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

Unaudited Condensed Interim Financial Statements for the nine months ended 30 September 2023

	Page
Table of Contents	
Condensed interim consolidated statement comprehensive income	2
Condensed interim statements of financial position	4
Condensed interim consolidated statement of cash flows	6
Condensed interim statements of changes in equity	8
Notes to the condensed interim consolidated financial statements	12
Other information required by Listing Rule Appendix 7.2	31



CONDENSED INTERIM CONSOLIDATED STATEMENT COMPREHENSIVE INCOME

		Group					
	Note	1.1.2023 to 30.9.2023	1.1.2022 to 30.9.2022	Change	1.7.2023 to 30.9.2023	1.7.2022 to 30.9.2022	Change
		RMB '000	RMB '000	%	RMB '000	RMB '000	%
Revenue	4	789,102	842,687	(5.2%)	231,451	284,087	(18.5%)
Cost of sales		(643,622)	(699,266)	(8.0%)	(183,628)	(230,065)	(20.2%)
Gross profit		145,480	143,421	1.4%	47,823	54,022	(11.5%)
Gross profit margin (%)		18.4%	17.0%	1.4%	20.7%	19.0%	(0.6%)
Other income	5	20,724	14,248	45.5%	5,336	4,515	18.2%
Distribution and selling expenses		(61,357)	(64,076)	(4.2%)	(22,884)	(23,665)	(3.3%)
Administrative expenses		(70,928)	(64,927)	9.2%	(25,630)	(19,641)	30.5%
Other (expenses)/gains	6	(3,604)	2,970	N.M.	(5,553)	4,778	N.M.
Net (provision)/write-back of impairment losses on trade and other receivables	7	(1,477)	(173)	753.8%	374	345	8.4%
Results from operating activities		28,838	31,463	(8.3%)	(534)	20,354	N.M.
Finance income		10,852	12,475	(13.0%)	2,875	3,069	(6.3%)
Financial costs		(2,941)	(2,283)	28.8%	(1,418)	(524)	170.6%
Net finance income		7,911	10,192	(22.4%)	1,457	2,545	(42.8%)
Profit before tax	7	36,749	41,655	(11.8%)	923	22,899	(96.0%)
Tax expense	8	(3,192)	(8,211)	(61.1%)	(2,373)	(6,805)	(65.1%)
Profit/(loss) for the period		33,557	33,444	0.3%	(1,450)	16,094	N.M.
Net profit/(loss) margin (%)		4.3%	4.0%	0.3%	(0.6%)	5.7%	N.M.
Profit/(loss) attributable to:							
Owners of the Company		33,555	33,444	0.3%	(1,451)	16,094	N.M.
Non-controlling interest		2	–	N.M.	1	–	N.M.
		33,557	33,444	0.3%	(1,450)	16,094	N.M.
Earnings per share (RMB per share)							
- Basic		0.08	0.08		(0.00)	0.04	
- Diluted		0.08	0.08		(0.00)	0.04	

N.M. denotes Not Meaningful



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CONDENSED INTERIM CONSOLIDATED STATEMENT COMPREHENSIVE INCOME (CONT'D)

	Group						
	Note	1.1.2023 to 30.9.2023	1.1.2022 to 30.9.2022	Change	1.7.2023 to 30.9.2023	1.7.2022 to 30.9.2022	Change
		RMB '000	RMB '000	%	RMB '000	RMB '000	%
Profit/(loss) for the period		33,557	33,444	0.3%	(1,450)	16,094	N.M.
<i>Other comprehensive income</i>							
Items that are or may be reclassified subsequently to profit and loss:							
Foreign currency translation differences - foreign operations		10,082	2,262	345.7%	1,882	940	100.2%
Total comprehensive income for the period		43,639	35,706	22.2%	432	17,034	(97.5%)
Total comprehensive income attributable to:							
Owners of the Company		43,637	35,706	22.2%	431	17,034	(97.4%)
Non-controlling interest		2	-	N.M.	1	-	N.M.
		43,639	35,706	22.2%	432	17,034	(97.5%)

N.M. denotes Not Meaningful



CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		30.9.2023 RMB '000	31.12.2022 RMB '000	30.9.2023 RMB '000	31.12.2022 RMB '000
Non-current assets					
Property, plant and equipment	10	688,934	728,110	–	–
Investment in subsidiaries		–	–	652,029	626,453
Investment properties	11	155,796	2,825	–	–
Intangible assets	12	29,029	35,141	–	–
Other receivables	15	53,939	24,690	–	–
Total non-current assets		927,698	790,766	652,029	626,453
Current assets					
Inventories	13	405,520	397,393	–	–
Trade receivables	14	294,957	328,557	–	–
Other receivables	15	20,084	114,636	2,694	1,452
Due from related parties (trade)		105,842	85,742	–	–
Due from affiliated company (trade)		189	56	–	–
Due from subsidiaries (non-trade)		–	–	499	352
Cash and cash equivalents	16	412,504	334,543	208,109	193,864
Total current assets		1,239,096	1,260,927	211,302	195,668
Total assets		2,166,794	2,051,693	863,331	822,121
Non-current liabilities					
Deferred tax liabilities		4,023	6,138	–	–
Deferred income from government grants		167	721	–	–
Bank borrowings	19	100,000	–	–	–
Lease liabilities		15,523	15,934	–	–
		119,713	22,793	–	–
Current liabilities					
Contract liabilities		100,224	93,468	–	–
Trade payables	17	550,292	573,947	–	–
Other payables	18	159,077	160,504	249	875
Due to related parties (trade)		14,038	21,240	–	–
Due to affiliated company (trade)		2,074	2,302	–	–
Due to related parties (non-trade)		1,413	1,554	–	–
Due to a subsidiary (non-trade)		–	–	624	249
Bank borrowings	19	150,000	–	–	–
Lease liabilities		1,019	1,031	–	–
Deferred income from government Grants		309	218	–	–
Income tax payables		362	–	–	–
Total current liabilities		978,808	854,264	873	1,124
Total liabilities		1,098,521	877,057	873	1,124
Net current assets		260,288	406,663	210,429	194,544
Net assets		1,068,273	1,174,636	862,458	820,997



CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (CONT'D)

		Group		Company	
		30.9.2023	31.12.2022	30.9.2023	31.12.2022
		RMB '000	RMB '000	RMB '000	RMB '000
Equity					
Share capital	20	250,660	250,660	250,660	250,660
Retained earnings		560,454	679,499	536,235	531,828
Currency translation reserve		28,661	18,579	75,563	38,509
Statutory reserves		131,403	128,801	–	–
Capital reserve		97,097	97,097	–	–
Equity attributable to owners of the Company		1,068,275	1,174,636	862,458	820,997
Non-controlling interest		(2)	–	–	–
Total equity		1,068,273	1,174,636	862,458	820,997

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

As at 30 September 2023 and 31 December 2022, the Group does not have borrowings and debt securities.

	As at 30 September 2023		As at 31 December 2022	
	Secured	Unsecured	Secured	Unsecured
	RMB '000	RMB '000	RMB '000	RMB '000
Non-current liabilities				
Bank borrowings	100,000	–	–	–
Current liabilities				
Bank borrowings	150,000	–	–	–

Details of any collateral

As at 30 September 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.
- 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 CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group			
		9M23	9M22	3Q23	3Q22
		1.1.2023 to 30.9.2023 RMB '000	1.1.2022 to 30.9.2022 RMB '000	1.7.2023 to 30.9.2023 RMB '000	1.7.2022 to 30.9.2022 RMB '000
Cash flow from operating activities					
Profit before tax		36,749	41,655	923	22,899
Adjustments for:					
Amortisation of intangible assets	12	6,112	5,786	2,038	2,037
Bad debts written off - trade		9	–	9	–
Depreciation for investment properties	11	4,584	205	4,447	68
Depreciation of property, plant and equipment	7	48,314	44,572	14,099	14,336
Interest expense	7	2,703	1,729	1,538	340
Interest income	7	(10,852)	(12,475)	(2,875)	(3,069)
(Gain)/loss on disposal of property, plant and equipment	7	–	(60)	–	–
Negative goodwill	5	(8,281)	–	–	–
Net provision/(write-back) of impairment losses on trade and other receivables	7	1,477	173	(374)	(345)
Property, plant and equipment written off	6	127	842	15	632
Operating cash flow before working capital changes		80,942	82,427	19,820	36,898
Inventories		(8,128)	(12,604)	192	11,357
Trade and other receivables		8,930	(30,914)	(12,977)	(14,256)
Trade and other payables		(33,775)	32,475	(18,377)	(27,627)
Contract liabilities		6,757	(8,886)	13,678	8,325
Cash generated from operations		54,726	62,498	2,336	14,697
Interest received		8,356	3,501	6,024	31
Income taxes and withholding tax paid		(4,945)	(10,055)	(6,972)	(4,475)
Net cash from operating activities		58,137	55,944	1,388	10,253
Cash flow from investing activities					
Purchases of property, plant and equipment	Note A	(39,263)	(23,846)	(20,512)	(9,721)
Additions of intangible assets		–	(6,648)	–	(2,769)
Additions of investment properties		(429)	–	(429)	–
Proceed from disposal of property, plant and Equipment		–	53	–	–
Acquisition of a new subsidiary	5	(147,440)	–	–	–
Proceed from realisation of other investment		–	800,000	–	500,000
Payment for other investment		–	(600,000)	–	(300,000)
Interest received from other investment		–	5,022	–	2,279
Repayment from loan to a third party		100,000	100,000	100,000	–
Provision of loan to a third party		–	(100,000)	–	–
Effect of foreign currency re-alignment on investing activities		(602)	–	(8,977)	–
Net cash (used in)/from investing activities		(87,734)	174,581	70,082	189,789



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

	Note	Group			
		9M23	9M22	3Q23	3Q22
		1.1.2023 to 30.9.2023 RMB '000	1.1.2022 to 30.9.2022 RMB '000	1.7.2023 to 30.9.2023 RMB '000	1.7.2022 to 30.9.2022 RMB '000
Cash flow from financing activities					
Proceed from bank loans		250,000	–	100,000	–
Payment of lease liabilities		(423)	(847)	(204)	(282)
Bank deposit pledge		(475)	(71)	(475)	–
Bank deposits released from pledge		–	71	–	71
Dividend paid	9	(150,000)	(50,000)	(150,000)	–
Interest paid		(2,703)	(1,210)	(1,538)	(167)
Net cash from/(used in) financing activities		96,399	(52,057)	(52,217)	(378)
Net increase in cash and cash equivalents		66,802	178,468	19,253	199,664
Cash and cash equivalents at beginning of the period		334,543	28,661	381,919	7,576
Effect of exchange rate changes on cash and cash equivalents		10,684	179	10,857	68
Cash and cash equivalents at end of the period	16	412,029	207,308	412,029	207,308
Cash and cash equivalents per consolidated statement of cash flows		412,029	207,308	412,029	207,308
Cash deposits pledged		475	–	475	–
Cash and cash equivalents as per consolidated statement of financial positions		412,504	207,308	412,504	207,308

Note A

	Note	9M23	9M22	3Q23	3Q22
		1.1.2023 to 30.9.2023 RMB '000	1.1.2022 to 30.9.2022 RMB '000	1.7.2023 to 30.9.2023 RMB '000	1.7.2022 to 30.9.2022 RMB '000
		Total additions to property, plant and equipment		9,265	43,215
Add/(less): changes in unpaid portion		749	7,010	2,537	3,369
Add/(less): changes in prepayments		29,249	(26,379)	12,433	(3,661)
Purchase of plant, property and equipment per consolidated statement of cash flows		39,263	23,846	20,512	9,721



CONDENSED INTERIM 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 attributable to owners of the Company RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance as at 1.1.2023		250,660	679,499	18,579	128,801	97,097	1,114,636	–	1,174,636
Total comprehensive income for the period									
Profit for the period		–	33,557	–	–	–	33,557	(2)	33,555
<i>Other comprehensive income</i>									
Currency translation differences arising on consolidation		–	–	10,082	–	–	10,082	–	10,082
<i>Total comprehensive income for the period</i>		–	33,557	10,082	–	–	43,639	(2)	43,637
Transactions with owners, recognised directly in equity									
<i>Distributions to owners</i>									
Dividend paid	9	–	(150,000)	–	–	–	(150,000)	–	(150,000)
<i>Total distributions to owners</i>		–	(150,000)	–	–	–	(150,000)	–	(150,000)
Transfer to statutory reserves fund		–	(2,602)	–	2,602	–	–	–	–
Balance as at 30.9.2023		250,660	560,454	28,661	131,403	97,097	1,068,275	(2)	1,168,273



CONDENSED INTERIM 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		-	33,444	-	-	-	33,444
<i>Other comprehensive income</i>							
Currency translation differences arising on consolidation		-	-	2,262	-	-	2,262
<i>Total comprehensive income for the period</i>		-	33,444	2,262	-	-	35,706
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		-	(4,194)	-	4,194	-	-
Balance as at 30.9.2022		250,660	688,405	12,484	128,759	97,097	1,177,405



CONDENSED INTERIM 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		-	154,407	-	154,407
<i>Other comprehensive income</i>					
Currency translation differences arising from translation into the presentation currency		-	-	37,054	37,054
<i>Total comprehensive income for the period</i>		-	154,407	37,054	191,461
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 30.9.2023		250,660	536,235	75,563	862,458
Balance as at 1.1.2022		250,660	538,361	(31,315)	757,706
Total comprehensive loss for the period					
Profit for the period		-	55,353	-	55,353
<i>Other comprehensive income</i>					
Currency translation differences arising from translation into the presentation currency		-	-	40,465	40,465
<i>Total comprehensive income for the period</i>		-	55,353	40,465	95,818
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 30.9.2022		250,660	543,714	9,150	803,524



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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 nine months ended 30 September 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	
			30 September 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	-
<i>Held by World Precise Machinery (China) Co., Ltd.</i>				
Jiangsu World Tourism Investment Management Co., Ltd.	Hotel investment and management services.	PRC	100	100



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1. Corporate information (cont'd)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Ownership interest held	
			30 June 2023	31 December 2022
			%	%
<i>Held by World Precise Machinery (China) Co., Ltd.</i>				
World Precise Machinery (Thailand) Co., Ltd.	Manufacture and supply of stamping machines and metal parts	Thailand	100	–
<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 nine months ended 30 September 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.

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 9M23. 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.

(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 30 September 2023 is RMB20,225,000 (2022: RMB19,570,000) (Note 14).



2.2 Use of estimates and judgements (cont'd)

2.2.2 Key sources of estimation uncertainty (cont'd)

(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 30 September 2023 is RMB2,548,000 (2022: RMB1,726,000) (Note 15).

(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.

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 30 September 2023 was RMB688,934,000 (2022:RMB 728,110,000), RMB155,796,000 (2022: RMB2,825,000) and RMB29,029,000 (2022: RMB35,141,000) respectively.



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(Incorporated in Singapore)
(Co. Regn. No: 200409453N)

2.2 Use of estimates and judgements (cont'd)

2.2.2 Key sources of estimation uncertainty (cont'd)

(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 30 September 2023 was RMB688,934,000 (2022: RMB728,110,000).

(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 30 September 2023 was RMB405,520,000 (2022: RMB 397,393,000). The allowance on the Group's inventory as at 30 September 2023 is RMB16,183,000 (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 30 September 2023 was RMB362,000 (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 selling 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.

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.

	1.1.2023 to 30.9.2023 RMB'000	1.1.2022 to 30.9.2022 RMB'000	Group 1.7.2023 to 30.9.2023 RMB'000	1.7.2022 to 30.9.2022 RMB'000
Conventional stamping machines	16,546	26,036	4,128	8,819
High performance and high tonnage stamping machines	705,508	750,108	214,077	254,740
Metal parts	67,048	66,543	13,246	20,528
	<u>789,102</u>	<u>842,687</u>	<u>231,451</u>	<u>284,087</u>

5. Other income

	1.1.2023 to 30.9.2023 RMB'000	1.1.2022 to 30.9.2022 RMB'000	Group 1.7.2023 to 30.9.2023 RMB'000	1.7.2022 to 30.9.2022 RMB'000
Sales of raw and scrap materials	4,901	5,913	1,459	2,575
Cost of raw and scrap materials sold	(4,060)	(5,353)	(1,302)	(2,160)
Gain from disposals of raw and scrap materials	841	560	157	415
Negative goodwill	8,281	–	–	–
Gain on disposal of property, plant and equipment	–	60	–	–
Government grants and subsidies	9,836	10,556	4,541	3,489
Processing income	1,125	1,715	323	447
Rental income, net	351	742	117	163
Gain on stock count	–	456	–	–
Others	290	159	198	1
	<u>20,724</u>	<u>14,248</u>	<u>5,336</u>	<u>4,515</u>



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 cash consideration of RMB148,810,200,000.

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 at the date of acquisition

	Group 1.1.2023 to 30.6.2023 RMB'000
Property, plant and equipment	34,169
Land use rights	122,957
Cash and cash equivalents	23
Other payables	(58)
Net identifiable assets at fair value	<u>157,091</u>
Negative goodwill	<u>(8,281)</u>
Total purchase consideration	<u>148,810</u>

Effects of the acquisition of a new subsidiary on cash flows

	Group 1.1.2023 to 30.6.2023 RMB'000
Total purchase consideration	148,810
Consideration payable in cash	<u>(1,347)</u>
Consideration paid in cash	147,463
Less: Cash and cash equivalents of a new subsidiary acquired	<u>(23)</u>
Net cash outflow on acquisition of a new subsidiary	<u>147,440</u>

The negative goodwill arise from acquisition of a new subsidiary was recognised in “other income” in the condensed interim consolidated statement comprehensive income.

Impact of acquisitions on the results of the Group

From the date of acquisition, Wanning Yinhu Hot Spring Holiday Hotel Co., Ltd. has contributed RMB nil and (RMB102,000) to the revenue and profit net of tax of the Group respectively. If the combination has taken place at the beginning of the financial year, the Group’s revenue and profits net of tax would have been lower by approximately RMB nil and (RMB 2,371,269) respectively.



6. Other expenses

	Group			
	1.1.2023 to 30.9.2023 RMB'000	1.1.2022 to 30.9.2022 RMB'000	1.7.2023 to 30.9.2023 RMB'000	1.7.2022 to 30.9.2022 RMB'000
Bad debts written off – trade	9	–	9	–
Donation **	4,200	–	4,200	–
Fine and penalty	15	65	15	65
Government comprehensive fund	148	148	–	–
(Gain)/loss on foreign currency exchange	(800)	(4,098)	1,418	(5,548)
Property, plant and equipment written off	127	842	15	632
Others	(95)	73	(104)	73
	3,604	(2,970)	5,553	(4,778)

** As part of the Group's ESG effort, the Group has donated 2 sets of high precision medical equipment to a local hospital where the Group's main business operates, and which indirectly benefit the employees of the Group.

7. Profit before tax

	Group			
	1.1.2023 to 30.9.2023 RMB'000	1.1.2022 to 30.9.2022 RMB'000	1.7.2023 to 30.9.2023 RMB'000	1.7.2022 to 30.9.2022 RMB'000
Income				
Interest income	(10,852)	(12,475)	(2,875)	(3,069)
Expenses				
Amortisation of intangible assets	6,112	5,786	2,038	2,037
Depreciation of investment properties	4,584	205	4,447	68
Depreciation of property, plant and equipment	48,314	44,572	14,099	14,336
Net provision/(write-back) of impairment losses on trade and other receivables	1,477	173	(374)	(345)
Interest expense	2,703	1,729	1,538	340

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:

	Group			
	1.1.2023 to 30.9.2023 RMB'000	1.1.2022 to 30.9.2022 RMB'000	1.7.2023 to 30.9.2023 RMB'000	1.7.2022 to 30.9.2022 RMB'000
Related companies				
Income				
Sales to related companies	67,966	73,015	20,021	20,021
Processing services to related companies	2,289	2,545	900	900
Expenses				
Lease of premises from a related company	450	450	150	150
Processing services from related companies	4,041	3,204	3,297	3,297
Purchases of machineries and parts from related companies	625	5,968	922	922
Purchases of raw materials from related			8,934	8,934



	Group			
	1.1.2023 to 30.9.2023 RMB'000	1.1.2022 to 30.9.2022 RMB'000	1.7.2023 to 30.9.2023 RMB'000	1.7.2022 to 30.9.2022 RMB'000
Related companies				
companies	27,816	32,492		
7.1 Related party transactions (cont'd)				
	Group			
	1.1.2023 to 30.9.2023 RMB'000	1.1.2022 to 30.9.2022 RMB'000	1.7.2023 to 30.9.2023 RMB'000	1.7.2022 to 30.9.2022 RMB'000
Related companies				
<i>Expenses</i>				
Purchases of scrap materials from related companies	13,988	31,320	12,302	12,302
Affiliated companies				
<i>Income</i>				
Sales to affiliated companies	602	686	248	248
Processing services to affiliated companies	8	13	11	11
<i>Expenses</i>				
Purchases of raw materials from related companies	500	246	196	196
Purchases of scrap materials from affiliated companies	797	967	465	465

Key management personnel compensation

Key management personnel compensation is analysed as follows:

	Group			
	1.1.2023 to 30.9.2023 RMB'000	1.1.2022 to 30.9.2022 RMB'000	1.7.2023 to 30.9.2023 RMB'000	1.7.2022 to 30.9.2022 RMB'000
Directors of the Company:				
- short-term employee benefits	308	303	90	101
- defined contribution benefits	21	18	3	6
- directors' fees	966	960	312	320
	1,295	1,281	405	427
Other key management personnel:				
- short-term employee benefits	2,997	2,688	997	896
- defined contribution benefits	114	105	34	35
	3,111	2,793	1,031	931
	4,406	4,074	1,436	1,358

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:

	Group			
	1.1.2023 to 30.9.2023 RMB'000	1.1.2022 to 30.9.2022 RMB'000	1.7.2023 to 30.9.2023 RMB'000	1.7.2022 to 30.9.2022 RMB'000
<i>Income tax</i>				
- Current year	1,853	6,916	204	4,444



- Over provision in prior years	(4,332)	-	(4,332)	-
<i>Deferred tax credit</i>				
- Origination and reversal of temporary differences	(2,116)	(1,509)	(1,286)	2,330
<i>Withholding tax</i>	7,787	2,804	7,787	31
	<u>3,192</u>	<u>8,211</u>	<u>2,373</u>	<u>6,805</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 30.9.2023 RMB'000	1.1.2022 to 30.9.2022 RMB'000	1.7.2023 to 30.9.2023 RMB'000	1.7.2022 to 30.9.2022 RMB'000
<i>Paid by the Company to owners of the Company</i>				
RMB37.5 cents per qualifying ordinary share (2022: RMB12.5 cents)	<u>150,000</u>	<u>50,000</u>	<u>150,000</u>	<u>-</u>

10. Property, plant and equipment

During the nine months ended 30 September 2023, the Group acquired assets at cost amounting to RMB37.7 million (2022: RMB89.6 million) and disposed of assets at cost amounting to RMB0.3 million (2022: RMB4.2 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.

Determination of fair value less cost of disposal

In 2021, the Group engaged external independent valuer to determine the fair value less cost of disposal of the property, plant and equipment, and intangible assets. The valuer has appropriate recognised professional qualifications and recent experience in the location and category of assets being valued. In relying on the valuation reports, the Group has exercised its judgement and is satisfied that the valuation method and estimates are reflective of current market conditions. The recoverable amount of the CGU was estimated to be higher than its carrying amount, and no impairment was required in 2022. The fair value measurement was categorised as a Level 3 in the fair value hierarchy as it is derived from unobservable inputs.



10. Property, plant and equipment (cont'd)

Determination of fair value less cost of disposal (cont'd)

Details of valuation techniques and key inputs for the estimation of the recoverable amounts of CGU based on fair value less cost of disposal:

Type	Valuation technique and significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Leasehold buildings Plant and machinery Electrical fittings Tools and equipment Motor vehicles	<i>Depreciated replacement cost method:</i> Aggregated amount of gross replacement cost of the building and plant and machinery from which appropriate deductions may then be made for the age, condition, economic or functional obsolescence and environmental factors.	The estimated fair value would increase/(decrease) if: <ul style="list-style-type: none"> • replacement cost is higher/(lower); or • depreciation is lower/(higher).
Leasehold land	<i>Direct comparison method:</i> The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sales price to those reflective of the leasehold land. Price per square metre (" psm ") of comparable properties range from RMB104 to RMB2,611.	The estimated fair value would increase/(decrease) if price psm was higher/(lower).
Intangible assets	<i>Relief-from-royalty method:</i> The relief-from-royalty method considers the discounted estimated payments that are expected to be avoided as result of the intangible assets being owned.	The estimated fair value would increase/(decrease) if estimated payments that are expected to be avoided was higher/(lower).



11. Investment properties

	Group	
	30.9.2023 RMB'000	31.12.2022 RMB'000
Cost		
At beginning and end of the period	7,208	7,208
Additions	429	–
Additions from acquisition of a new subsidiary	157,126	–
	164,763	7,208
Accumulated amortisation		
At beginning of the period	4,383	4,109
Charge for the period	4,584	274
At end of the period	8,967	4,383
Net carrying value		
At end of the period	155,796	2,825
Fair value		
At end of the period	171,425	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 commercial 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: RMB2,221). A decrease in the price per square foot would result in a lower fair value.

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

12. Intangible assets

	Group	
	30.9.2023 RMB'000	31.12.2022 RMB'000
Development costs		
Cost		
At beginning of the period	106,193	102,304
Additions	–	3,889



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	6,112	7,832
At end of the period	77,164	71,052

12. Intangible assets (cont'd)

	Group	
	30.9.2023 RMB'000	31.12.2022 RMB'000
Net carrying value		
At end of the period	29,029	35,141

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. See Note 10 for the determination of recoverable amount of the property, plant and equipment and intangible assets for the CGU.

13. Inventories

	Group	
	30.9.2023 RMB'000	31.12.2022 RMB'000
Finished goods	56,356	56,583
Work-in-progress and components parts	277,197	268,546
Raw materials	71,967	72,264
	405,520	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 9M23, a write-down for slow-moving and obsolete inventories to net realisable value amounting to RMB nil (2022: RMB4,320,000) was recognised in "Cost of sales" due to slow-moving inventories and obsolete raw materials.

14. Trade receivables

	Group		Company	
	30.9.2023 RMB'000	31.12.2022 RMB'000	30.9.2023 RMB'000	31.12.2022 RMB'000
Trade receivables	154,101	140,295	-	-
Less: allowance for expected credit losses	(20,225)	(19,570)	-	-
	133,876	120,725	-	-



Bills receivables	161,081	207,832	–	–
	<u>294,957</u>	<u>328,557</u>	<u>–</u>	<u>–</u>

14. Trade receivables (cont'd)

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

	Group		Company	
	30.9.2023 RMB'000	31.12.2022 RMB'000	30.9.2023 RMB'000	31.12.2022 RMB'000
At beginning of the period	19,570	27,453	–	–
Provision for impairment losses	655	–	–	–
Reversal of allowance for impairment losses	–	(7,883)	–	–
At end of the period	<u>20,225</u>	<u>19,570</u>	<u>–</u>	<u>–</u>

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.

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14. 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.

15. Other receivables

	Group		Company	
	30.9.2023 RMB'000	31.12.2022 RMB'000	30.9.2023 RMB'000	31.12.2022 RMB'000
Amount due from employees	6,169	1,410	–	–
Less: allowance for expected credit losses	(2,142)	(1,320)	–	–
	4,027	90	–	–
Advance payments to suppliers	7,822	1,554	–	–
VAT receivables	–	428	–	–
Other prepayments	3,280	2,746	198	15
Prepayments for property, plant and equipment	53,939	24,690	–	–
Loan to a third party	–	100,000	–	–
Interest receivables	2,496	7,491	2,496	1,437
Tax recoverable	1,144	1,097	–	–
Other receivables	1,721	1,636	–	–
Less: allowance for expected credit losses	(406)	(406)	–	–
	1,315	1,230	–	–
	74,023	139,326	2,694	1,452
Non-current	53,939	24,690	–	–
Current	20,084	114,636	2,694	1,452
	74,023	139,326	2,694	1,452

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

	Group		Company	
	30.9.2023 RMB'000	31.12.2022 RMB'000	30.9.2023 RMB'000	31.12.2022 RMB'000



At beginning of the period	1,726	1,388	–	–
Provision for impairment losses	822	338	–	–
At end of the period	<u>2,548</u>	<u>1,726</u>	–	–

15. 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.

16. Cash and cash equivalents

	Group		Company	
	30.9.2023 RMB'000	31.12.2022 RMB'000	30.9.2023 RMB'000	31.12.2022 RMB'000
Cash at banks and on hand	208,062	144,828	3,667	4,149
Fixed deposit	204,442	189,715	204,442	189,715
	<u>412,504</u>	<u>334,543</u>	<u>208,109</u>	<u>193,864</u>

The Group's fixed deposit placed with a financial institution matured within 4 months (2022: 1 month) from the end of the reporting period. The interest rate is 5.18% (2022: 3.10%) per annum.

17. Trade payables

	Group		Company	
	30.9.2023 RMB'000	31.12.2022 RMB'000	30.9.2023 RMB'000	31.12.2022 RMB'000
Trade payables	550,292	573,947	–	–

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

18. Other payables

	Group		Company	
	30.9.2023 RMB'000	31.12.2022 RMB'000	30.9.2023 RMB'000	31.12.2022 RMB'000
Accrued operating expenses	120,744	117,239	249	875
VAT payables	4,362	19,801	–	–
Other taxes payable	971	1,397	–	–
Bonus payables	24,526	12,033	–	–
Payables relating to property, plant and equipment	8,474	10,034	–	–
	<u>159,077</u>	<u>160,504</u>	<u>249</u>	<u>875</u>

19. Bank borrowings

	Group		Company	
	30.9.2023	31.12.2022	30.9.2023	31.12.2022



	RMB'000	RMB'000	RMB'000	RMB'000
Amount repayable in one year or less, or on demand	150,000	–	–	–
Amount repayable in more than one year	100,000	–	–	–
	<u>250,000</u>	<u>–</u>	<u>–</u>	<u>–</u>

19. Bank borrowings (cont'd)

Amount repayable in one year

The bank borrowings consist of Loan 1 amounting to RMB96.0 million and Loan 2 amounting RMB54.0 million which are secured over 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.

Loan 1 and Loan 2 are fully repayable on 27 June 2024 and 29 June 2024 respectively, and the interest rate payable for the Loans are fixed at 40 basis points above the prevailing 1-year inter-bank lending rate.

Amount repayable in more than one year

The bank borrowings amounting to RMB100.0 million which are secured over 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.

The loan will be repayable on 21 September 2025 and the interest rate payable for the loan is fixed at 20 basis points above the prevailing 1-year inter-bank lending rate.

20. Share capital

	Group and Company			
	30.9.2023 No. of shares '000	30.9.2023 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.

21. 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	
		30.9.2023 RMB'000	31.12.2022 RMB'000	30.9.2023 RMB'000	31.12.2022 RMB'000
<i>Financial assets at amortised cost</i>					
Trade receivables	14	133,876	120,725	–	–



	Note	Group		Company	
		30.9.2023 RMB'000	31.12.2022 RMB'000	30.9.2023 RMB'000	31.12.2022 RMB'000
Other receivables*	15	7,838	108,811	–	1,437
Due from related parties (trade)		105,842	85,742	–	–
Due from affiliated company (trade)		189	56	–	–
Due from subsidiaries (non-trade)		–	–	338	352
Cash and cash equivalents	16	412,504	334,543	200,827	193,864
		<u>660,249</u>	<u>649,877</u>	<u>201,165</u>	<u>195,653</u>

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

	Note	Group		Company	
		30.9.2023 RMB'000	31.12.2022 RMB'000	30.9.2023 RMB'000	31.12.2022 RMB'000
<i>Financial asset measured at FVOCI</i>					
Bills receivables		<u>161,081</u>	<u>207,832</u>	–	–
<i>Financial liabilities at amortised cost</i>					
Trade payables	17	550,292	573,947	–	–
Other payables #	18	153,744	139,306	249	875
Due to related parties (trade)		14,038	21,240	–	–
Due to affiliated company (trade)		2,074	2,302	–	–
Due to subsidiaries (non-trade)		–	–	624	249
Due to related parties (non-trade)		1,413	1,554	–	–
Bank borrowings	19	250,000	–	–	–
Leases liabilities		16,542	16,965	–	–
		<u>988,103</u>	<u>755,314</u>	<u>873</u>	<u>1,124</u>

* 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	-	161,081	-
21. Accounting classifications and fair values (cont'd)	-	161,081	-

	<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>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.



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 nine months ended 30 September 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 30 September 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 30.9.2023	1.1.2022 to 30.9.2022	1.7.2023 to 30.9.2023	1.7.2022 to 30.9.2022
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(a) Based on weighted average number of ordinary share on issue (RMB); and	0.08	0.08	(0.00)	0.04
(b) On a fully diluted basis (RMB)	0.08	0.08	(0.00)	0.04
Weighted average number of shares	400,000,000	400,000,000	400,000,000	400,000,000

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30.9.2023	31.12.2022	30.9.2023	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:	2.67	2.94	2.16	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 30 September 2023 (“3Q23”), the Group’s turnover decreased by 18.5% to RMB231.5 million from RM284.1 million for the 3 months ended 30 September 2022 (“3Q22”).

In terms of sales performance for 3Q23, sales of conventional stamping machines decreased by 53.2% while sales of high performance and high tonnage stamping machines decreased by 16.0% compared to 3Q22 respectively.

For the 9 months ended 30 September 2023 (“9M23”), the Group’s turnover decreased by 5.2% to RMB789.1 million from RMB842.7 million for the 9 months ended 30 September 2022 (“9M22”).



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

In terms of sales performance for 9M23, sales of conventional stamping machines decreased by 36.4% while sales of high performance and high tonnage stamping machines decreased by 5.9% compared to 9M22 respectively.

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

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

(ii) Gross Profit

The Group's gross profit for 3Q23 decreased by 11.5% to RMB47.8 million from RMB54.0 million in 3Q22. The gross profit margin decreased by 0.6% to 20.7% in 3Q23 from 21.3% in 3Q22.

In terms of gross profit margin for 3Q23, gross profit margin for conventional stamping machines increased by 11.2% to 18.1% from 6.9% in 3Q22 while gross profit margin for high performance and high tonnage stamping machines increased by 2.5% to 20.2% from 17.7% in 3Q22.

The Group's gross profit for 9M23 increased by 1.4% to RMB145.5 million from RMB143.4 million in 9M22. The gross profit margin for 9M23 increased by 1.4% to 18.4% from 17.0% in 9M22.

In terms of gross profit margin for 9M23, gross profit margin for conventional stamping machines increased by 5.8% to 21.0% from 15.2% in 9M22 while gross profit margin for high performance and high tonnage stamping machines increased by 1.4% to 18.5% from 17.1% in 9M22.

Overall, the increase in the Group's gross profit margin for 9M23 was mainly due a decrease in raw materials costs and overall manufacturing costs which were partially offset by a decrease in production of conventional stamping machines and high performance and high tonnage stamping machines and a downward revision in the average selling prices of the stamping machines.

(iii) Other Income

In 3Q23, other income increased by 18.2% to RMB5.3 million from RMB4.5 million in 3Q22.

In 9M23, other income increased by 45.5% to RMB20.7 million from RMB14.2 million in 9M22.

Overall, the increase was mainly due a negative goodwill arising from an acquisition of a new subsidiary which was recognised as other income and partially offset by a decrease in government grants and subsidies received, processing income and rental income.

(iv) Distribution and Selling Expenses

In 3Q23, distribution and selling expenses decreased by 3.3% to RMB22.9 million from RMB23.7 million in 3Q22.



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

In 9M23, distribution and selling expenses decreased by 4.2% to RMB61.4 million from RMB64.1 million in 9M22, in tandem with the decrease in revenue. As a percentage of total revenue, distribution and selling expenses increased by 0.2% to 7.8% in 9M23 from 7.6% in 9M22.

Overall, the decrease was mainly due to a decrease in sales commission payable to sales personnel and rebates to sale agents which were partially offset by an increase in travelling expenses and repairs and maintenance costs.

(v) Administrative Expenses

In 3Q23, administrative expenses increased by 30.5% to RMB25.6 million from RMB19.6 million in 3Q22.

In 9M23, administrative expenses increased by 9.2% to RMB70.9 million from RMB64.9 million in 9M22. As a percentage of total revenue, administrative expenses increased by 1.3% to 9.0% in 9M23 from 7.7% in 9M22.

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 3Q23, depreciation and amortisation expenses increased by 25.2% to RMB20.6 million from RMB16.4 million in 3Q22.

In 9M23, depreciation and amortisation expenses increased by 16.7% to RMB59.0 million from RMB50.6 million in 9M22.

The increase was mainly due to additional depreciation and amortisation of new property, plant and equipment and intangible assets acquired, which was partially offset by certain property, plant and equipment and intangible assets being fully depreciated and amortised during the period.

(vii) Other (Expenses)/Gains

In 3Q23, there was other expenses of RMB5.6 million whereas in 3Q22 there was other gain of RMB4.8 million.

In 9M23, there was other expenses of RMB3.6 million whereas in 9M2022 there was other gain of RMB3.0 million in 9M22.

This was mainly due to in 9M23, there was a donation to hospital of RMB4.2 million. whereas in 9M22 there was a foreign exchange gain of RMB4.1 million.

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

In 3Q23, net write-back of impairment losses on trade and other receivables increased by 8.4% to RMB0.4 million from RMB0.3 million in 3Q22.



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(Incorporated in Singapore)
(Co. Regn. No: 200409453N)

In 9M23, net provision of impairment losses on trade and other receivables increased by 753.8% to RMB1.5 million from RMB0.1 million in 9M22.

(ix) Net Financial Income/(Costs)

In 3Q23, the Group's finance income recorded a decrease by 6.3% to RMB2.9 million from RMB3.1 million in 3Q22.

In 9M23, the Group's finance income recorded a decrease by 13.0% to RMB10.9 million from RMB12.5 million in 9M22.

(ix) Net Financial Income/(Costs) (cont'd)

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.

In 3Q23, the Group's finance costs recorded an increase by 170.6% to RMB1.4 million from RMB0.5 million in 3Q22.

In 9M23, the Group's finance costs recorded an increase by 28.8% to RMB2.9 million from RMB2.3 million in 9M22.

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 interest income earned from structured deposits and/or fixed deposit placed with financial institution which were partially offset by interest paid for bank loans and early redemption of bills receivables.

(ix) Profit Before Tax

In 3Q23, the Group's profit before tax ("**PBT**") decreased by 96.0% to RMB0.9 million from RMB22.9 million in 3Q22.

In 9M23, the Group's PBT decreased by 11.8% to RMB36.7 million from RMB41.7 million in 9M22.

(x) Tax Expense

In 3Q23, the Group's tax expense decreased by 65.1% to RMB2.4 million from RMB6.8 million in 3Q22.

In 9M23, the Group's tax expense decreased by 61.1% to RMB3.2 million from RMB8.2 million in 9M22.

The decrease was mainly due to a decrease in deferred tax liabilities and over provision of income tax in prior years which were partially offset by an increase in withholding tax.

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



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

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 subject to tax at the statutory tax rate of 17%.

(xi) Net Profit After Tax

In 3Q23, the Group's recorded a net loss after tax of RMB1.5 million whereas in 3Q22, the Group's recorded a net profit after tax ("NPAT") of RMB16.1 million.

In 9M23, the Group's NPAT increased by 0.3% to RMB33.6 million from RMB33.4 million in 9M22. Net profit margin increased by 0.3% to 4.3% from 4.0% in 9M22.

(B) Consolidated Statement of Financial Position (30 September 2023 vs 31 December 2022)

For the period under review, the Group's non-current assets increased by approximately RMB136.9 million mainly due to assets from acquisition of a new subsidiary and prepayment for Thailand land. The increase was partially offset by depreciation and amortisation expenses net of purchases of property, plant and equipment.

For the period under review, the Group's non-current liabilities increased by RMB96.9 million due to an increase in bank borrowings which were partially offset by a decrease in deferred tax liabilities, revenue recognition of deferred income from government grants and payment of lease liabilities.

The Group's total current assets decreased by approximately RMB21.8 million from RMB1,260.9 million as at 31 December 2022 to RMB1,239.1 million as at 30 September 2023. This was attributable to a decrease in trade receivables (mainly due to decrease in bill receivables) and other receivables (which was mainly due to repayment of loan to a third party and interest receivables which were partially offset by an increase in prepayment for raw materials and advances to sales staff), which were partially offset by an increase in inventories, amounts due from related parties (trade) and cash and cash equivalents (as explained in the consolidated statement of cash flows).

The Group's total current liabilities increased by approximately RMB124.5 million from RMB854.3 million as at 31 December 2022 to RMB978.8 million as at 30 September 2023. This was attributable to an increase in contract liabilities (mainly due to an increase in advances received from customers) and bank borrowings (for working capital purposes) which were partially offset by a decrease in trade payables, other payables (mainly due to a decrease in VAT payables and payables relating to property, plant and equipment which were partially offset by an increase in accrued operating expenses and bonus payables) and amounts due to related parties (trade and non-trade).

The Group was in a net current assets position as at 30 September 2023 of RMB260.3 million.



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(Incorporated in Singapore)
(Co. Regn. No: 200409453N)

(C) Consolidated Statement of Cash Flows

For the 3 months ended 30 September 2023, the Group recorded a net cash increase of approximately RMB19.3 million. This was mainly due to: -

- a) the net cash inflow arising from operating activities which amounted to RMB1.4 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.

(D) Consolidated Statement of Cash Flows (cont'd)

- b) the net cash inflow arising from investing activities which amounted to RMB70.1 million mainly due to the repayment from loan to a third party which were partially offset by the purchases of property, plant and equipment and additions of investment properties and effect of foreign currency re-alignment on investing activities.
- c) the net cash outflow arising from financing activities which amounted to RMB52.2 million mainly due to payment for lease liabilities, bank deposit pledge, dividend paid and interest paid which were partially offset by the proceed from bank loans.

For the 9 months ended 30 September 2023, the Group recorded a net cash increase of approximately RMB66.8 million. This was mainly due to: -

- a) the net cash inflow arising from operating activities which amounted to RMB58.1 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 RM87.7 million mainly due to the purchases of property, plant and equipment, additions of investment properties, acquisition of a new subsidiary and effect of foreign currency re-alignment on investing activities which were partially offset by the repayment from loan to a third party.
- b) the net cash inflow arising from financing activities which amounted to RMB96.4 million mainly due to proceed from bank loans which were partially offset by the payment of lease liabilities, bank deposit pledge, dividend paid and interest paid.

Cash and cash equivalents as at 30 September 2023 stood at RMB412.5 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 9M23 Financial Results announcement is in line with the statement made in Paragraph 10 disclosed in the 1H23 Financial Results announcement dated 11 August 2023 i.e., “Barring any unforeseen circumstances, the Group is optimistic to remain profitable in FY2023”.

For 3Q23, the Group recorded a loss of RMB1.45 million. This is a result of two extraordinary items, being (i) withholding tax paid amounting to RMB7.787 million for special dividends declared in 3Q23 and (ii) a one-off donation amounting to RMB4.2 million of 2 sets of high precision machinery to a local hospital where the Group’s main business operates, and which



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(Incorporated in Singapore)
(Co. Regn. No: 200409453N)

indirectly benefit the employees of the Group. There are otherwise no material changes to the business, operations and outlook of the Group.

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.

With the current complex domestic and global economic situation especially with the continuously Russia-Ukraine war, Israel-Hamas war, increased external uncertainties and the downward pressure on the China domestic economy, the business environment is expected to be challenging.

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

Nonetheless, barring any unforeseen circumstances, the Group is optimistic to remain profitable in FY2023.

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. (cont'd)

The Group's order book stood at RMB401.1 million as at 8 November 2023.

11. Dividend

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

No interim dividend was declared or recommended.

(b) (i) Amount per share

Not applicable.

(ii) Previous corresponding period

No interim 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.



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(Incorporated in Singapore)
(Co. Regn. No: 200409453N)

- (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 dividend has been declared /recommended for the current financial period reported on as dividend, if any, will be declared at the full year results announcement.

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 9M23 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)
<u>Jiangsu World Machinery and Electronics Group Co., Ltd.</u> Processing fees received and sale of raw materials and parts.	Associate of the Controlling Shareholder	N/A	328
<u>Jiangsu World Plant-Protecting Machinery Co., Ltd.</u> Processing fees received and sale of raw materials, parts and machineries.	Associate of the Controlling Shareholder	N/A	727



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

Purchase of raw materials.			67
<u>Jiangsu World Agriculture Machinery Co., Ltd.</u> Processing fees received and sale of raw materials, parts and machineries. Processing fees paid and purchase of scrap materials and equipment.	Associate of the Controlling Shareholder	N/A	28,916 1,344
<u>Jiangsu World Agriculture Machinery & Parts Manufacturing Co., Ltd.</u> Processing fees received and sale of raw materials and parts. Purchase fees paid and purchase of raw materials and scrap materials.	Associate of the Controlling Shareholder	N/A	4,894 4,111
<u>World Agriculture (Shenyang) Co., Ltd.</u> Processing fees received and sales of raw materials, scrap materials and parts. Purchase of raw materials and parts.	Associate of the Controlling Shareholder	N/A	2,312 212
<u>World Heavy Industry (China) Co., Ltd.</u> Processing fee received and sale of raw materials and parts. Processing fees paid and purchase of raw materials, scrap materials and equipment.	Associate of the Controlling Shareholder	N/A	1,798 27,670
<u>Jiangsu World Crane Co., Ltd.</u> Processing fees paid and	Associate of the Controlling Shareholder	N/A	202



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

purchase of equipment.			
<u>Jiangsu World Precise Machinery Co., Ltd.</u> Land rental paid.	Associate of the Controlling Shareholder	N/A	450
<u>Jiangsu World Furniture Co., Ltd.</u> Sale of raw materials and machineries.	Associate of the Controlling Shareholder	N/A	588
<u>Jiangsu World High End Agriculture Equipment Co., Ltd.</u> Processing fees received and sale of raw materials, parts and machineries. Purchase of scrap materials.	Associate of the Controlling Shareholder	N/A	31,205 6,846
<u>Danyang World Machinery Parts Manufacturing Co., Ltd.</u> Processing fees received and sale of raw materials and parts. Purchase of raw materials and scrap materials.	Associate of the Controlling Shareholder	22 1,291	N/A
<u>World High Precision Complete Equipment Co., Ltd.</u> Sale of raw materials and parts. Purchase of raw materials.	Associate of the Controlling Shareholder	74 6,018	N/A
<u>Jiangsu Zhenji Machinery Manufacturing Co., Ltd.</u> Purchase of raw materials.	Associate of the Controlling Shareholder	7	N/A
Total		7,412	111,670

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**



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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.

15. Statement Pursuant to Rule 705(5) of the Listing Manual

The Directors confirm that, to the best of their knowledge and belief, nothing has come to the attention of the Board of Directors which may render the unaudited nine months and third quarter results of the Group for the financial period ended 30 September 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Shao JianJun
Executive Chairman

Wang Weiyao
Non-Executive and Non-Independent Director

BY ORDER OF THE BOARD

Shao Jianjun
Executive Chairman
10 November 2023