



WORLD PRECISION MACHINERY LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200409453N)

**CLARIFICATION ON UNAUDITED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

The Board of Directors (the “**Board**”) of World Precision Machinery Limited (the “**Company**”) and together with its subsidiaries, the (“**Group**”) refers to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 3 May 2019 in relation to the Company’s Unaudited Financial Statements for the first quarter ended 31 March 2019, and wishes to clarify the following:

SGX-ST’s queries

- a) With reference to the unaudited financial statements for the first quarter ended 31 March 2019, please provide an explanation for
- (i) Decrease in amount due from related parties (trade)
 - (ii) Increase in amount due to related parties (trade)
- b) Please provide the breakdown of other payables.

Company’s responses

- a) (i) The transactions volume and outstanding amounts are as follows:-

Period	Transactions volume (RMB’000)	Outstanding amounts (RMB’000)
1 January 2018 to 31 December 2018	66,966	48,063
1 April 2018 to 31 March 2019	67,344	41,010

The decrease in amount due from related parties (trade) was mainly due to the net payment received from related parties in relation to goods sold and services rendered to related parties.

- (ii) The transactions volume and outstanding amounts are as follows:-

Period	Transactions volume (RMB’000)	Outstanding amounts (RMB’000)
1 January 2018 to 31 December 2018	46,199	1,058
1 April 2018 to 31 March 2019	67,771	16,966



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The increase in amount due to related parties (trade) was mainly due to an increase in purchases of goods and services received from related parties in March 2019.

b) Other payables comprised mainly the following:-

Nature	Group	
	1Q2019 (RMB'000)	FY2018 (RMB'000)
Accrued operating expenses	63,732	55,933
Other payables (payables to various suppliers mostly with amount less than RMB 100,000)	15,150	15,063
Payables relating to staff sales commission, bonuses and expenses claimed	5,749	19,481
Payables relating to third parties sales commission	3,119	-
Payables relating to other taxes	7,724	919
Payables relating to property, plant and equipment	30,461	36,462
Total	125,935	127,858

By Order of the Board

Shao Jianjun
Executive Chairman
6 May 2019