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 assessment of the unaudited consolidated management accounts of the Group for the nine months ended 31 December 2020 and the information currently available, the Group is expected to record an increase of approximately 100% in the profit attributable to the owners of the Company for the nine months ended 31 December 2020 as compared to that for the nine months ended 31 December 2019.

Based on the information currently available, the Board believes that since the beginning of the financial year ending 31 March 2021, the domestic manufacturing sector in the People's Republic of China has started to recover and the Group's sales revenue has gradually improved as compared to the previous financial year. In the second half of this financial year, the overall equipment demand of the domestic manufacturing sector in the People's Republic of China, such as automobiles, 3C*, construction machinery and automation, has become stronger, which has led to a rapid growth in the orders obtained by the Group. Strong demand from the domestic market is the main driver for the increase in the Group's sales revenue and profit. Since the beginning of this financial year, the overseas markets are still at the adjustment stage due to factors such as the coronavirus disease (COVID-19) epidemic, and sales in overseas markets have not recovered to normal levels. The Board wishes to remind the Shareholders that due to the possible changes in the coronavirus disease (COVID-19) epidemic situation in the People's Republic of China and the uncertainties in the overseas markets, there is still uncertainty as to whether the Group will be able to maintain high growth in financial performance in the future.

Regardless of the changes in the market situation, the Company will continue to strive to enhance its production efficiency, reduce costs and optimise product pipelines, thereby broadening the application use of the computerised numerical control high precision machine tools and further expanding its sales network to increase its sales in 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 nine months ended 31 December 2020, which have not yet been finalized and are subject to the review of the Company. As the financial year ending 31 March 2021 of the Group is not over yet, the Company will continue to closely monitor the financial performance of the Group and will make announcement as and when necessary in compliance with Listing Rules and applicable laws.

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

* *3C refers to computers, communications and consumer electronic products*

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

Hong Kong, 29 January 2021

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 of the Company are Mr. Takao Nishijima, Ms. Mami Matsushita and Mr. Seiji Tsuishu; and the independent non-executive directors of the Company are Dr. Eiichi Koda, Dr. Huang Ping and Mr. Tam Kin Bor.