

## **Unaudited Condensed Interim Financial Statements for the three months ended 31 March 2025**

Table of Contents	Page
Condensed interim consolidated statement comprehensive income	1
Condensed interim statements of financial position	3
Condensed interim consolidated statement of cash flows	6
Condensed interim statements of changes in equity	8
Notes to the condensed interim consolidated financial statements	11
Other information required by Listing Rule Appendix 7.2	28



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

**CONDENSED INTERIM CONSOLIDATED STATEMENT COMPREHENSIVE INCOME**

	Note	Group		
		1.1.2025 to 31.3.2025	1.1.2024 to 31.3.2024	Change
		RMB '000	RMB '000	%
Revenue	4	183,487	185,174	(0.9%)
Cost of sales		(149,325)	(158,037)	(5.5%)
Gross profit		34,162	27,137	25.9%
Gross profit margin (%)		18.6%	14.7%	3.9%
Other income	5	4,211	6,993	(39.8%)
Distribution costs		(10,621)	(15,821)	(32.9%)
Administrative expenses		(23,510)	(24,998)	(6.0%)
Other (expenses)/gain	6	(2,054)	6,273	N.M.
Net impairment losses on trade and other receivables	7	(146)	(1,807)	(91.9%)
Results from operating activities		2,042	(2,223)	N.M.
Finance income		1,872	3,364	(44.4%)
Financial costs		(2,685)	(2,584)	3.9%
Net finance (costs)/income		(813)	780	N.M.
Profit/(loss) before tax	7	1,229	(1,443)	N.M.
Income tax (expense)/credit	8	(280)	836	N.M.
Profit/(loss) for the period		949	(607)	N.M.
Net profit/(loss) margin (%)		0.5%	(0.3%)	N.M.
Profit/(loss) attributable to:				
Equity holders of the Company		949	(607)	N.M.
Earnings per share (cents)				
- Basic		0.0024	(0.0016)	
- Diluted		0.0024	(0.0016)	

N.M. denotes Not Meaningful



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**CONDENSED INTERIM CONSOLIDATED STATEMENT COMPREHENSIVE INCOME (CONT'D)**

	Note	Group		
		1.1.2025 to 31.3.2025	1.1.2024 to 31.3.2024	Change
		RMB '000	RMB '000	%
Profit/(loss) for the period		949	(607)	N.M.
<i>Other comprehensive income/(loss)</i>				
Items that are or may be reclassified subsequently to profit and loss:				
Foreign currency translation differences – foreign operations		1,352	(6,216)	N.M.
Total comprehensive income/(loss) for the period		2,301	(6,823)	N.M.
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company		2,301	(6,823)	N.M.



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## **CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

		Group		Company	
	Note	31.3.2025	31.12.2024	31.3.2025	31.12.2024
		RMB '000	RMB '000	RMB '000	RMB '000
Non-current assets					
Property, plant and equipment	10	704,801	674,609	2,997	3,051
Investment in subsidiaries		—	—	664,982	658,976
Investment properties	11	287,589	141,623	—	—
Goodwill	12	21,413	21,413	—	—
Intangible assets	13	18,645	19,303	—	—
Deferred tax assets		2,462	2,497	—	—
Other receivables	16	10,253	42,944	—	—
Total non-current assets		1,045,163	902,389	667,979	662,027
Current assets					
Inventories	14	299,403	332,217	—	—
Trade receivables	15	236,196	257,769	—	—
Other receivables	16	14,288	60,655	69	—
Due from related parties (trade)		156,692	172,331	—	—
Due from affiliated company (trade)		—	124	—	—
Due from subsidiaries (non-trade)		—	—	692	686
Due from related parties (non-trade)		75	—	—	—
Cash and cash equivalents	17	212,538	264,926	153,044	153,889
Total current assets		919,192	1,088,022	153,805	154,575
Total assets		1,964,355	1,990,411	821,784	816,602
Non-current liabilities					
Deferred tax liabilities		29,032	29,752	—	—
Deferred income from government Grants		—	12	—	—
Bank borrowings		—	—	—	—
Lease liabilities		14,707	14,946	—	—
		43,739	44,710	—	—
Current liabilities					
Contract liabilities		68,081	78,552	—	—
Trade payables	18	455,471	492,944	—	—
Other payables	19	228,478	191,012	3,049	3,132
Due to related parties (trade)		8,273	19,748	—	—
Due to affiliated company (trade)		2,829	3,087	—	—
Due to related parties (non-trade)		1,369	1,842	—	—
Due to a subsidiary (non-trade)		—	—	98,686	97,794
Lease liabilities		1,452	1,448	—	—
Deferred income from government grants		244	309	—	—
Bank borrowings		235,000	240,000	—	—
Income tax payables		7,311	6,952	—	—
Total current liabilities		1,008,508	1,035,894	101,735	100,926
Total liabilities		1,052,247	1,080,604	101,735	100,926



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**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (CONT'D)**

	Note	Group		Company	
		31.3.2025	31.12.2024	31.3.2025	31.12.2024
		RMB '000	RMB '000	RMB '000	RMB '000
<b>Net current (liabilities)/assets *</b>		(89,316)	52,128	52,070	53,649
<b>Net assets</b>		912,108	909,807	720,049	715,676
<b>Equity attributable to the equity holders of the Company</b>					
Share capital	20	250,660	250,660	250,660	250,660
Retained earnings		392,089	391,235	388,110	390,256
Currency translation reserve		40,103	38,751	81,279	74,760
Statutory reserves		132,159	132,064	—	—
Capital reserve		97,097	97,097	—	—
<b>Total equity</b>		912,108	909,807	720,049	715,676

\*Despite the Group reported a net current liabilities position of RMB 89.3 million as at 31 March 2025, there are no material uncertainties relating to the Group's ability to continue as a going concern, based on the following considerations:

- 1) The Group maintenance cash and cash equivalents of RMB 212.5 million, which are sufficient to meet its short-term working capital requirements;
- 2) The Group's core operations continued to generate positive operating cash flows of RMB 39.0 million, providing internal funding for working capital needs; and
- 3) After adjusting for the exclusion of short-term bank borrowings, the Group's operating current ratio stood at 1.19 times. This demonstrate that the Group's operational assets are sufficient to cover operational liabilities without reliance on refinance, highlighted the Group's underlying liquidity strength.

The Group is confident of continued support from its financing banks to refinance the short-term bank borrowings when due.

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

As at 31 March 2025 and 31 December 2024, the Group has borrowings and debt securities as follow:  
-

	As at 31 March 2025		As at 31 December 2024	
	Secured	Unsecured	Secured	Unsecured
	RMB '000	RMB '000	RMB '000	RMB '000
<b>Non-current liabilities</b>				
Bank borrowings	—	—	—	—
<b>Current liabilities</b>				
Bank borrowings	235,000	—	240,000	—



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#### **Details of any collateral**

As at 31 March 2025, 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 Executive Chairman 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 Executive Chairman of the Company.
- 3) RMB85.0 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 Executive Chairman of the Company.



**CONDENSED INTERIM CONSOLIDATION STATEMENT OF CASH FLOWS**

	Note	Group	
		1Q25	1Q24
		1.1.2025 to 31.3.2025 RMB '000	1.1.2024 to 31.3.2024 RMB '000
<b>Cash flow from operating activities</b>			
Profit/(loss) before tax		1,229	(1,443)
Adjustments for:			
Amortisation of intangible assets	12	658	2,038
Depreciation for investment properties	11	3,741	2,963
Depreciation of property, plant and equipment	7	15,207	15,284
Interest expense	7	2,674	2,656
Interest income	7	(1,872)	(3,364)
Net impairment losses on trade and other receivables	7	146	1,807
Property, plant and equipment written off	6	—	541
Operating cash flow before working capital changes		21,783	20,482
Inventories		32,816	(31,524)
Trade and other receivables		83,481	32,319
Trade and other payables		(89,078)	(61,025)
Contract liabilities		(10,470)	15,401
Cash generated from/(used in) operations		38,532	(24,347)
Interest received		1,872	3,364
Income taxes and withholding tax paid		(608)	(1,043)
<b>Net cash from/(used in) operating activities</b>		39,796	(22,026)
<b>Cash flow from investing activities</b>			
Purchases of property, plant and equipment	Note A	(11,668)	(9,727)
Acquisition of investment properties	5.1	(72,580)	—
Effect of foreign currency re-alignment on investing activities		1,498	(10,531)
<b>Net cash used in investing activities</b>		(82,750)	(20,258)
<b>Cash flow from financing activities</b>			
Repayment of bank borrowings		(5,000)	(5,000)
Payment of lease liabilities		(431)	(348)
Interest paid		(2,478)	(2,459)
<b>Net cash used in financing activities</b>		(7,909)	(7,807)
Net decrease in cash and cash equivalents		(50,863)	(50,091)
Cash and cash equivalents at beginning of the period		264,926	431,074
Effect of exchange rate changes on cash and cash equivalents		(1,525)	4,315
<b>Cash and cash equivalents at end of the period</b>	17	212,538	385,298
Cash and cash equivalents per consolidated statement of cash flows		212,538	385,298
Cash deposits pledged		—	475
<b>Cash and cash equivalents as per consolidated statement of financial positions</b>		212,538	385,773



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

**Note A**

Note	Group	
	1Q25	1Q24
	1.1.2025 to 31.3.2025 RMB '000	1.1.2024 to 31.3.2024 RMB '000
Total additions to property, plant and equipment	45,371	12,140
Less: changes in unpaid portion	(1,012)	(1,455)
Less: changes in prepayments	(32,691)	(958)
Purchase of plant, property and equipment per consolidated statement of cash flows	11,668	9,727





## **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
<b>Balance as at 1.1.2025</b>		250,660	391,235	38,751	132,064	97,097	909,807
Total comprehensive loss for the period							
Profit for the period		-	949	-	-	-	949
<i>Other comprehensive income</i>							
Currency translation differences arising on consolidation		-	-	1,352	-	-	1,352
<i>Total comprehensive income for the period</i>		-	949	1,352	-	-	2,301
Transfer to statutory reserves Fund		-	(95)	-	95	-	-
<b>Balance as at 31.3.2025</b>		250,660	392,089	40,103	132,159	97,097	912,108
<b>Balance as at 1.1.2024</b>		250,660	533,416	33,978	130,902	97,097	1,046,053
Total comprehensive income for the period							
Loss for the period		-	(607)	-	-	-	(607)
<i>Other comprehensive loss</i>							
Currency translation differences arising on consolidation		-	-	(6,216)	-	-	(6,216)
<i>Total comprehensive loss for the period</i>		-	(607)	(6,216)	-	-	(6,823)
Transfer to statutory reserves Fund		-	(128)	-	128	-	-
<b>Balance as at 31.3.2024</b>		250,660	532,681	27,762	131,030	97,097	1,039,230



**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
<b>Balance as at 1.1.2025</b>		250,660	390,256	74,760	715,676
Total comprehensive loss for the period					
Loss for the period		—	(2,146)	—	(2,146)
<i>Other comprehensive Income</i>					
Currency translation differences arising from translation into the presentation currency		—	—	6,519	6,519
<i>Total comprehensive income for the period</i>		—	(2,146)	6,519	4,373
<b>Balance as at 31.3.2025</b>		250,660	388,110	81,279	720,049
<b>Balance as at 1.1.2024</b>		250,660	531,709	78,623	860,992
Total comprehensive income for the period					
Profit for the period		—	4,525	—	4,525
<i>Other comprehensive loss</i>					
Currency translation differences arising from translation into the presentation currency		—	—	(6,043)	(6,043)
<i>Total comprehensive loss for the period</i>		—	4,525	(6,043)	(1,518)
<b>Balance as at 31.3.2024</b>		250,660	536,234	72,580	859,474

**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 the People's Republic of China ("PRC") 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.



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#### **Statutory Reserves (cont'd)**

In accordance with the Foreign Enterprise Law applicable to subsidiaries in the PRC, 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 3 months ended 31 March 2025 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 follows: -

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Ownership interest held	
			31 March 2025 %	31 December 2024 %
Held by the Company				
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	100
World Precise Machinery (Thailand) Co., Ltd.	Manufacture and supply of stamping machines and metal parts	Thailand	5	5



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## 1. Corporate information (cont'd)

Name of subsidiaries	Principal activities	Country of incorporation and place of business	Ownership interest held	
			31 March 2025	31 December 2024
			%	%
<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
World Precise Machinery (Thailand) Co., Ltd.	Manufacture and supply of stamping machines and metal parts	Thailand	90	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	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	100
Hainan Xingmei Spring Hotel Co., Ltd.	Hotel operator and management services.	PRC	100	–

## 2. Basis of preparation

The condensed interim financial statements for the three months ended 31 March 2025 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 2024.



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## **2. Basis of preparation (cont'd)**

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 2025, 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 1Q25. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards

### **2.2 Critical accounting judgements and key sources of estimation uncertainty**

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.



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## **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 due from third parties**

The Group uses an allowance matrix to measure ECL for trade receivables due from third parties. 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 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 March 2025 is RMB 29,422,000 (2024: RMB 29,276,000) (Note 15).

#### **(ii) Measurement of ECL of other receivables**

The Group and Company applies an individual assessment approach to estimate ECL on other receivables. Loss allowances for amounts due from employees and amount due from related parties are measured either at an amount equal to lifetime ECL or 12-month ECL, determined on an individual basis, depending on whether there is significant increase in credit risk of the individual receivables, considering also the Group's historical credit loss experience. This assessment is adjusted for specific factors such as counterparty risk and an evaluation of both current and forecasted general economic conditions at the reporting date. The ECL allowance on the Group's other receivables as at 31 March 2025 is RMB 2,289,000 (2024: RMB 2,289,000) (Note 16). The ECL allowance on the Company's amount due from related parties as at 31 March 2025 is RMB Nil (2024: RMB Nil) as at 31 March 2025.

#### **(iii) Valuation of property, plant and equipment, investment properties 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 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.



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## **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 properties 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 be 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 March 2025 was RMB 704,801,000 (2024: RMB 674,609,000), RMB 287,589,000 (2024: RMB 141,623,000) and RMB 18,645,000 (2024: RMB 19,303,000) 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 March 2025 was RMB 704,801,000 (2024: RMB 674,609,000).

- (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 31 March 2025 was RMB 299,403,000 (2024: RMB 332,217,000). The allowance on the Group's inventory as at 31 March 2025 is RMB 16,720,000 (2024: RMB 16,720,000).





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**(Co. Regn. No: 200409453N)**

## **2.2 Use of estimates and judgements (cont'd)**

### **2.2.2 Key sources of estimation uncertainty (cont'd)**

#### **(vi) Provision for income taxes**

The Group mainly has exposure to income taxes in 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 period in which such determination is made. The carrying amount of the Group's current income tax payables as at 31 March 2025 was RMB 7,311,000 (2024: RMB 6,952,000).

#### **(vi) Impairment of goodwill**

The Group tests goodwill for impairment at least on an annual basis. Determining whether goodwill is impaired requires an estimation of the fair value less cost of disposal of the cash-generating units (CGU) to which goodwill has been allocated. The determination of fair value less cost of disposal requires the entity to apply appropriate valuation techniques, such as the depreciated replacement cost method and the direct comparison method, to estimate the fair value of the CGU based on unobservable inputs. An impairment loss of RMB nil (2024: RMB 3,622,000) was recognised during the financial period. The carrying amount of goodwill as at 31 March 2025 was RMB 21,413,000 (2024: RMB 21,413,000).

## **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.



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

#### 4. Segment and revenue information (cont'd)

##### 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	
	1.1.2025 to 31.3.2025 RMB'000	1.1.2024 to 31.3.2024 RMB'000
Conventional stamping machines	3,232	3,768
High performance and high tonnage stamping machines	143,237	151,844
Metal parts	37,016	29,562
	<u>183,487</u>	<u>185,174</u>

##### 5. Other income

	Group	
	1.1.2025 to 31.3.2025 RMB'000	1.1.2024 to 31.3.2024 RMB'000
Sales of raw and scrap materials	2,425	1,382
Cost of raw and scrap materials sold	(1,424)	(751)
Gain from disposals of raw and scrap materials	1,001	631
Government grants and subsidies	2,495	5,670
Processing income	548	264
Rental income, net	117	412
Others	50	16
	<u>4,211</u>	<u>6,993</u>

##### 5.1. Acquisition of a subsidiary

On 8 October 2023, pursuant to Share Transfer Agreement, the Group acquired 100% equity interest in Hainan Xingmei Spring Hotel Co., Ltd. 海南兴梅温泉酒店有限公司) from (i) Zhejiang Haiti Investment Real Estate Co., Ltd. (浙江海地 投资置业有限公司) and (ii) Zhoushan Ailifen Buidling Materials Co., Ltd. (舟山市爱力奋建材有限公司) for a net cash consideration of RMB 150,000,000 for the purpose of acquiring the assets held by Hainan Xingmei Spring Hotel Co., Ltd.

*The following table summarises the recognized amounts of assets acquired and liabilities assumed of Hainan Xingmei 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*	91,051
Land use rights*	59,242
Cash and cash equivalents	1
Other payables	(294)
Net identifiable assets acquired	<u>150,000</u>

\* classified as investment properties in Note 11.



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

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

*Effects of the acquisition cash flows:*

	RMB'000
Total purchase consideration	150,000
Consideration payable in cash	<u>(77,419)</u>
Consideration paid in cash	72,581
Less: Cash and cash equivalents	<u>(1)</u>
Net cash outflow on acquisition	<u>72,580</u>

## 6. Other expenses

	Group	
	1.1.2025 to 31.3.2025 RMB'000	1.1.2024 to 31.3.2024 RMB'000
Government comprehensive fund	148	148
Loss/(gain) on foreign currency exchange	1,917	(6,968)
Property, plant and equipment written off	—	541
Others	(11)	6
	<u>2,054</u>	<u>6,273</u>

## 7. Profit before tax

	Group	
	1.1.2025 to 31.3.2025 RMB'000	1.1.2024 to 31.3.2024 RMB'000
<b>Income</b>		
Interest income	1,872	3,364
<b>Expenses</b>		
Amortisation of intangible assets	658	2,038
Depreciation of investment properties	4,209	2,963
Depreciation of property, plant and equipment	15,032	15,284
Net impairment losses on trade and other receivables	146	1,807
Interest expense	<u>2,674</u>	<u>2,656</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 period on terms agreed by the parties concerned:

	Group	
	1.1.2025 to 31.3.2025 RMB'000	1.1.2024 to 31.3.2024 RMB'000
<b>Related companies</b>		
<b>Income</b>		
Sales to related companies	40,619	29,573
Processing services to related companies	<u>2,549</u>	<u>459</u>
<b>Expenses</b>		
Lease of premises from a related company	150	150
Processing services from related companies	1,135	1,237
Purchases of machineries and parts from related companies	38	2,515
Purchases of raw materials from related companies	<u>7,137</u>	<u>3,473</u>



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

## 7.1 Related party transactions (cont'd)

	Group	
	1.1.2025 to 31.3.2025 RMB'000	1.1.2024 to 31.3.2024 RMB'000
<b>Related companies</b>		
<i>Expenses (cont'd)</i>		
Purchases of scrap materials from related companies	4,738	7,000
<b>Affiliated companies</b>		
<i>Income</i>		
Sales to affiliated companies	34	116
Processing services to affiliated companies	4	—
<i>Expenses</i>		
Purchases of raw materials from affiliated companies	87	(88)
Purchases of scrap materials from affiliated companies	67	42

### **Key management personnel compensation**

Key management personnel compensation is analysed as follows:

	Group	
	1.1.2025 to 31.3.2025 RMB'000	1.1.2024 to 31.3.2024 RMB'000
Directors of the Company:		
- short-term employee benefits	486	480
- defined contribution benefits	14	13
- directors' fees	248	268
	748	761
Other key management personnel:		
- short-term employee benefits	751	1,054
- defined contribution benefits	41	37
	792	1,091
	1,540	1,852

## 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	
	1.1.2025 to 31.3.2025 RMB'000	1.1.2024 to 31.3.2024 RMB'000
Income tax		
- Current year	(966)	(565)
Deferred tax credit		
- origination and reversal of temporary differences	686	830
Withholding tax	—	571
	(280)	836



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

## 9. Dividends

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

	Group & Company	
	1.1.2025 to	1.1.2024 to
	31.3.2025	31.3.2024
	RMB'000	RMB'000
<i>Paid by the Company to owners of the Company</i>		
RMB nil cents per qualifying ordinary share (2024: RMB 0.37)	—	148,000

## 10. Property, plant and equipment

During the three months ended 31 March 2025, the Group acquired assets at cost amounting to RMB 45.4 million (2024: RMB 53.4 million) and disposed of assets at cost amounting to RMB nil (2024: RMB 0.3 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	
	31.03.2025	31.12.2024
	RMB'000	RMB'000
<b>Cost</b>		
At beginning of the period	165,152	165,152
Acquisition of land and buildings	150,293	—
At end the period	315,445	165,152
<b>Accumulated amortisation</b>		
At beginning of the period	23,529	12,102
Charge for the period	3,741	11,427
At end of the period	27,270	23,529
<b>Net carrying value</b>		
At end of the period	287,589	141,623
<b>Fair value</b>		
At end of the period	324,388	174,388

Investment property comprises 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.

On 17 February 2025, the Group acquired 100% effective interest of Hainan Xingmei Spring Hotel Co., Ltd. in Hainan. The purchase price was RMB150mil.

### *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.



## 11. Investment properties (cont'd)

The fair value measurement 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 feet of RMB 1,060 (2024: RMB 1,060). An increase in the price per square feet would result in a high fair value. The fair value of the Group's investment properties is approximately RMB 324,388,000 (2024: RMB 169,093,000).

## 12. Goodwill

	Group	
	31.3.2025 RMB'000	31.12.2024 RMB'000
<b>Cost</b>		
At beginning of the period	25,035	25,035
Impairment losses	(3,622)	(3,622)
At end of the period	21,413	21,413
<b>Carrying amount</b>	21,413	21,413

Goodwill acquired in a business combination is allocated to the cash-generating units that are expected to benefit from the business combination.

During the financial year ended 31 December 2023, goodwill with carrying amount of RMB 25,035,000 was acquired through the purchase of Wanning Yinhu Hot Spring Holiday Hotel Co., Ltd.

The Group tests cash-generating units for impairment annually, or more frequently when there is an indication for impairment.

The Group has measured the recoverable amount of the CGU, which comprised of the land and property, plant and equipment acquired on the business combination, based on fair value less cost of disposal. The Group has determined the fair value of CGU based on the valuation performed by an external professional valuer. 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 fair value measurement was categorised as a Level 3 in the fair value hierarchy as it is derived from unobservable inputs.



## 12. Goodwill (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 are as follows:

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	<b><i>Depreciated replacement cost method:</i></b> 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:  • replacement cost is higher/(lower); or • depreciation is lower/(higher)
Leasehold land	<b><i>Direct comparison method:</i></b> 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.	The estimated fair value would increase/(decrease) if price psm was higher/(lower)

In assessing the fair value less cost of disposal of the CGU, management also considered the net asset value of current assets and liabilities, which are approximated to their fair values due to their short-term nature.

Management is of the view that no reasonable possible changes in any of the key assumptions would cause the CGU's carrying amount to exceed its recoverable amount or result in the CGU's carrying amount to be equal to its recoverable amount.

During the financial year ended 31 December 2024, an impairment loss of RMB 3,622,000 was recognised for goodwill relating to WYHSH. The recoverable amount was computed based on the fair value less cost of disposal of the CGU using the depreciated replacement cost and the direct comparison method.

There is no impairment for goodwill identified by the management for the financial period.



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

### 13. Intangible assets

	Group	
	31.3.2025 RMB'000	31.12.2024 RMB'000
<b>Development costs</b>		
<b>Cost</b>		
At beginning of the period	106,193	102,304
Additions	—	—
At end of the period	106,193	106,193
<b>Accumulated amortisation</b>		
At beginning of the period	86,890	79,201
Amortisation charge for the period	658	7,689
At end of the period	87,548	86,890
<b>Net carrying value</b>		
At end of the period	18,645	19,303

#### *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 amount is determined based on the greater of its value in use and its fair value less costs of disposal for the allocated CGU.

### 14. Inventories

	Group	
	31.3.2025 RMB'000	31.12.2024 RMB'000
Finished goods	63,250	65,736
Work-in-progress and components parts	180,885	215,824
Raw materials	55,268	50,657
	299,403	332,217

#### *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 1Q25, a net write-down for slow-moving and obsolete inventories to net realisable value amounting to RMB nil (2024: RMB 270,000) was recognised in "cost of sales" due to slow-moving inventories and obsolete raw materials.





## 15. Trade receivables

	Group		Company	
	31.3.2025	31.12.2024	31.3.2025	31.12.2024
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	176,222	165,437	—	—
Less: allowance for expected credit losses	(29,422)	(29,276)	—	—
	146,800	136,161	—	—
Bills receivables	89,396	121,608	—	—
	236,196	257,769	—	—

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

	Group		Company	
	31.3.2025	31.12.2024	31.3.2025	31.12.2025
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of the period	29,276	18,503	—	—
Allowance for impairment losses	146	11,354	—	—
Bad debts written off against allowance	—	—	—	—
Reversal of allowance for impairment losses	—	(581)	—	—
At end of the period	29,422	29,276	—	—

Trade receivables are non-interest bearing and the Group generally extends a credit period of 6 months to 1 year (2024: 6 months to 1 year) from date of invoice. They are recognised at the transaction price which represents their fair value on initial recognition.

Amount due from related companies (trade) and affiliated corporation (trade) are non-interest bearing and the Group generally extends a credit period of 1 year (2024: 1 year) from date of invoice. They are recognised at the transaction price which represents their fair value on initial recognition.

The bills receivables held by the Group are achieved by both collecting contractual cash flows and selling financial assets, which are measured at fair value through other comprehensive income (recycling). The fair values of the bills receivables 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 amounts.

## 16. Other receivables

	Group		Company	
	31.3.2025	31.12.2024	31.3.2025	31.12.2024
	RMB'000	RMB'000	RMB'000	RMB'000
Amount due from employees	6,950	5,580	—	—
Less: allowance for expected credit losses	(2,289)	(2,289)	—	—
	4,661	3,291	—	—
Advance payments to suppliers	4,018	10,662	—	—
VAT receivables	—	1	—	—
Prepayments for property, plant and equipment	10,253	43,009	—	—
Tax recoverable	68	3	—	—
Other receivables	5,541	46,633	69	—
	24,541	103,599	69	—



**16. Other receivables (cont'd)**

	Group		Company	
	31.3.2025	31.12.2024	31.3.2025	31.12.2024
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current	10,253	42,944	—	—
Current	14,288	60,655	69	—
	<u>24,541</u>	<u>103,599</u>	<u>69</u>	<u>—</u>

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

	Group		Company	
	31.3.2025	31.12.2024	31.3.2025	31.12.2024
	RMB'000	RMB'000	RMB'000	RMB'000
At beginning of the period	2,289	2,258	—	—
Allowance for impairment losses	—	31	—	—
Reversal/write-back of impairment losses	—	—	—	—
At end of the period	<u>2,289</u>	<u>2,289</u>	<u>—</u>	<u>—</u>

**17. Cash and cash equivalents**

	Group		Company	
	31.3.2025	31.12.2024	31.3.2025	31.12.2024
	RMB'000	RMB'000	RMB'000	RMB'000
Cash at banks and on hand	194,327	264,658	153,044	153,889
Fixed deposit	18,211	268	—	—
	<u>212,538</u>	<u>264,926</u>	<u>153,044</u>	<u>153,889</u>

The Group's fixed deposit placed with a financial institution matured within 1 month (2024: 2 month) from the end of the reporting period. The interest rates range from 3.00% (2024: 3.00%) per annum.

**18. Trade payables**

	Group		Company	
	31.3.2025	31.12.2024	31.3.2025	31.12.2024
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables	<u>455,471</u>	<u>492,944</u>	<u>—</u>	<u>—</u>

Trade payables are non-interest bearing with credit periods ranging from 3 to 6 months (2024: 3 to 6 months).

Trade payables included RMB 81,672,000 (2024: RMB 84,179,000) which pertains to undue bills payable transferred to creditors for the payments of outstanding amounts. In accordance with the laws in the PRC, the holders of the bills have a right of recourse against the Group if the PRC banks default.



## 19. Other payables

	Group		Company	
	31.3.2025	31.12.2024	31.3.2025	31.12.2024
	RMB'000	RMB'000	RMB'000	RMB'000
Accrued operating expenses	134,012	154,657	3,049	3,132
VAT payables	2,895	12,583	—	—
Other tax payables	719	717	—	—
Bonus payables	—	10,259	—	—
Deferred consideration *	77,419	—	—	—
Payables relating to property, plant and equipment	13,433	12,796	—	—
	<u>228,478</u>	<u>191,012</u>	<u>3,049</u>	<u>3,132</u>

\* Pertains to unpaid cash consideration for hotel assets acquisition not due for payment.

## 20. Share capital

	Group and Company			
	31.3.2025	31.3.2025	31.12.2024	31.12.2024
	No. of shares	RMB'000	No. of shares	RMB'000
	'000		'000	
<b>Issued and fully paid ordinary shares, with no par value</b>				
At beginning and end of period	400,000	250,660	400,000	250,660

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	
		31.3.2025	31.12.2024	31.3.2025	31.12.2024
		RMB'000	RMB'000	RMB'000	RMB'000
<i>Financial assets at amortised cost</i>					
Trade receivables	15	236,196	332,217	—	—
Other receivables*	16	10,202	49,924	69	—
Due from related parties (trade)		156,692	172,331	—	—
Due from affiliated company (trade)		—	124	—	—
Due from related parties (non-trade)		75	—	—	—
Due from subsidiaries (non-trade)		—	—	692	686
Cash and cash equivalents	17	212,538	264,926	153,044	153,889
		<u>615,703</u>	<u>819,522</u>	<u>153,805</u>	<u>154,575</u>
<i>Financial liabilities at amortised cost</i>					
Trade payables	18	455,471	492,944	—	—
Other payables #	19	224,864	177,712	3,049	3,132
Due to related parties (trade)		8,273	19,748	—	—
Due to affiliated company (trade)		2,829	3,087	—	—
Due to subsidiaries (non-trade)		—	—	98,686	—
Due to related parties (non-trade)		1,369	1,842	—	97,794
Leases liabilities		16,159	16,394	—	—
		<u>708,965</u>	<u>711,727</u>	<u>101,735</u>	<u>100,926</u>

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

# Excludes VAT payables other tax payables and deferred income.



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

### *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
<b><u>Recurring Fair Value Measurement</u></b>			
<b><u>Group</u></b>			
<b><u>2025</u></b>			
<b>Financial assets:</b>			
Bills receivables	-	89,396	-
<b><u>2024</u></b>			
<b>Financial assets:</b>			
Bills receivables	-	121,608	-

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 amounts.

The fair value of other investment in Level 2 have been calculated using discounted cash flow model which considers the present value of expected cash flow estimated based on contracted interest rate should the exchange rates between US Dollar against Japanese Yen remain within the contracted upper and lower barrier rates during the contract period to maturity, discounted using a risk-adjusted discount rate. The fair values have been assessed to be approximate to their carrying amounts.



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(Co. Regn. No: 200409453N)

## 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 three months ended 31 March 2025, 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 March 2025	As at 31 December 2024
Total number of issued shares	400,000,000	400,000,000
Less: treasury shares	-	-
Total number of issued shares excluding treasury shares	400,000,000	400,000,000

- 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.



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

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 2025. 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.

	1.1.2025 to 31.3.2025	1.1.2024 to 31.3.2024
(a) Based on weighted average number of ordinary share on issue (RMB); and	0.0024	(0.0016)
(b) On a fully diluted basis (RMB)	0.0024	(0.0016)
Weighted average number of shares	400,000,000	400,000,000



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

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	
	31.3.2025	31.12.2024	31.3.2025	31.12.2024
	RMB	RMB	RMB	RMB
Net asset value ("NAV") per ordinary share based on issued share capital at the end of the respective periods:	2.28	2.27	1.80	1.79
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 March 2025 ("1Q25"), the Group's turnover decreased by 0.9% to RMB 183.5 million from RMB 185.2 million for the 3 months ended 31 March 2024 ("1Q24").

In terms of sales performance for 1Q25, sales of conventional stamping machines decreased by 14.2% while sales of high performance and high tonnage stamping machines decreased by 5.7% compared to 1Q24 respectively.

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

#### (ii) **Gross Profit**

The Group's gross profit for 1Q25 increased by 25.9% to RMB 34.2 million from RMB 27.1 million in 1Q24. The gross profit margin increased by 3.9% to 18.6% in 1Q25 from 14.7% in 1Q24.

In terms of gross profit margin for 1Q25, gross profit margin for conventional stamping machines increased by 4.7% to 18.9% from 14.2% in 1Q24 while gross profit margin for high performance and high tonnage stamping machines increased by 4.0% to 18.6% from 14.6% in 1Q24.



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

Overall, the increase in the Group's gross profit margin for 1Q25 was mainly due to an upward revision in the average selling prices of the stamping machines and a decrease in raw materials costs which was partially offset by a decrease in production of conventional stamping machines, high performance and high tonnage stamping machines.

**(iii) Other Income**

In 1Q25, other income decreased by 39.8% to RMB 4.2 million from RMB 7.0 million in 1Q24.

Overall, the decrease was mainly due to a decrease in grants received from the government.

**(iv) Distribution costs**

In 1Q25, distribution and selling expenses decreased by 32.9% to RMB 10.6 million from RMB 15.8 million in 1Q24. As a percentage of total revenue, distribution and selling expenses decreased by 2.7% to 5.8% in 1Q25 from 8.5% in 1Q24.

Overall, the decrease was mainly due to higher sales to related parties which resulted in a decrease in sales commission payable to sales personnel, transport expenses, travelling expenses and entertainment expenses.

**(v) Administrative Expenses**

In 1Q25, administrative expenses decreased by 6.0% to RMB 23.5 million from RMB 25.0 million in 1Q24. As a percentage of total revenue, administrative expenses decreased by 0.7% to 12.8% in 1Q25 from 13.5% in 1Q24.

Overall, the decrease was mainly due to a decrease in staff salaries and research and development costs for stamping machines which was partially offset by hotel assets' amortisation and depreciation.

Nevertheless, the Group continues to enhance its technical capabilities to launch higher value-added stamping machines through its research and development.

**(vi) Depreciation and Amortisation Expenses**

In 1Q25, depreciation and amortisation expenses decreased by 1.9% to RMB 19.9 million from RMB 20.3 million in 1Q24.

The decrease was mainly due to some intangible assets that were fully amortised which was partially offset by an increase in amortisation and depreciation of hotel assets.

**(vii) Other Expenses/(gain)**

In 1Q25, other expenses recorded an expense of RMB 2.1 million whereas in 1Q24, other gain recorded a gain of RMB 6.3 million.

The expense was mainly due to an increase in foreign currency translation loss.





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

**(viii) Net Impairment Losses on Trade and Other Receivables**

In 1Q25, net impairment losses on trade and other receivables decreased by 91.9% to RMB 0.1 million from RMB 1.8 million in 1Q24.

The decrease mainly due to lower allowance of impairment losses on trade and other receivables.

**(ix) Net Financial Income/(Costs)**

In 1Q25, the Group's finance income recorded a decrease of 44.4% to RMB 1.9 million from RMB 3.4 million in 1Q24.

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

In 1Q25, the Group's finance costs recorded an increase of 3.9% to RMB 2.7 million from RMB 2.6 million in 1Q24, which was mainly due to interest paid for bank borrowings and early redemption of bills receivables.

Overall, the Group achieved a net finance cost mainly due to interest paid for bank borrowings and early redemption of bills receivables which was partially offset by the interest income from the fixed deposit.

**(ix) Profit Before Tax**

In 1Q25, the Group recorded a profit before tax of RMB 1.2 million whereas in 1Q24, the Group recorded a loss before tax of RMB 1.4 million.

**(x) Tax Expense**

In 1Q25, the Group recorded a tax expense of RMB 0.3 million whereas in 1Q24, the Group recorded a tax credit of RMB 1.0 million, mainly due to no reversal of withholding tax in 1Q25.

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., Wanning Yinhu Hot Spring Holiday Hotel Co., Ltd., and Hainan Xingmei Spring 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%.

**(xi) Net Profit After Tax**

In 1Q25, the Group's recorded a net profit after tax of RMB 0.9 million whereas in 1Q24, the Group recorded a loss before tax of RMB 0.6 million.



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

**(B) Consolidated Statement of Financial Position (31 March 2025 vs 31 December 2024)**

For the period under review, the Group's non-current assets increased by approximately RMB 142.8 million mainly due to hotel assets acquisition which was partially offset by the depreciation and amortisation expenses.

For the period under review, the Group's non-current liabilities decreased by RMB 1.0 million due to a decrease in deferred tax liabilities and lease liabilities.

The Group's total current assets decreased by approximately RMB 168.8 million from RMB 1,088.0 million as at 31 December 2024 to RMB 919.2 million as at 31 March 2025. This was attributable to a decrease in inventories (mainly due to an increase in sales in March 2025), trade receivables (mainly due to a decrease in bills receivables from customers) other receivables (which was mainly due to prepayment for hotel acquisition of RMB 44.0 million crystallised as investment properties) and cash and cash equivalents (as explained in the consolidated statement of cash flows).

The Group's total current liabilities decreased by approximately RMB27.4 million from RMB 1,035.9 million as at 31 December 2024 to RM 1,008.5 million as at 31 March 2025. This was attributable to a decrease in contract liabilities (mainly due to a decrease in advances received from customers), trade payables (mainly due to reduced purchases of raw materials from suppliers and a decrease in reclassification of bill receivables), amount due to related parties (trade) and repayment of bank borrowings which were partially offset by an increase in other payables (mainly due to recognition of deferred consideration for hotel assets purchased) and income tax payables.

**(C) Consolidated Statement of Cash Flows**

For the 3 months ended 31 March 2025, the Group recorded a net cash decrease of approximately RMB 50.9 million. This was mainly due to: -

- a) the net cash inflow arising from operating activities which amounted to RMB 39.8 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 RMB 82.8 million mainly due to purchases of property, plant and equipment and acquisition of investment properties.
- c) the net cash outflow arising from financing activities which amounted to RMB 7.9 million mainly due to repayment of bank borrowings, payment for lease liabilities and interest paid.

Cash and cash equivalents as at 31 March 2025 stood at RMB 212.5 million.



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

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

The 1Q25 Financial Results announcement is in line with the statement made in Paragraph 10 disclosed in the FY24 Financial Results announcement dated 1 March 2025, i.e. “Nonetheless, barring any unforeseen circumstances, the Group is cautiously optimistic to remain profitable in FY2025.”

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 financial year ending 31 December 2025 (“FY2025”) will be a challenging year for the Group, with the PRC’s domestic economy still hampered by sluggish consumer and business sentiment, while international geopolitical conflicts, including the Russia-Ukraine War, the Israel-Hamas conflict and significant increase in USA tariff, continues a more unstable external environment. As a result of these various pressures, the Group’s business outlook will remain subdued in FY2025.

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 cautiously optimistic to remain profitable in FY2025.

The Group’s order book stood at RMB 224.2 million as at 25 April 2025.

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**

<b>Name of dividend</b>	Special interim dividend
<b>Dividend type</b>	Cash
<b>Dividend amount per share</b>	RMB0.370
<b>Tax rate</b>	Tax-exempt (one-tier)

- (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.



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

(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 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 1Q25 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) (RMB'000)	Aggregate value of all interested person transactions conducted under shareholders' mandates pursuant to Rule 920 (excluding transactions less than \$100,000) (RMB'000)
<u>Jiangsu World Machinery and Electronics Group Co., Ltd.</u>  Sale of parts.	Associate of the Controlling Shareholder	N/A	1
<u>Jiangsu World Plant-Protecting Machinery Co., Ltd.</u>  Processing fees received and sale of raw materials and parts.  Purchase of raw materials.	Associate of the Controlling Shareholder	N/A	257   31



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

<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 raw materials and scrap materials.	Associate of the Controlling Shareholder	N/A	21,954  7,177
<u>Jiangsu World Agriculture Machinery &amp; Parts Manufacturing Co., Ltd.</u>  Processing fees received and sale of raw materials and parts.  Processing fees paid and purchase of raw materials and scrap materials.	Associate of the Controlling Shareholder	N/A	1,854  1,237
<u>World Agriculture (Shenyang) Co., Ltd.</u>  Processing fees received and sales of raw materials, parts and scrap materials.  Processing fees paid.	Associate of the Controlling Shareholder	N/A	696  50
<u>World Heavy Industry (China) Co., Ltd.</u>  Processing fee received and sale of parts and machineries.  Purchase of raw materials and scrap materials.	Associate of the Controlling Shareholder	N/A	595  1,199
<u>Jiangsu World Precise Machinery Co., Ltd.</u>  Land rental paid.	Associate of the Controlling Shareholder	N/A	150
<u>Jiangsu World Furniture Co., Ltd.</u>  Sale of raw materials and parts.	Associate of the Controlling Shareholder	N/A	26



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

<u>Jiangsu World High End Agriculture Equipment Co., Ltd.</u>	Associate of the Controlling Shareholder	N/A	
Processing fees received and sale of raw materials and parts.			17,811
Purchase of raw materials and scrap materials.			2,540
<u>Jiangsu World Crane Co., Ltd.</u>	Associate of the Controlling Shareholder	N/A	
Purchase of equipment.			38
<u>Danyang World Machinery Parts Manufacturing Co., Ltd.</u>	Associate of the Controlling Shareholder		N/A
Processing fees received and sale of raw materials and parts.		12	
Purchase of raw materials and scrap materials.		154	
<u>World High Precision Complete Equipment Co., Ltd.</u>	Associate of the Controlling Shareholder		N/A
Processing fee received.		1	
Purchases of raw materials and scrap materials.		775	
<b>Total</b>		<b>942</b>	<b>55,616</b>

**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.



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

**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 three months and first quarter results of the Group for the financial period ended 31 March 2025 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Wang Weiyao  
Executive Chairman

Shao Jianjun  
Non-Executive and Non-Independent Director

BY ORDER OF THE BOARD

**Wang Weiyao**  
Executive Chairman  
29 April 2025