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

TERM LOAN FROM BANK OF JIANGSU

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 100 million two-year term loan (the "**Loan**") from the Bank of Jiangsu (the "**Lender**"). The Loan has been drawn down in full on 22 September 2023, and will be repayable on 21 September 2025, with a fixed interest rate of 3.65% per annum. The proceeds of the Loan shall be applied towards the working capital purposes of the Group.

The Loan is secured over a mortgage over the Land Use Rights of Wanning Yinhu Hot Spring Holiday Hotel., Ltd, an indirectly wholly-owned subsidiary of the Company, and is also supported by a corporate guarantee issued by Jiangsu World Machinery & Electronics Group Co., Ltd. (江苏沃得机电集团有限公司 "**JWMEG**").

Of note is that JWMEG is, for purposes of Chapter 9 of the Listing Manual, considered to be an "associate" 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 JWMEG are interested persons for the purposes of Chapter 9 of the Listing Manual.

It is noted that none of Mr Wang and JWMEG 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 guarantee, and each of Mr Wang and JWMEG has confirmed that he/it will not claim any consideration or any fee against the Company nor the Group in the event of any claim under the corporate guarantee against JWMEG by the Lender.

Based on the review of the Loan and the corporate guarantee 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 guarantee by JWMEG is not a transaction 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 and corporate guarantee.

By Order of the Board
World Precision Machinery Limited

Shao Jianjun
Executive Chairman
13 October 2023