

Unaudited Condensed Interim Financial Statements for the fourth quarter and full year ended 31 December 2023

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CONDENSED INTERIM CONSOLIDATED STATEMENT COMPREHENSIVE INCOME

Group							
	Note	1.1.2023 to 31.12.2023	1.1.2022 to 31.12.2022	Change	1.10.2023 to 31.12.2023	1.10.2022 to 31.12.2022	Change
		RMB '000	RMB '000	%	RMB '000	RMB '000	%
Revenue	4	1,078,285	1,113,849	(3.2%)	289,183	271,162	6.6%
Cost of sales		(891,215)	(927,744)	(3.9%)	(247,593)	(228,478)	8.4%
Gross profit		187,070	186,105	0.5%	41,590	42,684	(2.6%)
Gross profit margin (%)		17.3%	16.7%	0.6%	14.4%	15.7%	(1.3%)
Other income	5	20,405	18,989	7.5%	(319)	4,741	N.M.
Distribution and selling expenses		(93,886)	(90,222)	4.1%	(32,529)	(26,146)	24.4%
Administrative expenses		(98,739)	(94,392)	4.6%	(27,811)	(29,465)	(5.6%)
Other expenses	6	(12,797)	(11,369)	12.3%	(9,193)	(14,339)	(35.9%)
Net write-back/(provision) of impairment losses on trade and other receivables	7	535	7,545	(92.9%)	2,012	7,718	(73.9%)
Results from operating activities		2,588	16,656	(84.5%)	(26,250)	(14,807)	77.3%
Finance income		13,975	16,460	(15.1%)	3,123	3,985	(21.6%)
Financial costs		(6,596)	(3,546)	86.0%	(3,655)	(1,263)	189.4%
Net finance income		7,379	12,914	(42.9%)	(532)	2,722	N.M.
Profit/(loss) before tax	7	9,967	29,570	(66.3%)	(26,782)	(12,085)	121.6%
Tax (expense)/credit	8	(3,951)	(4,990)	(20.8%)	(759)	3,221	N.M.
Profit/(loss) for the period		6,016	24,580	(75.5%)	(27,541)	(8,864)	210.7%
Net profit/(loss) margin (%)		0.6%	2.2%	(1.6%)	(9.5%)	(3.3%)	6.2%
Profit/(loss) attributable to:							
Owners of the Company		6,016	24,580	(75.5%)	(27,539)	(8,864)	210.7%
Non-controlling interest		-	-	N.M.	(2)	-	N.M.
		6,016	24,850	(75.5%)	(27,541)	(8,864)	210.7%
Earnings per share (RMB per share)							
- Basic		0.01	0.06		(0.07)	(0.02)	
- Diluted		0.01	0.06		(0.07)	(0.02)	

N.M. denotes Not Meaningful



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CONDENSED INTERIM CONSOLIDATED STATEMENT COMPREHENSIVE INCOME (CONT'D)

	Group					
Note	1.1.2023 to 31.12.2023	1.1.2022 to 31.12.2022	Change	1.10.2023 to 31.12.2023	1.10.2022 to 31.12.2022	Change
	RMB '000	RMB '000	%	RMB '000	RMB '000	%
Profit/(loss) for the period	6,016	24,580	(75.5%)	(27,541)	(8,864)	210.7%
<i>Other comprehensive income</i>						
Items that are or may be reclassified subsequently to profit and loss:						
Foreign currency translation differences - foreign operations	15,400	8,357	84.3%	5,318	6,095	(12.7%)
Total comprehensive income/(loss) for the period	21,416	32,937	(35.0%)	(22,223)	(2,769)	702.6%
Total comprehensive income attributable to:						
Owners of the Company	21,416	32,937	(35.0%)	(22,221)	(2,769)	702.5%
Non-controlling interest	-	-	N.M.	(2)	-	N.M.
	21,416	32,937	(35.0%)	(22,223)	(2,769)	702.6%

N.M. denotes Not Meaningful



CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		31.12.2023 RMB '000	31.12.2022 RMB '000	31.12.2023 RMB '000	31.12.2022 RMB '000
Non-current assets					
Property, plant and equipment	10	682,303	728,110	–	–
Investment in subsidiaries		–	–	* 662,266	** 626,453
Investment properties	11	153,050	2,825	–	–
Intangible assets	12	26,992	35,141	–	–
Goodwill	13	25,035	–	–	–
Other receivables	16	55,259	24,690	–	–
Deferred tax assets		2,392	–	–	–
Total non-current assets		945,031	790,766	662,266	626,453
Current assets					
Inventories	14	352,655	397,393	–	–
Trade receivables	15	307,422	328,557	–	–
Other receivables	16	44,308	114,636	5,027	1,452
Due from related parties (trade)		84,877	85,742	–	–
Due from affiliated company (trade)		64	56	–	–
Due from subsidiaries (non-trade)		–	–	501	352
Cash and cash equivalents	17	431,549	334,543	201,817	193,864
Total current assets		1,220,875	1,260,927	207,345	195,668
Total assets		2,165,906	2,051,693	869,611	822,121
Non-current liabilities					
Deferred tax liabilities		36,419	6,138	–	–
Deferred income from government Grants		321	721	–	–
Lease liabilities		15,180	15,934	–	–
Borrowings	20	90,000	–	–	–
		141,920	22,793	–	–
Current liabilities					
Contract liabilities		94,576	93,468	–	–
Trade payables	18	524,736	573,947	–	–
Other payables	19	177,112	160,504	1,304	875
Due to related parties (trade)		13,456	21,240	–	–
Due to related parties (non-trade)		1,033	1,554	–	–
Due to affiliated company (trade)		2,234	2,302	–	–
Due to a subsidiary (non-trade)		–	–	* 7,315	249
Lease liabilities		1,543	1,031	–	–
Deferred income from government Grants		309	218	–	–
Borrowings	20	160,000	–	–	–
Income tax payables		2,935	–	–	–
Total current liabilities		977,934	854,264	8,619	1,124
Total liabilities		1,109,236	877,057	8,619	1,124



CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Group		Company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RMB '000	RMB '000	RMB '000	RMB '000
Net current assets	242,941	406,663	198,726	194,544
Net assets	1,046,052	1,174,636	860,992	820,997
Equity attributable to the equity holders of the Company				
Share capital	21	250,660	250,660	250,660
Retained earnings		533,414	531,709	531,828
Currency translation reserve		33,979	78,623	38,509
Statutory reserves		130,902	–	–
Capital reserve		97,097	–	–
Total equity		1,046,052	860,992	820,997

* The increase mainly due to the Company has invested in World Precise Machinery (Thailand) Co., Ltd. and the investment amount has been paid on behalf by wholly owned subsidiary, World Precise Machinery (China) Co., Ltd.

** The Company's wholly owned subsidiary, World Precise Machinery (China) Co., Ltd. has carried out capital reduction exercise which resulted a decrease in investment in subsidiary and an increase in cash at bank. Please refer to the announcements released via SGXNet dated 23/08/2022 and 08/09/2022.

Aggregate amount of the Group's borrowings and debt securities.

As at 31 December 2023 and 31 December 2022, the Group has borrowings and debt securities as follow: -.

	As at 31 December 2023		As at 31 December 2022	
	Secured	Unsecured	Secured	Unsecured
	RMB '000	RMB '000	RMB '000	RMB '000
Non-current liabilities				
Bank borrowings	90,000	–	–	–
Current liabilities				
Bank borrowings	160,000	–	–	–

Details of any collateral

As at 31 December 2023, bank borrowings comprised the following:

- 1) RMB96.0 million is secured over the land and building of World Precise Machinery (China) Co., Ltd. ("WPMC") and corporate guarantees issued by Jiangsu World Plant-Protecting Machinery Co., Ltd. ("JWPPM") and Jiangsu World Furniture Co., Ltd., ("JWFC"). JWPPM and JWFC are associates of Mr Wang Weiyao, the Non-Executive and Non-Independent Director of the Company.



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- 2) RMB54.0 million is secured over the land and building of WPMC and corporate guarantees issued by JWPPM and JWFC. JWPPM and JWFC are associates of Mr Wang Weiyao, the Non-Executive and Non-Independent Director of the Company.
- 3) RMB100.0 million is secured over the land use rights of Wanning Yinhu Hot Spring Holiday Hotel Co., Ltd., and a corporate guarantee issued by Jiangsu World Machinery & Electronics Group Co., Ltd. (“**JWMEG**”). JWMEG is associate of Mr Wang Weiyao, the Non-Executive and Non-Independent Director of the Company.



CONDENSED INTERIM CONSOLIDATION STATEMENT OF CASH FLOWS

	Note	Group			
		FY23	FY22	4Q23	4Q22
		1.1.2023 to 31.12.2023 RMB '000	1.1.2022 to 31.12.2022 RMB '000	1.10.2023 to 31.12.2023 RMB '000	1.10.2022 to 31.12.2022 RMB '000
Cash flow from operating activities					
Profit/(loss) before tax		9,967	29,570	(26,782)	(12,085)
Adjustments for:					
Amortisation of intangible assets	12	8,149	7,832	2,037	2,046
Bad debts written off (trade)	6	9	2,345	–	2,345
Bad debts recovered (trade)	6	(840)	–	(840)	–
Bad debts recovered (non-trade)	6	(2,319)	–	(2,319)	–
Depreciation for investment properties	11	7,836	274	3,252	69
Depreciation of property, plant and equipment	7	63,115	60,229	14,801	15,657
Write down of inventories	7	1,986	4,320	1,986	4,320
Interest expense	7	5,467	3,504	2,764	1,775
Interest income	7	(13,975)	(16,460)	(3,123)	(3,985)
Loss on disposal of property, plant and equipment	7	–	(130)	–	(70)
Negative goodwill	5	–	–	8,281	–
Net (write-back)/provision of impairment losses on trade and other receivables	7	(535)	(7,545)	(2,012)	(7,718)
Property, plant and equipment written off	6	127	225	–	(617)
Operating cash flow before working capital changes		78,987	84,164	(1,955)	1,737
Inventories		42,751	14,650	50,879	27,254
Trade and other receivables		1,033	62,365	(7,897)	93,279
Trade and other payables		(42,923)	(33,843)	(9,148)	(66,318)
Contract liabilities		1,108	8,170	(5,649)	17,056
Cash generated from operations		80,956	135,506	26,230	73,008
Interest received		8,947	3,664	591	163
Income taxes and withholding tax (paid)/credit		(6,443)	(8,447)	(1,498)	1,609
Net cash from operating activities		83,460	130,723	25,323	74,780
Cash flow from investing activities					
Purchases of property, plant and equipment	Note A	(47,772)	(73,002)	(8,509)	(49,156)
Additions of investment properties		(935)	–	(506)	–
Additions of intangible assets		–	(3,756)	–	2,892
Proceeds from disposal of property, plant and equipment		–	554	–	501
Acquisition of a new subsidiary	5.1	(147,440)	–	–	–
Proceed from realisation of other investment		–	900,000	–	100,000
Payment for other investment		–	(600,000)	–	–
Interest received from other investment		–	5,305	–	283
Repayment from loan to a third party		100,000	100,000	–	–
Provision of loan to a third party		–	(100,000)	–	–
Effect of foreign currency re-alignment on investing Activities		10,407	8,709	11,009	8,709
Net cash (used in)/from investing activities		(85,740)	237,810	1,994	63,229



CONDENSED INTERIM CONSOLIDATION STATEMENT OF CASH FLOWS (CONT'D)

	Note	Group			
		FY23	FY22	4Q23	4Q22
		1.1.2023 to 31.12.2023	1.1.2022 to 31.12.2022	1.10.2023 to 31.12.2023	1.10.2022 to 31.12.2022
		RMB '000	RMB '000	RMB '000	RMB '000
Cash flow from financing activities					
Proceed from bank loans		250,000	–	–	–
Payment of lease liabilities		(1,032)	(438)	(609)	409
Bank deposit pledge		(475)	71	–	–
Bank deposits released from pledge		–	(71)	–	–
Dividend paid	9	(150,000)	(50,000)	–	–
Interest paid		(4,676)	(3,504)	(1,973)	(2,294)
Net cash from/(used in) financing activities		93,817	(53,942)	(2,582)	(1,885)
Net increase in cash and cash equivalents		91,537	314,591	24,735	136,123
Cash and cash equivalents at beginning of the period		334,543	28,661	412,029	207,308
Effect of exchange rate changes on cash and cash Equivalents		4,994	(8,709)	(5,690)	(8,888)
Cash and cash equivalents at end of the period	17	431,074	334,543	431,074	334,543
Cash and cash equivalents per consolidated statement of cash flows		431,074	334,543	431,074	334,543
Cash deposits pledged		475	–	475	–
Cash and cash equivalents as per consolidated statement of financial positions		431,549	334,543	431,549	334,543

Note A

	Note	FY23	FY22	4Q23	4Q22
		1.1.2023 to 31.12.2023	1.1.2022 to 31.12.2022	1.10.2023 to 31.12.2023	1.10.2022 to 31.12.2022
		RMB '000	RMB '000	RMB '000	RMB '000
		Total additions to property, plant and equipment		17,434	71,674
(Less)/add: changes in unpaid portion		(233)	11,712	(982)	4,702
Add/(less): changes in prepayments		30,571	(10,384)	1,322	15,995
Purchase of plant, property and equipment per consolidated statement of cash flows		47,772	73,002	8,509	49,156



CONDENSED STATEMENTS OF CHANGES IN EQUITY

Group

	Note	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 1.1.2023		250,660	679,499	18,579	128,801	97,097	1,174,636
Total comprehensive income for the period							
Profit for the period		-	6,016	-	-	-	6,016
<i>Other comprehensive income</i>							
Currency translation differences arising on consolidation		-	-	15,400	-	-	15,400
<i>Total comprehensive income for the period</i>		-	6,016	15,400	-	-	21,416
Transactions with owners, recognised directly in equity							
<i>Distributions to owners</i>							
Dividend paid	9	-	(150,000)	-	-	-	(150,000)
<i>Total distributions to owners</i>		-	(150,000)	-	-	-	(150,000)
Transfer to statutory reserves Fund		-	(2,101)	-	2,101	-	-
Balance as at 31.12.2023		250,660	533,414	33,979	130,902	97,097	1,046,052



CONDENSED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Group

	Note	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 1.1.2022		250,660	709,155	10,222	124,565	97,097	1,191,699
Total comprehensive income for the period							
Profit for the period		-	24,580	-	-	-	24,580
<i>Other comprehensive income</i>							
Currency translation differences arising on consolidation		-	-	8,357	-	-	8,357
<i>Total comprehensive income for the period</i>		-	24,580	8,357	-	-	32,937
Transactions with owners, recognised directly in equity							
<i>Distributions to owners</i>							
Dividend paid	9	-	(50,000)	-	-	-	(50,000)
<i>Total distributions to owners</i>		-	(50,000)	-	-	-	(50,000)
Transfer to statutory reserves Fund		-	(4,236)	-	4,236	-	-
Balance as at 31.12.2022		250,660	679,499	18,579	128,801	97,097	1,174,636



CONDENSED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Company

	Note	Share capital RMB'000	Retained earnings RMB'000	Currency translation reserve RMB'000	Total equity RMB'000
Balance as at 1.1.2023		250,660	531,828	38,509	820,997
Total comprehensive loss for the period					
Profit for the period		-	149,881	-	149,881
<i>Other comprehensive income</i>					
Currency translation differences arising from translation into the presentation currency		-	-	40,114	40,114
<i>Total comprehensive income for the period</i>		-	149,881	40,114	189,995
Transactions with owners, recognised directly in equity					
<i>Distributions to owners</i>					
Dividend paid	9	-	(150,000)	-	(150,000)
<i>Total distributions to owners</i>		-	(150,000)	-	(150,000)
Balance as at 31.12.2023		250,660	531,709	78,623	860,992
Balance as at 1.1.2022		250,660	538,361	(31,315)	757,706
Total comprehensive loss for the period					
Profit for the period		-	43,467	-	43,467
<i>Other comprehensive loss</i>					
Currency translation differences arising from translation into the presentation currency		-	-	69,824	69,824
<i>Total comprehensive loss for the period</i>		-	43,467	69,824	113,291
Transactions with owners, recognised directly in equity					
<i>Distributions to owners</i>					
Dividend paid	9	-	(50,000)	-	(50,000)
<i>Total distributions to owners</i>		-	(50,000)	-	(50,000)
Balance as at 31.12.2022		250,660	531,828	38,509	820,997



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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 enterprises are prohibited from distributing dividends unless the losses (if any) of previous years have been made good.



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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

World Precision Machinery Limited (the “**Company**”) is a company incorporated in the Republic of Singapore and listed on the Main Board of the Singapore Exchange Securities Trading Limited.

These condensed interim consolidated financial statements as at and for the full year ended 31 December 2023 comprised the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are as follow: -

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Ownership interest held	
			31 December 2023	31 December 2022
			%	%
<i>Held by the Company</i>				
World Precise Machinery (China) Co., Ltd.	Manufacture and supply of stamping machines and metal parts	PRC	100	100
World Precise Machinery (Shenyang) Co., Ltd.	Manufacture and supply of stamping machines and metal parts	PRC	100	100
World Precise Machinery Parts (Jiangsu) Co., Ltd.	Research and development, and manufacturing of key components of all types of precision machine tools	PRC	100	100
Hainan World Tourism Investment Co., Ltd.	Hotel investment and management services.	PRC	100	–
World Precise Machinery (Thailand) Co., Ltd.	Manufacture and supply of stamping machines and metal parts	Thailand	5	–



1. Corporate information (cont'd)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Ownership interest held	
			31 December 2023	31 December 2022
			%	%
<i>Held by World Precise Machinery (China) Co., Ltd.</i>				
Jiangsu World Tourism Investment Management Co., Ltd.	Hotel investment and management services.	PRC	100	–
World Precise Machinery (Thailand) Co., Ltd.	Manufacture and supply of stamping machines and metal parts	Thailand	90	–
<i>Held by World Precise Machinery Parts (Jiangsu) Co., Ltd.</i>				
World Precise Machinery (Thailand) Co., Ltd.	Manufacture and supply of stamping machines and metal parts	Thailand	5	–
<i>Held by Hainan World Tourism Investment Co., Ltd.</i>				
Wanning Yinhu Hot Spring Holiday Hotel Co., Ltd.	Hotel operator and management services.	PRC	100	–

2. Basis of preparation

The condensed interim financial statements for the full year ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.



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2. Basis of preparation (cont'd)

The condensed interim financial statements are presented in Chinese Renminbi (“**RMB**”) and all values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

The functional currency of the Company and its principal entities in the PRC is Singapore dollar (“**SGD**”) and RMB respectively.

2.1 New and amended standards adopted by the Group

The Group has adopted all the new and revised Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) and SFRS(I) Interpretations (“**SFRS(I) INTs**”) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2023, where applicable. The adoption of these standards from the effective date has not resulted in material adjustments to the financial position, results of operations or cash flows of the Group for FY23. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards

2.2 Use of estimates and judgements

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group’s accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

2.2.1 Critical judgements in applying the entity’s accounting policies.

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the Group’s accounting policies and which have the significant effect on the amounts recognised in the financial statements.

(i) Determination of functional currency

The Group translates foreign currency items into the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the respective entities, judgement is used by the Group to determine the currency of the primary economic environment in which the respective entities operate. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

2.2.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.



2.2 Use of estimates and judgements (cont'd)

2.2.2 Key sources of estimation uncertainty (cont'd)

(i) Measurement of ECL of trade receivables

The Group uses an allowance matrix to measure ECL for trade receivables. The ECL rates are based on the Group's historical loss experience of the customers, for the last 3 years prior to the reporting date for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors, including their best estimate of the impact of COVID-19, specific to the debtors and the economic environment which could affect the ability of the debtors to settle the trade receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries and the growth rates of the major industries in which its customers operate. The Group adjusts the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables as at 31 December 2023 is RMB18,503,000 (2022: RMB19,570,000) (Note 15).

(ii) Measurement of ECL of other receivables

The Company held other receivables due from a subsidiary. The Company uses an approach that is based on an assessment of qualitative and quantitative factors that are indicative of the risk of default. Loss allowances for amount due from employees are measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the employee and an assessment of both the current and forecast general economic conditions at the reporting date. Impairment on loan to a third party has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group's assessment is based on qualitative and quantitative factors that are indicative of the risk of default. Remaining other receivables loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables. The expected loss allowance on the Group's other receivables as at 31 December 2023 is RMB2,258,000 (2022: RMB1,726,000) (Note 16).

(iii) Valuation of property, plant and equipment, investment property and intangible assets

Property, plant and equipment, investment property and intangible assets are assessed at the end of each financial year to ascertain whether there is an indication of impairment, if such indications are found, the recoverable amounts of the assets are estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Such impairment loss is recognised in profit or loss.



2.2 Use of estimates and judgements (cont'd)

2.2.2 Key sources of estimation uncertainty (cont'd)

- (iii) Valuation of property, plant and equipment, investment property and intangible assets (cont'd)

Management judgement is required in the area of asset impairment, particularly in assessing (i) whether an event has occurred that may indicate that the related asset values may not been recoverable; (ii) whether the carrying value of an asset can be supported by the market value or the net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key inputs and assumptions to be applied in estimating the market value of preparing the cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, could materially affect the net present value used in the impairment test and as a result may potentially affect the Group's results. The carrying amount of the Group's property, plant and equipment, investment property and intangible assets as at 31 December 2023 was RMB682,303,000 (2022:RMB 728,110,000), RMB153,050,000 (2022: RMB2,825,000) and RMB26,992,000 (2022: RMB35,141,000) respectively.

- (iv) Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amount of the Group's property, plant and equipment as at 31 December 2023 was RMB682,303,000 (2022: RMB728,110,000).



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2.2 Use of estimates and judgements (cont'd)

2.2.2 Key sources of estimation uncertainty (cont'd)

(v) Inventory valuation method

Inventory is valued at the lower of cost and net realisable value. Management reviews the Group's inventory levels in order to identify slow-moving and obsolete inventory and identifies items of inventory which have a market price, being the selling price quoted from the market of similar items, that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventory which could then consequentially impact the Group's and Company's results, cash flows and financial position. The carrying amount of the Group's inventories as at 31 December 2023 was RMB352,112,000 (2022: RMB 397,393,000). The allowance on the Group's inventory as at 31 December 2023 is RMB18,071,000 (2022: RMB 16,183,000).

(vi) Provision for income taxes

The Group mainly has exposure to income taxes in the PRC. Due to its inherent nature, judgement is involved in determining the Group's provisions for income taxes. The Group recognised liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the financial year in which such determination is made. The carrying amount of the Group's current income tax payables as at 31 December 2023 was RMB2,935,000 (2022: RMB Nil).

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is principally engaged in manufacturing and sale of conventional and high performance and high tonnage stamping machines and metal parts. All business activities are of a similar nature and subject to similar risks and returns. Accordingly, the Group's operating activities are mainly attributable to a single reportable operating segment.

Geographical information

The Group's revenue, expenses, results, assets and liabilities and capital expenditures are predominantly attributable to a single geographical region, the PRC, which is the Group's principal place of business and operations. Therefore, no analysis by geographical region is presented.

Information about major customer

No external customers individually contributed 10% or more of the Group's total revenue.



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4.1 Disaggregation of revenue

Revenue comprises sales of conventional stamping machines, high performance and high tonnage stamping machines and metal parts. All sales are recognised at a point in time.

	Group			
	1.1.2023 to 31.12.2023 RMB'000	1.1.2022 to 31.12.2022 RMB'000	1.10.2023 to 31.12.2023 RMB'000	1.10.2022 to 31.12.2022 RMB'000
Conventional stamping machines	21,502	27,120	4,956	6,340
High performance and high tonnage stamping machines	972,632	1,001,229	267,124	245,865
Metal parts	84,151	85,500	17,103	18,957
	1,078,285	1,113,849	289,183	271,162

A breakdown of sales.

	The Group		
	FY23	FY22	Increase/(decrease)
	RMB'000	RMB'000	%
(a) Sales reported for first half year	557,651	558,600	(0.2)
Profit after tax before deducting non-controlling interest for first half year	35,007	17,350	101.8
(b) Sales reported for second half of year	520,634	555,249	(6.2)
Profit after tax before deducting non-controlling interest for second half year	(29,507)	7,230	N.M.
(c) Sales reported for full year	1,078,285	1,113,849	(3.2)
Profit after tax before deducting non-controlling interest for full year	5,500	24,580	(77.6)

N.M denotes Not Meaningful

5. Other income

	Group			
	1.1.2023 to 31.12.2023 RMB'000	1.1.2022 to 31.12.2022 RMB'000	1.10.2023 to 31.12.2023 RMB'000	1.10.2022 to 31.12.2022 RMB'000
Sales of raw and scrap materials	6,973	7,632	2,072	1,719
Cost of raw and scrap materials sold	(5,361)	(5,631)	(1,301)	(278)
Gain/(loss) from disposals of raw and scrap materials	1,612	2,001	771	1,441
Negative goodwill	–	–	(8,281)	–
Gain on disposal of property, plant and equipment	–	130	–	70
Government grants and subsidies	15,815	13,103	5,979	2,547
Processing income	1,485	2,302	360	587
Rental income, net	775	722	424	(20)
Gain on stocktake	416	514	416	58
Others	302	217	12	58
	20,405	18,989	(319)	4,741



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5.1. Acquisition of a new subsidiary

On 1 June 2023, pursuant to Share Transfer Agreement, the Group acquired 100% equity interest in Wanning Yinhu Hot Spring Holiday Hotel Co., Ltd. (万宁银湖温泉假日酒店有限公司) from Wei Haitao (魏海涛), Wei Laiyun (魏来运), Wu Jianguo (吴建国), and Wang Yinjie (王英杰) for a net cash consideration of RMB148,810,200.

The Group incurred transaction costs related to the acquisition of RMB547,500 and these have been classified as 'general and administrative' expenses in the condensed consolidated statement of profit or loss.

Fair values of the identifiable assets and liabilities of Wanning Yinhu Hot Spring Holiday Hotel Co., Ltd. as at the date of acquisition

	Fair value recognised on the date of acquisition RMB'000
Property, plant and equipment	34,169
Land use rights	122,957
Cash and cash equivalents	23
Other payables	(58)
Deferred tax liability	(33,316)
Net identifiable assets at fair value	123,775
Goodwill	25,035
Total purchase consideration	148,810

Effects of the acquisition of a new subsidiary on cash flows

	RMB'000
Total purchase consideration	148,810
Consideration payable in cash	(1,347)
Consideration paid in cash	147,463
Less: Cash and cash equivalents of a new subsidiary acquired	(23)
Net cash outflow on acquisition of a new subsidiary	147,440

The valuation report dated 29 June 2023 for assets of the newly acquired subsidiary is valued at RMB157,126,000 which is higher than the purchase consideration paid of RMB148,810,000. Identifiable assets acquired and liabilities assumed in a business combination are recognised at their fair values at the acquisition date. A temporary differences arise when the tax bases of the identifiable assets acquired and liabilities assumed are not affected by the business combination or are affected differently. A deferred tax liability of RMB33,316,000 was recognised on the net fair value of the assets which was resulted in a goodwill of RMB25,035,000. The deferred tax liability will be adjusted to condensed interim consolidated statement comprehensive income. over the useful life of the assets. The goodwill will subject to impairment test annually.



5.1. Acquisition of a new subsidiary (cont'd)

Impact of acquisitions on the results of the Group

From the date of acquisition, Wanning Yinhu Hot Spring Holiday Hotel Co., which is the Group's recent investment, has not commenced operations, and accordingly there is no material financial impact on the results of the Group.

6. Other expenses

	Group			
	1.1.2023 to 31.12.2023 RMB'000	1.1.2022 to 31.12.2022 RMB'000	1.10.2023 to 31.12.2023 RMB'000	1.10.2022 to 31.12.2022 RMB'000
Bad debts written off (trade)	9	–	–	–
Bad debts recovered (trade)	(840)	–	(840)	–
Bad debts written off (non-trade)	–	2,345	–	2,345
Bad debts recovered (non-trade)	(2,319)	–	(2,319)	–
Donation **	4,200	–	–	–
Fine and penalty	45	67	30	2
Government comprehensive fund	148	148	–	–
Loss on foreign currency exchange	11,053	8,609	11,853	12,707
Property, plant and equipment written off	127	126	–	(716)
Others	374	74	469	1
	<u>12,797</u>	<u>11,369</u>	<u>9,193</u>	<u>14,339</u>

7. Profit before tax

	Group			
	1.1.2023 to 31.12.2023 RMB'000	1.1.2022 to 31.12.2022 RMB'000	1.10.2023 to 31.12.2023 RMB'000	1.10.2022 to 31.12.2022 RMB'000
Income				
Interest income	(13,975)	(16,460)	(3,123)	(3,985)
Net (write-back)/provision of impairment losses on trade and other receivables	(535)	(7,545)	(2,012)	(7,718)
Expenses				
Amortisation of intangible assets	8,149	7,832	2,037	2,046
Depreciation of investment properties	7,836	274	3,252	69
Depreciation of property, plant and equipment	63,115	60,229	14,801	15,657
Interest expense	5,467	3,504	2,764	1,775
	<u>5,467</u>	<u>3,504</u>	<u>2,764</u>	<u>1,775</u>

7.1 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following related party transactions took place between the Group and related parties during the financial year on terms agreed by the parties concerned:



7.1 Related party transactions (cont'd)

	Group			
	1.1.2023 to 31.12.2023 RMB'000	1.1.2022 to 31.12.2022 RMB'000	1.10.2023 to 31.12.2023 RMB'000	1.10.2022 to 31.12.2022 RMB'000
Related companies				
<i>Income</i>				
Sales to related companies	83,397	95,313	15,431	22,298
Processing services to related companies	2,801	3,260	512	715
<i>Expenses</i>				
Lease of premises from a related company	600	600	150	150
Processing services from related companies	5,824	5,348	1,783	2,144
Purchases of machineries and parts from related companies	714	26,404	89	20,436
Purchases of raw materials from related companies	33,010	32,290	5,195	(202)
Purchases of scrap materials from related companies	22,974	29,129	8,986	(2,191)
Affiliated companies				
<i>Income</i>				
Sales to affiliated companies	1,118	798	516	112
Processing services to affiliated companies	8	13	-	-
<i>Expenses</i>				
Processing services from affiliated companies	1	-	1	-
Purchases of raw materials from affiliated companies	892	8,210	392	7,964
Purchases of scrap materials from affiliated companies	1,061	1,777	264	810

Key management personnel compensation

Key management personnel compensation is analysed as follows:

	Group			
	1.1.2023 to 31.12.2023 RMB'000	1.1.2022 to 31.12.2022 RMB'000	1.10.2023 to 31.12.2023 RMB'000	1.10.2022 to 31.12.2022 RMB'000
Directors of the Company:				
- short-term employee benefits	443	410	135	107
- defined contribution benefits	33	28	12	10
- directors' fees	1,393	1,288	427	328
	1,869	1,726	574	445
Other key management personnel:				
- short-term employee benefits	4,217	3,996	1,220	1,308
- defined contribution benefits	148	190	34	85
	4,365	4,186	1,254	1,393
	6,234	5,912	1,828	1,838

8. Tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:



8. Tax expense (cont'd)

	Group			
	1.1.2023 to 31.12.2023 RMB'000	1.1.2022 to 31.12.2022 RMB'000	1.10.2023 to 31.12.2023 RMB'000	1.10.2022 to 31.12.2022 RMB'000
Income tax				
- Current year	1,190	5,503	(663)	(1,413)
- Under provision in respect of prior years	362	–	4,694	–
	<u>1,552</u>	<u>5,503</u>	<u>4,031</u>	<u>(1,413)</u>
Deferred tax				
- origination and reversal of temporary differences	(5,427)	(3,365)	(3,311)	(1,856)
	<u>(5,427)</u>	<u>(3,365)</u>	<u>(3,311)</u>	<u>(1,856)</u>
Withholding tax	7,826	2,852	39	48
	<u>3,951</u>	<u>4,990</u>	<u>759</u>	<u>(3,221)</u>

9. Dividends

The following tax exempt (one-tier) dividends were declared and paid by the Group and Company:

	Group & Company			
	1.1.2023 to 31.12.2023 RMB'000	1.1.2022 to 31.12.2022 RMB'000	1.10.2023 to 31.12.2023 RMB'000	1.10.2022 to 31.12.2022 RMB'000
<i>Paid by the Company to owners of the Company</i>				
RMB37.5 cents per qualifying ordinary share (2022: RMB12.5 cents)	150,000	50,000	–	–

10. Property, plant and equipment

During the full year ended 31 December 2023, the Group acquired assets at cost amounting to RMB17.4 million (2022: RMB65.4 million) and disposed of assets at cost amounting to RMB0.3 million (2022: RMB5.4 million).

Impairment of property, plant and equipment and intangible assets

The Group reviews the carrying amounts of the assets as at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are determined based on the greater of its value in use and its fair value less costs of disposal for the allocated CGU.



11. Investment properties

	Group	
	31.12.2023 RMB'000	31.12.2022 RMB'000
Cost		
At beginning and end of the period	7,208	7,208
Additions	935	–
Additions from acquisition of a new subsidiary	157,126	–
	165,269	7,208
Accumulated amortisation		
At beginning of the period	4,383	4,109
Charge for the period	7,836	274
At end of the period	12,219	4,383
Net carrying value		
At end of the period	153,050	2,825
Fair value		
At end of the period	170,996	13,870

Investment property comprises:

- 1) a commercial property that is leased to the third parties. The lease contains a non-cancellable period varying from 3 to 6 years (2022: 3 to 6 years), with a fixed annual rent; and
- 2) a land use rights and property, plant and equipment of a newly acquired subsidiary for investment purposes.

Fair value hierarchy

The fair value of the investment property was determined by the Group using management's valuation using the direct comparison method with reference to other similar properties. The fair value disclosure for the investment property has been categorised as a Level 3 fair value based on the input to the valuation techniques used. The significant unobservable input includes price per square foot of RMB1,951 (2022: RMB1,951). An increase/decrease in the price per square foot would result in a higher/lower fair value.

The fair value of the newly acquired subsidiary was carried out by third-party professional valuer.

12. Intangible assets

	Group	
	31.12.2023 RMB'000	31.12.2022 RMB'000
Development costs		
Cost		
At beginning of the period	106,193	102,305
Additions	–	3,888
At end of the period	106,193	106,193
Accumulated amortisation		
At beginning of the period	71,052	63,220
Amortisation charge for the period	8,149	7,832
At end of the period	79,201	71,052
Net carrying value		
At end of the period	26,992	35,141



12. Intangible assets (cont'd)

Impairment of intangible assets

The Group reviews the carrying amounts of the assets as at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are determined based on the greater of its value in use and its fair value less costs of disposal for the allocated CGU.

13. Goodwill

The goodwill acquired in a business combination of RMB25,035,000 relates to the newly acquired subsidiary during this year. Please refer to Note 5.1 for further details.

Goodwill that has indefinite useful lives are tested at least annually for impairment.

14. Inventories

	Group	
	31.12.2023 RMB'000	31.12.2022 RMB'000
Finished goods		
- at cost	64,438	56,583
Work-in-progress and components parts		
- at cost	217,408	268,546
Raw materials		
- at cost	70,809	72,264
	352,655	397,393

Write-down for slow-moving and obsolete inventories

The Group performs assessment on the condition of its inventories at the end of each reporting period and write down slow-moving and obsolete inventories identified. Management considers future demand, expected selling prices and ageing analysis of the inventories as part of its assessment process to arrive at their best estimate of the net realisable value of inventories. Such evaluation process requires significant judgement and may affect the carrying amount of inventories at the balance sheet date.

In FY23, a write-down for slow-moving and obsolete inventories to net realisable value amounting to RMB1,986,000 (2022: RMB4,320,000) was recognised in "Cost of sales" due to slow-moving inventories and obsolete raw materials.

15. Trade receivables

	Group		Company	
	31.12.2023 RMB'000	31.12.2022 RMB'000	31.12.2023 RMB'000	31.12.2022 RMB'000
Trade receivables	152,613	140,295	-	-
Less: allowance for expected credit losses	(18,503)	(19,570)	-	-
	134,110	120,725	-	-
Bills receivables	173,312	207,832	-	-
	307,422	328,557	-	-



15. Trade receivables (cont'd)

The movements in allowance for impairment in respect of trade receivables during the financial period were as follows:

	Group		Company	
	31.12.2023 RMB'000	31.12.2022 RMB'000	31.12.2023 RMB'000	31.12.2022 RMB'000
At beginning of the period	19,570	27,453	–	–
Reversal of provision for impairment losses	(1,067)	(7,883)	–	–
At end of the period	18,503	19,570	–	–

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses:

<u>Description of evaluation of financial assets</u>	<u>Basis for recognition and measurement of ECL</u>
Debtors has a low risk of default and does not have any past due amount	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- historical and current payment patterns of the debtors;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and
- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtors.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.



15. Trade receivables (cont'd)

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 180 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

16. Other receivables

	Group		Company	
	31.12.2023 RMB'000	31.12.2022 RMB'000	31.12.2023 RMB'000	31.12.2022 RMB'000
Amount due from employees	4,474	1,410	–	–
Less: allowance for expected credit losses	(2,258)	(1,320)	–	–
	2,216	90	–	–
Advance payments to suppliers	14,288	1,554	–	–
VAT receivables	527	428	–	–
Other prepayments	582	2,746	–	15
Prepayments for property, plant and equipment	55,259	36,728	–	–
Loan to a third party **	–	100,000	–	–
Interest receivables	5,027	7,491	5,027	1,437
Tax recoverable	–	1,097	–	–
Other receivables	21,668	1,636	–	–
Less: allowance for expected credit losses	–	(406)	–	–
	21,668	1,230	–	–
	99,567	151,364	5,027	1,452
Non-current	55,259	36,728	–	–
Current	44,308	114,636	5,027	1,452
	99,567	151,364	5,027	1,452

The movements in allowance for impairment in respect of other receivables during the financial period was as follows:

	Group		Company	
	31.12.2023 RMB'000	31.12.2022 RMB'000	31.12.2023 RMB'000	31.12.2022 RMB'000
At beginning of the period	1,725	1,388	–	–
Provision for impairment losses	533	337	–	–
At end of the period	2,258	1,725	–	–



16. Other receivables (cont'd)

Loss allowances for amount due from employees are measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the employee and an assessment of both the current and forecast general economic conditions at the reporting date.

17. Cash and cash equivalents

	Group		Company	
	31.12.2023 RMB'000	31.12.2022 RMB'000	31.12.2023 RMB'000	31.12.2022 RMB'000
Cash at banks and on hand	127,223	144,828	2,880	4,149
Fixed deposit	304,326	189,715	198,937	189,715
	<u>431,549</u>	<u>334,543</u>	<u>201,817</u>	<u>193,864</u>

The Group's fixed deposit placed with a financial institution matured within 1 month (2022: 1 month) from the end of the reporting period. The interest rates are ranging from 4.50% to 5.38% (2022: 3.10%) per annum.

18. Trade payables

	Group		Company	
	31.12.2023 RMB'000	31.12.2022 RMB'000	31.12.2023 RMB'000	31.12.2022 RMB'000
Trade payables	<u>524,736</u>	<u>573,947</u>	–	–

Trade payables included reclassification of bill receivables of RMB128,286,000 (2022: RMB196,755,000)

Trade payables are non-interest bearing with credit periods ranging from 3 to 6 months (2022: 3 to 6 months).

19. Other payables

	Group		Company	
	31.12.2023 RMB'000	31.12.2022 RMB'000	31.12.2023 RMB'000	31.12.2022 RMB'000
Accrued operating expenses	137,295	117,239	1,304	875
VAT payables	19,570	19,801	–	–
Other tax payables	1,056	1,397	–	–
Bonus payables	8,924	12,033	–	–
Payables relating to property, plant and equipment	10,267	10,034	–	–
	<u>177,112</u>	<u>160,504</u>	<u>1,304</u>	<u>875</u>



20. Borrowings

	Group		Company	
	31.12.2023 RMB'000	31.12.2022 RMB'000	31.12.2023 RMB'000	31.12.2022 RMB'000
Within one year	160,000	–	–	–
Two to five years	90,000	–	–	–
	<u>250,000</u>	<u>–</u>	<u>–</u>	<u>–</u>

The Group's bank borrowings from financial institutions are secured over Group's assets and corporate guarantees from related parties. The interest rates are ranging from 3.65% to 3.95% (2022: nil) per annum.

21. Share capital

	Group and Company			
	31.12.2023 No. of shares '000	31.12.2023 RMB'000	31.12.2022 No. of shares '000	31.12.2022 RMB'000
Issued and fully paid ordinary shares, with no par value				
At beginning and end of period	<u>400,000</u>	<u>250,660</u>	<u>400,000</u>	<u>250,660</u>

All issued shares are fully paid ordinary shares with no par value.

The holders of the ordinary shares are entitled to receive dividend as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

22. Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	Group		Company	
		31.12.2023 RMB'000	31.12.2022 RMB'000	31.12.2023 RMB'000	31.12.2022 RMB'000
<i>Financial assets at amortised cost</i>					
Trade receivables	15	307,422	328,557	–	–
Other receivables*	16	28,911	108,811	5,027	1,437
Due from related parties (trade)		84,877	85,742	–	–
Due from affiliated company (trade)		64	56	–	–
Due from subsidiaries (non-trade)		–	–	501	352
Cash and cash equivalents	17	<u>431,549</u>	<u>334,543</u>	<u>201,817</u>	<u>193,864</u>
		<u>852,823</u>	<u>857,709</u>	<u>207,345</u>	<u>195,653</u>
<i>Financial liabilities at amortised cost</i>					
Trade payables	18	524,736	573,947	–	–
Other payables #	19	156,486	139,306	1,304	875
Due to related parties (trade)		13,456	21,240	–	–
Due to related parties (non-trade)		1,033	1,554	–	–
Due to affiliated company (trade)		2,234	2,302	–	–
Due to a subsidiary (non-trade)		–	–	7,315	249
Leases liabilities		<u>16,723</u>	<u>16,965</u>	<u>–</u>	<u>–</u>
		<u>714,668</u>	<u>753,012</u>	<u>8,619</u>	<u>1,124</u>



22. Accounting classifications and fair values (cont'd)

* Excludes VAT receivables, advance payments to suppliers, prepayments and tax recoverable

Excludes VAT payables, other tax payables and deferred income.

Estimation the fair value

The fair values of applicable assets and liabilities are determined and categorised using a fair value hierarchy as follows:

(a) Level 1 – the fair values of assets and liabilities with standard terms and conditions and which trade in active liquid markets that the Group can access at the measurement date are determined with reference to quoted market prices (unadjusted).

(b) Level 2 – in the absence of quoted market prices, the fair values of the assets and liabilities (excluding derivative instruments) are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/liabilities in active markets, quoted prices for identical or similar assets/liabilities in non-active markets.

(c) Level 3 – in the absence of quoted market prices included within Level 1 and observable inputs included within Level 2, the fair values of the remaining assets and liabilities are determined in accordance with generally accepted pricing models.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

	<u>Level 1</u> RMB'000	<u>Level 2</u> RMB'000	<u>Level 3</u> RMB'000
<u>Recurring Fair Value Measurement</u>			
<u>Group</u>			
<u>2023</u>			
Financial assets:			
Bills receivables	-	173,312	-
<u>2022</u>			
Financial assets:			
Bills receivables	-	207,832	-

Except as disclosed in the respective notes, the carrying amounts of the current financial assets and financial liabilities approximate their respective fair values.

The fair values of the bills receivable in Level 2 have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values have been assessed to be approximate to their carrying amount

The carrying amounts of the financial assets and the financial liabilities (including trade receivables, other receivables, due from related parties (trade), due from affiliated companies (trade), due from subsidiaries (non-trade), financial asset, at FVPL, cash and cash equivalents, trade payables, other payables, due from related parties (trade), due from related parties (non-trade), due to a subsidiary (non-trade) and lease liabilities) are assumed to approximate their fair values because of their short period to maturity.



OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

- 1(a) 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 full year ended 31 December 2023, 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(b) 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 2023	As at 31 December 2022
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(c) A statement showing all sales, transfers, 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) A statement showing all sales, transfers, 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 Company's auditors.



3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications 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 2023. 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.

	1.1.2023 to 31.12.2023	1.1.2022 to 31.12.2022	1.10.2023 to 31.12.2023	1.10.2022 to 31.12.2022
(a) Based on weighted average number of ordinary share on issue (RMB); and	0.01	0.06	(0.07)	(0.02)
(b) On a fully diluted basis (RMB)	0.01	0.06	(0.07)	(0.02)
Weighted average number of shares	400,000,000	400,000,000	400,000,000	400,000,000



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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	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RMB	RMB	RMB	RMB
Net asset value (“NAV”) per ordinary share based on issued share capital at the end of the respective periods:	2.61	2.94	2.15	2.05
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) Revenue

For the 3 months ended 31 December 2023 (“**4Q23**”), the Group’s turnover increased by 6.6% to RMB289.2 million from RMB271.2 million for the 3 months ended 31 December 2022 (“**4Q22**”).

In terms of sales performance for 4Q23, sales of conventional stamping machines decreased by 21.8% while sales of high performance and high tonnage stamping machines increased by 8.6% compared to 4Q22 respectively.

For the full year ended 31 December 2023 (“**FY23**”), the Group’s turnover decreased by 3.2% to RMB1,078.3 million from RMB1,113.8 million for the full year ended 31 December 2022 (“**FY22**”).

In terms of sales performance for FY23, sales of conventional stamping machines decreased by 20.7% while sales of high performance and high tonnage stamping machines decreased by 2.9% compared to FY22 respectively.

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



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

(ii) Gross Profit

The Group's gross profit for 4Q23 decreased by 2.6% to RMB41.6 million from RMB42.7 million in 4Q22. The gross profit margin decreased by 1.3% to 14.4% in 4Q23 from 15.7% in 4Q22.

In terms of gross profit margin for 4Q23, gross profit margin for conventional stamping machines increased by 3.1% to 17.0% from 13.9% in 4Q22 while gross profit margin for high performance and high tonnage stamping machines decreased by 1.2% to 13.8% from 15.0% in 4Q22.

The Group's gross profit for FY23 increased by 0.5% to RMB187.1 million from RMB186.1 million in FY22. The gross profit margin for FY23 increased by 0.6% to 17.3% from 16.7% in FY22.

In terms of gross profit margin for FY23, gross profit margin for conventional stamping machines increased by 0.2% to 20.1% from 19.9% in FY22 while gross profit margin for high performance and high tonnage stamping machines increased by 0.7% to 17.2% from 16.5% in FY22.

Overall, the increase in the Group's gross profit margin for FY23 was mainly due a decrease in raw materials costs and an increase in the production of high performance and high tonnage stamping machines which were partially offset by a decrease in production of conventional stamping machines and a downward revision in the average selling prices of the stamping machines.

(iii) Other Income

In 4Q23, other income recorded a loss of RMB 0.3 million whereas in 4Q2022, other income recorded a gain of RMB4.7.

In FY23, other income increased by 7.5% to RMB20.4 million from RMB19.0 million in FY22.

Overall, the increase was mainly due to an increase in grants received from government.

(iv) Distribution and Selling Expenses

In 4Q23, distribution and selling expenses increased by 24.4% to RM32.5 million from RMB26.1 million in 4Q22.

In FY23, distribution and selling expenses increased by 4.1% to RMB93.9 million from RMB90.2 million in FY22. As a percentage of total revenue, distribution and selling expenses increased by 0.6% to 8.7% in FY23 from 8.1% in FY22.

Overall, the increase was mainly due to an increase in consultancy and advisory services, marketing and advertisement expenses and repair and maintenance expenses which were partially offset by a decrease in sales commission payable to sales personnel.



(v) Administrative Expenses

In 4Q23, administrative expenses decreased by 5.6% to RMB27.8 million from RMB29.5 million in 4Q22.

In FY23, administrative expenses increased by 4.6% to RMB98.7 million from RMB94.4 million in FY22. As a percentage of total revenue, administrative expenses increased by 0.7% to 9.2% in FY23 from 8.5% in FY22.

Overall, the increase was mainly due to an increase in entertainment expenses, depreciation of property, plant and equipment and amortisation of land use rights.

(vi) Depreciation and Amortisation Expenses

In 4Q23, depreciation and amortisation expenses increased by 13.0% to RMB20.1 million from RMB17.8 million in 4Q22.

In FY23, depreciation and amortisation expenses increased by 15.6% to RMB79.1 million from RMB68.3 million in FY22.

The increase was mainly due to additional depreciation and amortisation of property, plant and equipment and intangible assets from new subsidiary acquired during the period.

(vii) Other Expenses

In 4Q23, other expenses decreased by 35.9% to RMB9.2 million from RMB14.3 million in 4Q22.

In FY23, other expenses increased by 12.3% to RMB12.7 million from RMB11.4 million in FY22.

The increase was mainly due to a donation to hospital of RMB4.2 million and an increase in foreign exchange loss.

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

In 4Q23, net write-back of impairment losses on trade and other receivables decreased by 73.9% to RMB2.0 million from RMB7.7 million in 4Q22.

In FY23, net provision of impairment losses on trade and other receivables decreased by 92.9% to RMB0.5 million from RMB7.5 million in FY22.

(ix) Net Financial Income/(Costs)

In 4Q23, the Group's finance income recorded a decrease by 21.6% to RMB3.1 million from RMB4.0 in 4Q22.

In FY23, the Group's finance income recorded an decrease by 15.1% to RMB14.0 million from RMB16.5 million in FY22.

The decrease was mainly due to a reduction in the quantum of funds allocated to structured deposits and/or fixed deposits placed within financial institutions to earn interest income.



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In 4Q23, the Group's finance costs recorded an increase by 189.4% to RMB3.7 million from RMB1.3 million in 4Q22.

In FY23, the Group's finance costs recorded an increase by 86.0% to RMB6.6 million from RMB3.5 million in FY22.

The increase was mainly due to interest paid for bank loans and early redemption of bills receivables.

Overall, the Group achieved a net finance income mainly due to the interest income earned from a structured deposit placed with a financial institution and a loan to third party which were partially offset by interest paid for bank loans and early redemption of bills receivables.

(x) Profit Before Tax

In 4Q23, the Group's loss before tax ("LBT") increased by 121.6% to RMB26.8 million from RMB12.1 million in 4Q22.

In FY23, the Group's profit before tax ("PBT") decreased by 66.3% to RMB10.0 million from RMB29.6 million in FY22.

(xi) Tax Expense

In 4Q23, the Group recorded a tax expense of RMB0.8 million whereas in 4Q22, the Group recorded a tax credit of RMB3.2 million.

In FY23, the Group's tax expense decreased by 20.8% to RMB4.0 million from RMB5.0 million in FY22.

Overall, the decrease was mainly due to a decrease in income tax expense which were partially offset by an increase in withholding tax and deferred tax liabilities.

World Precise Machinery (China) Co., Ltd. ("WPMC") and World Precise Machinery (Shenyang) Co., Ltd. ("WPMS") enjoyed preferential income tax rate of 15% as WPMC and WPMS have been regarded as a High-Tech Enterprise.

World Precise Machinery Parts (Jiangsu) Co., Ltd., Jiangsu World Tourism Investment Management Co., Ltd., Hainan World Tourism Investment Co., Ltd. and Wanning Yinhu Hot Spring Holiday Hotel Co., Ltd., all are PRC incorporated companies, was subjected to tax at the statutory tax rate of 25%.

World Precise Machinery (Thailand) Co., Ltd., a Thailand incorporated company, enjoyed a preferential income tax treatment under scheme of Board of Investment Thailand.

World Precision Machinery Limited, a Singapore incorporated company, was subjected to tax at the statutory tax rate of 17%.

(xii) Net Profit After Tax

In 4Q23, the Group's net loss after tax ("NLAT") increased by 210.7% to RMB27.5 million from RMB8.9 million in 4Q22.

The loss mainly due to reversal of negative goodwill and loss on foreign currency exchange.



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In FY23, the Group's net profit after tax ("NPAT") decreased by 75.5% to RMB6.0 million from RMB24.6 million in FY22. Net profit margin decreased by 1.6% to 0.6% from 2.2% in FY22.

(B) Consolidated Statement of Financial Position (31 December 2023 vs 31 December 2022)

For the period under review, the Group's non-current assets increased by approximately RMB154.3 million mainly due to assets from acquisition of a new subsidiary, goodwill from acquisition of a new subsidiary and an increase in prepayment for property, plant and equipment (mainly due prepayment of commercial land purchased by subsidiary in Thailand). The increase was partially offset by depreciation and amortisation expenses net of purchases of property, plant and equipment and additions of investment properties.

For the period under review, the Group's non-current liabilities increased by RMB119.1 million due to an increase in bank borrowings and deferred tax liabilities (mainly due to recognition of net deferred tax liability of RMB31.6 million for the net fair value of assets of new subsidiary acquired) which were partially offset by a decrease in revenue recognition of deferred income from government grants and payment of lease liabilities

The Group's total current assets decreased by approximately RMB40.1 million from RMB1,260.9 million as at 31 December 2022 to RMB1,220.9 million as at 31 December 2023. This was attributable to a decrease in inventories, trade receivables (mainly due to a decrease in bills receivables from customers), other receivables (mainly due to repayment of loan to a third party and its interest receivables which were partially offset by a deposit paid for an on-going acquisition of hotel, increase in advance payments to suppliers for raw materials) which were partially offset by an increase in cash and cash equivalents (as explained in the consolidated statement of cash flows).

The Group's total current liabilities increased by approximately RMB123.7 million from RMB854.3 million as at 31 December 2022 to RMB977.9 million as at 31 December 2023. This was attributable to an increase in other payables (mainly due to an increase in accrued operating expenses which were partially offset by a decrease in bonus payables), bank loans from financial institutions and income tax payables which were partially offset by a decrease in trade payables (mainly due to slow payment to suppliers and reclassification of bill receivables) and amounts due to related parties (trade).

The Group was in a net current assets position as at 31 December 2023 of RMB242.9 million.

(C) Consolidated Statement of Cash Flows

For the 3 months ended 31 December 2023, the Group recorded a net cash increase of approximately RMB24.7 million. This was mainly due to: -

- a) the net cash inflow arising from operating activities which amounted to RMB25.3 million. The reasons were mainly disclosed in the commentary under consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position.
- b) the net cash inflow arising from investing activities which amounted to RMB2.0 million mainly due to effect of foreign currency re-alignment on investing activities which were partially offset by purchases of property, plant and equipment and additions of investment properties.



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- c) the net cash outflow arising from financing activities which amounted to RMB2.6 million mainly due to payment of lease liabilities and interest paid.

For the full year ended 31 December 2023, the Group recorded a net cash increase of approximately RMB91.5 million. This was mainly due to: -

- a) the net cash inflow arising from operating activities which amounted to RMB83.4 million. The reasons were mainly disclosed in the commentary under consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position.
- b) the net cash outflow arising from investing activities which amounted to RM85.7 million mainly due to purchases of property, plant, additions of investment properties and acquisition of a new subsidiary which were partially offset by the repayment from loan to a third party and effect of foreign currency re-alignment on investing activities.
- c) the net cash inflow arising from financing activities which amounted to RMB93.8 million mainly due to proceed from bank loans (for working capital purposes) which were partially offset by payment of lease liabilities, dividend paid and interest paid.

Cash and cash equivalents as at 31 December 2023 stood at RMB431.5 million (of which RMB0.5 million was pledged for letter of guarantee).

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

The FY23 Financial Results announcement is in line with the statement made in Paragraph 10 disclosed in the 9M23 Financial Results announcement dated 10 November 2023 i.e., “Barring any unforeseen circumstances, the Group is optimistic to remain profitable in FY23.”

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.

The challenges such as the Russia-Ukraine war, Israel-Hamas war, slowing down of economy in PRC, disruptions in supply chains and high inflationary pressures have resulted the business environment to be challenging.

The management is monitoring the development of business environment closely and will adjust its existing business strategies to better mitigate these challenges.

Nonetheless, barring any unforeseen circumstances, the Group is cautiously optimistic to remain profitable in FY24.

The Group's order book stood at RMB388.7 million as at 24 February 2024.

11. Dividend

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

No.



(b) (i) Amount per share

Not applicable.

(ii) Previous corresponding period

No dividend was declared or recommended in the previous corresponding period.

(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).

Not applicable

(d) The date the dividend is payable.

Not applicable.

(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.

Not applicable.

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

No final dividend has been declared/recommended for the current financial period (that is, the fourth quarter of FY2023) reported on, as a special dividend amounting to RMB150 million was declared and paid in the third quarter of FY2023.

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.

The IPTs for FY23 are as follows: -

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions 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 interested person transactions conducted under shareholders' mandates pursuant to Rule 920 (excluding transactions less than \$100,000)
		(RMB'000)	(RMB'000)



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<p><u>Jiangsu World Machinery and Electronics Group Co., Ltd.</u></p> <p>Processing fees received and sale of raw materials and parts.</p> <p>Purchase of raw materials.</p>	<p>Associate of the Controlling Shareholder</p>	<p>N/A</p>	<p>347</p> <p>2</p>
<p><u>Jiangsu World Plant-Protecting Machinery Co., Ltd.</u></p> <p>Processing fees received and sale of raw materials, parts and machineries.</p> <p>Purchase of raw materials.</p>	<p>Associate of the Controlling Shareholder</p>	<p>N/A</p>	<p>750</p> <p>105</p>
<p><u>Jiangsu World Agriculture Machinery Co., Ltd.</u></p> <p>Processing fees received and sale of raw materials, parts and machineries.</p> <p>Processing fees paid and purchase of raw materials, scrap materials and equipment.</p>	<p>Associate of the Controlling Shareholder</p>	<p>N/A</p>	<p>35,460</p> <p>1,351</p>
<p><u>Jiangsu World Agriculture Machinery & Parts Manufacturing Co., Ltd.</u></p> <p>Processing fees received and sale of raw materials and parts.</p> <p>Purchase fees paid and purchase of raw materials and scrap materials.</p>	<p>Associate of the Controlling Shareholder</p>	<p>N/A</p>	<p>5,185</p> <p>6,192</p>
<p><u>World Agriculture (Shenyang) Co., Ltd.</u></p> <p>Processing fees received and sales of raw materials, parts and scrap materials.</p> <p>Purchase of parts.</p>	<p>Associate of the Controlling Shareholder</p>	<p>N/A</p>	<p>3,229</p> <p>167</p>



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<p><u>World Heavy Industry (China) Co., Ltd.</u></p> <p>Processing fee received and sale of raw materials and parts.</p> <p>Processing fees paid and purchase of raw materials, scrap materials and equipment.</p>	<p>Associate of the Controlling Shareholder</p>	<p>N/A</p>	<p>2,605</p> <p>35,087</p>
<p><u>Jiangsu World Crane Co., Ltd.</u></p> <p>Processing fees paid and purchase of equipment.</p>	<p>Associate of the Controlling Shareholder</p>	<p>N/A</p>	<p>202</p>
<p><u>Jiangsu World Precise Machinery Co., Ltd.</u></p> <p>Land rental paid.</p>	<p>Associate of the Controlling Shareholder</p>	<p>N/A</p>	<p>600</p>
<p><u>Jiangsu World Furniture Co., Ltd.</u></p> <p>Sale of raw materials, parts and machineries.</p>	<p>Associate of the Controlling Shareholder</p>	<p>N/A</p>	<p>1,097</p>
<p><u>Jiangsu World High End Agriculture Equipment Co., Ltd.</u></p> <p>Processing fees received and sale of raw materials, parts and machineries.</p> <p>Purchase of scrap materials.</p>	<p>Associate of the Controlling Shareholder</p>	<p>N/A</p>	<p>38,552</p> <p>10,919</p>
<p><u>Danyang World Machinery Parts Manufacturing Co., Ltd.</u></p> <p>Processing fees received and sale of raw materials and parts.</p> <p>Purchase of raw materials and scrap materials.</p>	<p>Associate of the Controlling Shareholder</p>	<p>29</p> <p>1,949</p>	<p>N/A</p>



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<u>World High Precision Complete Equipment Co., Ltd.</u>	Associate of the Controlling Shareholder		N/A
Sale of raw materials and parts.		69	
Purchase of raw materials.		8,498	
<u>Jiangsu Zhenji Machinery Manufacturing Co., Ltd.</u>	Associate of the Controlling Shareholder		
Processing fees paid and sale of raw materials.		5	
Total		10,550	141,850

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.

Please refer to note 4.1 of the condensed interim consolidated financial statements.



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

	FY23	FY22
	RMB'000	RMB'000
Ordinary	150,000,000	-
Preference	-	-
Total	150,000,000	-

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 2023 who is a relative of a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Shao Jianjun
Director
29 February 2024