的建设而产生的利息支出已资本化。

尽管收入和毛利提升，本集团的所得税费用减少了 14.6%，主要是代扣代缴税减少了因子公司少分红给母公司。三本集团附属公司都被视为高新技术企业，因而享受优惠所得税率 15%。

前景展望

随着中国国内生产总值不断放缓的增长速度，如今缓至同比增长 7.4%¹，中国的制造业仍面对重重挑战。中国制造业的重点逐渐从出口转向国内消费，许多制造业受政府调高劳动成本的政策影响，净利受压²。但在欠佳的环境下，本集团的净利仍按年增长了 30.0%，取得了出色的表现。

首席执行官，吴玉芳先生对此评论，“尽管市场上价格竞争激烈，本集团仍取得令人满意的业绩，我们为此感到十分欣慰。虽然中国制造业的整体环境仍不明朗，我们认为白色家电和汽车行业有反弹的迹象。中国人的可支配收入增加，不少家电企业乘机利用这有利形式诱发消费者对智能家居的购买欲。我们注意到近来白色家电的产量有相对的提升，对我们的业务也有直接的正面影响。我们计划利用与汽车和家电业客户的良好合作关系及营业纪录，更有利的把握徐徐上升的市场需求。”

本集团普遍看好行业前景。但因中国的工业产值统计数据仍没有显示一个明朗的上升趋势，所以会谨慎策划未来的商业计划。

截至 2014 年 4 月 25 日，本集团的未发货订单已达人民币 1.015 亿元（2014 年 2 月 25 日：人民币 9,490 万元），预示着积极成长。

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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。

¹ *China GDP Growth Rate*. (2014, April 25). Retrieved April 25, 2014, from Trading Economics: <http://www.tradingeconomics.com/china/gdp-growth>

² *For China, a Shift From Exports to Consumption*. (2014, Jan 20). Retrieved April 25, 2014, from The New York Times: http://www.nytimes.com/2014/01/21/business/international/for-china-a-shift-from-exports-to-consumption.html?_r=0

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.com>

金融公关代表沃得精机发表

如有垂询，请联系

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