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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)

INSIDE INFORMATION TEMPORARY SUSPENSION OF OPERATION AT THE PINGHU PRODUCTION PLANTS

This announcement is issued by Precision Tsugami (China) Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) 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 (Chapter 571 of the Laws of Hong Kong). The purpose of this announcement is to enable the shareholders of the Company (the “**Shareholders**”) and the public to appraise the position of the Group.

In view of the recent development of the COVID-19 pandemic in Pinghu, Zhejiang Province, the People’s Republic of China, the local government has announced certain restrictions on activities across the city (the “**Restrictions**”) on 14 March 2022. Manufacturing facilities in the Pinghu Economic-Technological Development Zone (including the main production plants of the Group situated at Pingcheng Road, Pinghu Economic-Technological Development Zone, Pinghu (the “**Pinghu Production Plants**”)) have been requested by the local government to suspend production from 14 March 2022.

While it was initially expected that the Restrictions would be lifted within a few days, based on information currently available to the management of the Company as at the date of this announcement, the Restrictions are likely to extend beyond one week from the initial date on which the Restrictions were imposed. Having regard to the current control measures adopted by the local government, it is uncertain as to how long the Restrictions will last. In light of the latest public health situation in Pinghu, the board of directors of the Company would like to inform the Shareholders and potential investors that the Pinghu Production Plants may continue to temporarily suspend its production in accordance with local government direction.

Based on information currently available to the Company, the Company is not aware of any foreseeable risk of material legal disputes with the customers of the Group that may arise from, for example, delays in delivery schedules, as a result of the temporary suspension of production at the Pinghu Production Plants. The Company will closely monitor the development of the COVID-19 pandemic in Pinghu, and will make further announcements as and when necessary in accordance with the Listing Rules.

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

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

Hong Kong, 18 March 2022

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.