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 year ended 31 March 2021 and the information currently available, the Group is expected to record an increase of approximately 150% in the profit attributable to the owners of the Company for the year ended 31 March 2021 as compared to that for the year ended 31 March 2020.

Based on the information currently available, the Board believes that since the beginning of the financial year ended 31 March 2021, as the impact of coronavirus disease (COVID-19) epidemic in the People's Republic of China has been getting under control, the domestic manufacturing sector in the People's Republic of China has started to recover. In particular, the demand for 3C*, automation, construction machinery and other industries has shown an increasing trend. Their growth rate is becoming more significant and the quarterly year-on-year growth rate continued to increase. In the second half of this financial year, the automobile parts and components industry has recovered completely from the downturn and began to grow significantly. The orders of the Group from the overseas markets have improved gradually since the beginning of the fourth quarter, with signs of recovery to normal levels. During this financial year, strong demand from the domestic market is still the main driver for the increase in the Group's sales revenue and profit. 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.

Entering a brand new financial year, the Company will continue to strive to enhance its production efficiency and capacity, reduce costs and optimise product pipelines, thereby broadening the application 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 year ended 31 March 2021, which have not yet been finalized and are subject to the review of the Company and completion of audit by its auditors. Detailed financial information will be disclosed in the annual results announcement of the Group for the year ended 31 March 2021, which is currently expected to be released before the end of June 2021.

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, 20 April 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. Kenji Yoneyama; and the independent non-executive directors of the Company are Dr. Eiichi Koda, Dr. Huang Ping and Mr. Tam Kin Bor.