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

THE PROPOSED ACQUISITION OF INDUSTRIAL LAND IN THAILAND

1. INTRODUCTION

The Board of Directors (the “**Board**”) of World Precision Machinery Limited (the “**Company**”), and collectively, the Company and its subsidiaries, the “**Group**”) would like to announce that the Company has entered into a Land Reservation Agreement (the “**Agreement**”) on 24 November 2022 with Rojana Industrial Park Public Co., Ltd. a public limited company organised and existing under the laws of Thailand (“**Rojana**”), in relation to the acquisition of 3 adjoining plots of land in Rojana Industrial Park Ayutthaya (the “**Land**”). Rojana is a company listed on the Stock Exchange of Thailand.

2. SALIENT TERMS OF THE AGREEMENT

2.1 The terms and conditions of the Agreement, including the acquisition price of the Land, were negotiated and agreed upon by the parties on an arm’s length basis.

2.2 A summary of the principal terms of the Agreement is set out below:

- (a) By entering into the Agreement and upon the Company paying a deposit amount of RMB400,000 (the “**Deposit**”) within 15 days after the signing of the Agreement, Rojana will reserve the Land, so that the Company may purchase the Land at a later date (the “**Proposed Acquisition**”). The Deposit will be refunded within 30 days upon the Company entering into a land purchase and sale agreement with Rojana (the “**Land Purchase Agreement**”) and payment of the agreed acquisition price.
- (b) The Land comprises of 3 adjoining plots of land, with a total land area of approximately 53 rai 0 ngan 8 sq.wah, (or 53.02 rai, or 84,832 sq.m.).
- (c) The total acquisition price of the Land is 153,573,500 Baht, and this will be paid in cash through internal resources via cash generated by the Group.
- (d) The Land is zoned for industrial use, and is currently vacant, within no buildings or other structures on it.
- (e) Conditions Precedent: The acquisition of the Land is conditional upon the following conditions being fulfilled:
 - i. With the assistance of Rojana, the Company obtaining a certificate from the Thailand

Board of Investment (the “BOI”).

- ii. The parties entering into the Land Purchase Agreement within 60 days of the parties entering into the Agreement.

- (f) In the event the Company fails to obtain the certificate issued by the BOI despite the Purchaser preparing the related application materials and payment of requisite fees for the BOI application process, Rojana will refund the Deposit in full, and the Agreement shall be terminated. The Deposit may be forfeited by Rojana in the event the Company does not provide the application materials, or does not enter into the Land Purchase Agreement within 60 days of the Agreement. In the event Rojana sells the Land to another third party within 60 days of the Agreement, Rojana shall pay the Company two times the value of the Deposit.

3. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

3.1 The financial effects of the Proposed Acquisition on the Group are set out below, based on the Group's audited consolidated financial statements for the financial year ended 31 December 2021 (“FY2021”), being the latest audited consolidated financial statements of the Group, are purely for illustrative purposes only and do not reflect the future financial position of the Group after the completion of the Proposed Acquisition.

(a) Net Tangible Assets per Share

The effect of the Proposed Acquisition on the net tangible assets (“NTA”) per share of the Group for FY2021, assuming that the Proposed Acquisition had been effected on 31 December 2021 is as follows:

As at 31 December 2021	Before the Proposed Acquisition	After the Proposed Acquisition
NTA	RMB1,152,615,000	RMB1,151,854,024
NTA per share	RMB2.88	RMB2.88

(b) Earnings per Share

The effect of the Proposed Acquisition on the earnings per share of the Group for FY2021, assuming that the Proposed Acquisition had been effected on 1 January 2021 is as follows:

FY2021	Before the Proposed Acquisition	After the Proposed Acquisition
Profits after tax attributable to the owners of the Company	RMB113,347,000	RMB112,586,024
Earnings per share	RMB0.28	RMB0.28

(c) RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE LISTING MANUAL

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

1006 (a)	Net asset value of the assets to be disposed of, compared with the group's net asset value	Not applicable
1006 (b)	Net profits attributable to the assets acquired or disposed of, compared with the group's net profits	0% ⁽¹⁾
1006 (c)	Aggregate value of the consideration given or received, compared with the issuer's market capitalisation, based on the total number of issued shares excluding treasury shares	THB153,573,500/THB3,240,851,600 = 4.74% ⁽²⁾
1006 (d)	Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
1006(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves	Not applicable

Notes:

(1) This is calculated on the bases as if the Proposed Acquisition had been effected on 1 January 2021.

(2) The market capitalization of the Company is calculated based on the Company's issued share capital comprising 400,000,000 shares on 24 November 2022, being the latest market day preceding the date of the Agreement, at the price of S\$0.31 per share, and on the foreign exchange rate of S\$1 to THB26.1359.

As the relative figures computed under Rule 1006(c) of the Listing Manual do not exceed 5%, the Proposed Acquisition is a non-discloseable transaction as classified under Rule 1004 of the Listing

Manual. Nevertheless, the Board is releasing this announcement for increased transparency to shareholders of the Company.

3.2 The Company will not be appointing an independent professional valuer to value the Land.

4. RATIONALE AND BENEFIT TO THE COMPANY

The Board considers the Proposed Acquisition to be beneficial for the Group as an investment, deploying the excess cash of the Group. This is in accordance with the long term strategic plan for the Group which had been adopted by the Board.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the other Directors or controlling shareholders has any interest, direct or indirect, in the Proposed Acquisition, other than through their shareholdings in the Company.

6. DOCUMENTS FOR INSPECTION

The Company will make further announcements, upon the execution of the Land Purchase Agreement and/or when there are material developments in respect of the Proposed Acquisition.

A copy of the Agreement is available for inspection at the registered office of the Company at 9 Straits View, #06-07 Marina One West Tower, Singapore 018937 during normal business hours for a period of three months from the date this announcement.

By Order of the Board
World Precision Machinery Limited

Shao Jianjun
Executive Chairman
25 November 2022