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

LOAN FACILITY FROM SHANGHAI PUDONG DEVELOPMENT BANK CO. LTD.

The Board of Directors (the "**Board**") of World Precision Machinery Limited (the "**Company**", and collectively, the Company and its subsidiaries, the "**Group**") wishes to announce that World Precise Machinery (China) Co. Ltd. ("**WPM China**"), a wholly owned subsidiary of the Company, has been granted a RMB 150 million loan facility (the "**Loan Facility**") from Shanghai Pudong Development Bank Co. Ltd. (the "**Lender**"), of which WPM China has drawn down on RMB 96 million ("**Loan 1**") on 28 June 2023 and RMB 54 million ("**Loan 2**" and collectively with Loan 1, the "**Loans**") on 30 June 2023, both of which are for a tenure of 1 year.

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. The proceeds of the Loans may be used for the purposes of short-term working capital purposes.

The Loan Facility is secured over the land and buildings of WPM China, as well as supported by corporate guarantees issued by:

1. Jiangsu World Plant-Protecting Machinery Co., Ltd ("**JWPPM**"); and
2. Jiangsu World Furniture Co., Ltd. ("**JWFC**").

Of note is that JWPPM and JWFC are, for purposes of Chapter 9 of the Listing Manual, considered to be "associates" of Mr Wang Weiyao ("**Mr Wang**"), the Non-Executive Non-Independent Director of the Company and also a controlling shareholder of the Company.

Accordingly, WPM China is the entity at risk, while JWPPM and JWFC are interested persons for the purposes of Chapter 9 of the Listing Manual.

It is noted that none of Mr Wang, JWPPM and JWFC nor any of their respective associates will be receiving any form of consideration or fee from the Company or the Group for the provision of the corporate guarantees, and each of Mr Wang, JWPPM and JWFC has confirmed that he/it will not claim any consideration or fee against the Company nor the Group in the event of any claim under the corporate guarantees against JWPPM and/or JWFC by the Lender.

Based on the review of the Loans and the corporate guarantees by the management team, and with the Audit Committee's concurrence, as the value at risk to the entity at risk and the Group is nil, the issuance of the corporate guarantees by JWPPM and JWFC are not transactions that fall within the ambit of Chapter 9 of the SGX-ST Listing Manual.

Save for Mr Wang's interest as mentioned above, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect in the Loan Facility and corporate guarantees.

By Order of the Board
World Precision Machinery Limited

Shao Jianjun
Executive Chairman
1 July 2023