Precision Tsugami (China) Corporation Limited

津上精密機床（中國）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1651)

POSITIVE PROFIT ALERT

This announcement is made by Precision Tsugami (China) Corporation Limited (the ''**Company**'' and, together with its subsidiaries, the ''**Group**'') pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the ''**Listing Rules**'') and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the ''**Board**'') would like to inform the shareholders of the Company (the ''**Shareholders**'') and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 September 2018 and the information currently available, the Group is expected to record an increase of not less than 100% in the profit attributable to the owners of the Company for the six months ended 30 September 2018 as compared to that for the six months ended 30 September 2017.

Based on the information currently available, the substantial increase in profit attributable to owners of the Company during the six months ended 30 September 2018 was mainly attributable to the increase in the recognition of sales revenue from the sales of the computerised numerical control high precision machine tools manufactured by the Group.

The Board wishes to remind the Shareholders that the information contained in this announcement is only based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 September 2018, which have not yet been finalized and are subject to the review of the Company and its auditors. Detailed financial information will be disclosed in the interim results announcement of the Group for the six months ended 30 September 2018, which is expected to be released before the mid of November 2018.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Precision Tsugami (China) Corporation Limited
Dr. Tang Donglei
Chief Executive Officer and Executive Director

Hong Kong, 29 October 2018

As at the date of this announcement, the executive directors of the Company are Dr. Tang Donglei and Dr. Li Zequn; the non-executive directors are Mr. Takao Nishijima, Ms. Mami Matsushita and Mr. Nobuaki Takahashi; and the independent non-executive directors are Dr. Huang Ping, Dr. Eiichi Koda and Mr. Tam Kin Bor.