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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 DISPOSAL OF EXISTING SHARES BY CONTROLLING SHAREHOLDER

This announcement is issued by Precision Tsugami (China) Corporation Limited (the “**Company**”) pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

DISPOSAL OF EXISTING SHARES BY CONTROLLING SHAREHOLDER

The board (the “**Board**”) of directors of the Company (the “**Directors**”) was informed by Tsugami Corporation (“**Tsugami Japan**”), the Company’s controlling shareholder (as defined under the Listing Rules), that on 21 April 2023, the board of directors of Tsugami Japan has resolved to pursue a plan for the disposal (the “**Disposal**”) of a total of 22,470,000 (the “**Disposal Shares**”) shares of the Company (the “**Shares**”), representing approximately 5.9% of the issued share capital of the Company as at the date of this announcement. As far as the Company is aware, no binding arrangement has been entered into for the Disposal as at the date of this announcement.

If the Disposal is completed (assuming all the Disposal Shares are disposed), the number of Shares held by Tsugami Japan will decrease from 270,000,000 Shares (representing approximately 70.9% of the total issued share capital of the Company as at the date of this announcement) to 247,530,000 Shares (representing approximately 65.0% of the total issued share capital of the Company as at the date of this announcement). Tsugami Japan will remain a controlling shareholder of the Company after the Disposal.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board has been advised by Tsugami Japan that Tsugami Japan is aware of the market anticipation that Tsugami Japan should improve the circulation of the Shares by releasing its holding in the Shares. Accordingly, Tsugami Japan decided to positively respond to such market anticipation via pursuing the Disposal. The Board welcomes the decision of Tsugami Japan.

The Company does not expect the Disposal (if materialised) will have any material adverse effect on the operations of the Group.

The Company will make further announcement(s) in relation to the details of the Disposal as and when appropriate in accordance with the Listing Rules and applicable laws.

As the Disposal may or may not proceed to completion, shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

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

Hong Kong, 21 April 2023

As at the date of this announcement, the executive Directors are Dr. Tang Donglei and Dr. Li Zequn; the non-executive Directors are Mr. Takao Nishijima, Ms. Mami Matsushita and Mr. Motoi Yamada; and the independent non-executive Directors are Dr. Eiichi Koda, Dr. Huang Ping and Mr. Tam Kin Bor.