

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Precision Tsugami (China) Corporation Limited

津上精密機床（中國）有限公司

(Incorporated in the the Cayman Islands with limited liability)

(Stock code: 1651)

INSIDE INFORMATION FINANCIAL RESULTS OF THE CONTROLLING SHAREHOLDER, TSUGAMI CORPORATION FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023 AND PROFIT WARNING

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).

On 17 October 2023 (at 12:00 p.m. Hong Kong time), the Company's controlling shareholder, Tsugami Corporation (“**Tsugami Japan**”) will announce a notice of revision of its results forecast for the six months ended 30 September 2023 as published by Tsugami Japan on 11 May 2023 (the “**Notice**”). Pursuant to the Notice, Tsugami Japan revise the profit attributable to owners of Tsugami Japan for the six months ended 30 September 2023 from JPY3,300 million (as originally forecasted by Tsugami Japan on 11 May 2023) to JPY2,190 million, representing a decrease of approximately 34%. According to the Notice, the reason for the revision is that the overall market, led by the Chinese market, has continued to be in an adjustment phase.

The board of directors of the Company (the “**Board**”) would also 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 six months ended 30 September 2023 and the information currently available, the Group is expected to record a profit attributable to the owners of the Company of approximately RMB220 million for the six months ended 30 September 2023, representing a decrease of approximately 27% as compared to the profit attributable to the owners of the Company of approximately RMB300 million (unaudited) for the six months ended 30 September 2022.

Based on the information currently available, the Board believes the deterioration in financial performance of the Group was mainly attributable to the decrease in demand for computerised numerical control high precision machine tools (the “**CNC high precision machine tools**”) manufactured by the Group because of various macroeconomic uncertainties, including intensified international geopolitical conflicts and domestic macroeconomic downturn. In addition, the Board believes the performance of the machine tools industry continued to experience fluctuating adjustments during cyclical changes, which contributed to the anticipated decrease of the profit attributable to the owners of the Company for the six months ended 30 September 2023, and was not unanticipated by the Company.

Notwithstanding the above, the Company will continue to enhance its production efficiency, reduce costs and broaden the application uses of the CNC high precision machine tools and further expand its sales network to increase its sales in China. Despite challenging market conditions and having considered the interests of all Shareholders, the Company strives to maintain a stable dividend policy.

The Board wishes to remind the Shareholders and potential investors that the information contained in this announcement is only based on the Notice, and the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 September 2023, which have not yet been finalised and are subject to the review by the Company. 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 interim results announcement for the six months ended 30 September 2023 to be published in early November 2023.

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
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 17 October 2023

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. Satoshi Iwabuchi, Dr. Huang Ping and Mr. Tam Kin Bor.