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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)

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 (Chapter 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 2022 and the information currently available, the Group is expected to record a profit attributable to the owners of the Company of approximately RMB660 million for the year ended 31 March 2022, representing an increase of approximately 70% as compared to the profit attributable to the owners of the Company of approximately RMB390 million (as audited) for the year ended 31 March 2021.

Based on the information currently available, the Board believes that the above results of the Group benefitted from the steady recovery of the domestic and overseas economies. The machine tool industry in which the Group operates sustained the recovery and growth momentum in the second half of 2020, in particular, the automotive and 3C* downstream sub-sectors showed strong demand for computerised numerical control machine tools. As a result of the above macro environment, the Group’s sales for the current financial year (ended 31 March 2022) continued the growth momentum of the previous financial year (ended 31 March 2021), with all major models exhibiting good sales results. However, in the second half of the financial year, the Group’s sales results were affected by the electricity and production restrictions in many parts of the People’s Republic of China and the suspension of productions in response to epidemic prevention and control. The Board would like to remind the Shareholders that due to the possible changes in the domestic epidemic situation and the possible cyclical changes in demand from the downstream manufacturing industry, there is still uncertainty as to whether the Group will be able to maintain high growth in its financial performance in the future.

Entering a brand new financial year, the Company will continue to strive to enhance its production efficiency, reduce costs and optimise product pipelines, broaden the application of the computerised numerical control high precision machines tools and further expand its sales network to increase the Group’s sales.

The Board wishes to remind the Shareholders and potential investors 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 2022, which have not yet been finalised and are subject to the review by the Company and completion of audit by its auditors. The Company will continue to closely monitor the financial performance of the Group and will make announcement as and when necessary in compliance with the Listing Rules and applicable laws. Details of the financial information are currently expected to be disclosed in the Group's annual results announcement for the year ended 31 March 2022 to be published before the end of June 2022.

Shareholders and potential investors are advised to exercise caution when dealing in the securities 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
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 22 April 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.