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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Precision Tsugami (China) Corporation Limited (the “**Company**”) will be held at 24/F, Admiralty Centre 1, 18 Harcourt Road, Hong Kong on Tuesday, 16 August 2022 at 10:30 a.m. or after the conclusion of the 2022 annual general meeting (whichever is the earlier) for the purpose of considering and, if thought fit, with or without amendment, passing the following resolutions:

ORDINARY RESOLUTIONS

“THAT:

- (i) the proposed renewal of the technology licence agreement (the “**Technology Licence Agreement**”) dated 4 September 2017 entered into between the Company and Tsugami Corporation (株式會社ツガミ) (“**Tsugami Japan**”) (a copy of which will be produced to the EGM marked as “A” and signed by the chairman of the EGM for the purpose of identification) for a renewal term of three years, i.e. up to and including 31 March 2026 be and is hereby approved, confirmed and ratified;
- (ii) the proposed renewal of the master sales agreement (the “**Master Sales Agreement**”) dated 4 September 2017 entered into between the Company and Tsugami Japan (a copy of which will be produced to the EGM marked as “B” and signed by the chairman of the EGM for the purpose of identification) for a renewal term of three years, i.e. up to and including 31 March 2026 be and is hereby approved, confirmed and ratified;
- (iii) the proposed renewal of the master purchase agreement (the “**Master Purchase Agreement**”) dated 4 September 2017 entered into between the Company and Tsugami Japan (a copy of which will be produced to the EGM marked as “C” and signed by the chairman of the EGM for the purpose of identification) for a renewal term of three years, i.e. up to and including 31 March 2026 be and is hereby approved, confirmed and ratified;

(the Technology Licence Agreement, the Master Sales Agreement, and the Master Purchase Agreement, collectively, the “**Existing Agreements**”);

- (iv) the proposed annual cap amounts in respect of the transactions contemplated under the Technology Licence Agreement for the three years ending 31 March 2024, 2025 and 2026 (the “**Technology Annual Caps**”) as set out in the Company’s circular dated 18 July 2022 (the “**Circular**”) be and are hereby approved, confirmed and ratified;
- (v) the proposed annual cap amounts in respect of the transactions contemplated under the Master Sales Agreement for the three years ending 31 March 2024, 2025 and 2026 (the “**Sales Annual Caps**”) as set out in the Circular be and are hereby approved, confirmed and ratified;
- (vi) the proposed annual cap amounts in respect of the transactions contemplated under the Master Purchase Agreement for the three years ending 31 March 2024, 2025 and 2026 (the “**Purchase Annual Caps**”) as set out in the Circular be and are hereby approved, confirmed and ratified;

(the Technology Annual Caps, the Sales Annual Caps, and the Purchase Annual Caps, collectively, the “**Annual Caps**”);

- (vii) any one director of the Company be and is hereby authorised to do all acts and things, take such necessary actions and to approve, execute and deliver all deeds, agreements and documents in relation to the renewal of the Existing Agreements and the Annual Caps on behalf of the Company which he/she (or his/her properly appointed attorney) may consider necessary.”

By order of the Board

Precision Tsugami (China) Corporation Limited

Dr. Tang Donglei

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 18 July 2022

Notes:

1. The register of members of the Company will be closed from Thursday, 11 August 2022 to Tuesday, 16 August 2022 (both days inclusive) during which period no transfer of Share(s) will be effected. In order to determine the entitlement to attend and vote at the EGM, all transfers of Share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 10 August 2022. Shareholders whose names appear on the register of members of the Company on Thursday, 11 August 2022 will be entitled to attend and vote at the EGM.
2. A form of proxy for use at the EGM is enclosed in the circular to the shareholders of the Company dated 18 July 2022.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
4. A shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more than one proxies to attend and vote in his or her stead. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.
5. In order to be valid, the form of proxy must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.
6. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting convened by the above notice or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
7. As of the date of this notice, 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. Motoi Yamada; and the independent non-executive directors of the Company are Dr. Eiichi Koda, Dr. Huang Ping and Mr. Tam Kin Bor.

PRECAUTIONARY MEASURES FOR THE EGM

Taking into account the recent developments of the novel coronavirus disease 2019 (COVID-19), the Company will implement the following prevention and control measures at the EGM to safeguard the health and safety of the Shareholders attending the EGM:

1. Compulsory body temperature check will be conducted for every Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.3 degrees Celsius will not be admitted to the venue.
2. Every Shareholder or proxy is required to wear surgical mask throughout the meeting.
3. Every Shareholder or proxy is required to complete a health declaration form before entering the venue.
4. No entry to the venue is allowed for any person who has shown any symptom of COVID-19 or is subject to quarantine order by the Government of the Hong Kong Special Administrative Region (the “**Hong Kong Government**”).
5. Appropriate distancing and spacing in compliance with the guidances from the Hong Kong Government will be observed and as such, the Company reserves the right to limit the number of the attendees at the EGM as may be necessary to avoid over-crowding.
6. No refreshments will be served and no corporate gifts will be distributed.

Shareholders, particularly those who are subject to quarantine in relation to COVID-19, are reminded that they may appoint any person or the chairman of the EGM as a proxy to attend and vote at the EGM, instead of attending and voting in person. A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.tsugami.com.cn).