THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Precision Tsugami (China) Corporation Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker, or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS, PROPOSED DECLARATION OF FINAL DIVIDEND, PROPOSED GRANTING OF GENERAL MANDATES TO REPURCHASE SHARES, CLOSURE OF REGISTER OF MEMBERS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the AGM to be held at Hennessy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 18 August 2025 at 10:00 a.m. is set out on pages 20 to 22 of this circular. A form of proxy for use at the AGM is also enclosed with this circular.

Whether or not you are able to attend the AGM, you are requested to complete, sign, and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof, as the case may be (in respect of the AGM, no later than Saturday, 16 August 2025 at 10:00 a.m.) to the office of the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM.

* References to time and dates in this circular are to Hong Kong time and dates.

25 July 2025

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In this circular, the following expressions have the following meanings, unless the content requires otherwise:

"Annual General Meeting" or "AGM"	an annual general meeting of the Company to be held at Hennessy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 18 August 2025 at 10:00 a.m., or any adjournment thereof, to consider and, if appropriate, pass the resolutions as set out in the notice of the AGM on pages 20 to 22 of this circular
"Articles of Association"	the articles of association of the Company for the time being in force as amended from time to time
"Board"	the board of Directors of the Company
"CCASS"	The Central Clearing and Settlements System established and operated by the Hong Kong Securities Clearing Company Limited
"Company"	Precision Tsugami (China) Corporation Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
"Director(s)"	the director(s) of the Company
"Final Dividend"	the proposed final dividend of HK$0.50 per Share for the year ended 31 March 2025 payable to Shareholders whose names appear on the Register of Members on the Record Date
"Group"	the Company and its subsidiaries
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Latest Practicable Date"	17 July 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	People's Republic of China, for the purpose of this circular, excludes Hong Kong, the Macau Special Administration Region of the PRC and Taiwan
"Record Date"	27 August 2025, being the record date for determination of entitlement to the Final Dividend
"Register of Members"	the register of members of the Company
"RMB"	Renminbi
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"Share(s)"	ordinary share(s) of HK$1.00 each in the issued share capital of the Company
"Share Buy-back Mandate"	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company as at the date of passing of the resolution approving such mandate
"Shareholder(s)"	holder(s) of the Shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	the Code on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong as amended from time to time
"treasury shares"	has the meaning ascribed to it under the Listing Rules (as applicable)
"%"	per cent

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)

Executive Directors:
Dr. Tang Donglei *(Chairman and Chief executive officer)*
Dr. Wang Xiaokun
Dr. Li Zequn

Non-executive Directors:
Mr. Takao Nishijima
Ms. Mami Matsushita
Mr. Shoichiro Haga

Independent Non-executive Directors:
Mr. Kunimasa Ota
Dr. Satoshi Iwabuchi
Dr. Huang Ping
Mr. Tam Kin Bor

Registered Office:
P.O. Box 31119 Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

Principal Place of business in Hong Kong:
Room 1915, 19/F
Lee Garden One, 33 Hysan Avenue
Causeway Bay
Hong Kong

Hong Kong, 25 July 2025

To Shareholders,

Dear Sir or Madam,

PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS, PROPOSED DECLARATION OF FINAL DIVIDEND, PROPOSED GRANTING OF GENERAL MANDATES TO REPURCHASE SHARES, CLOSURE OF REGISTER OF MEMBERS AND NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide Shareholders with information regarding certain resolutions to be proposed at the Annual General Meeting to be held on Monday, 18 August 2025.

2. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

In accordance with Article 16.2 of the Articles of Association, Dr. Wang Xiaokun, Mr. Shoichiro Haga, and Mr. Kunimasa Ota, being the executive Director, the non-executive Director, and the independent non-executive Director respectively, all of whom were appointed on 25 June 2025, shall hold office until the Annual General Meeting.

In accordance with Article 16.18 of the Articles of Association, Dr. Li Zequn, being the executive Director, Mr. Takao Nishijima, being the non-executive Director, as well as Dr. Satoshi Iwabuchi and Dr. Huang Ping, both being the independent non-executive Directors, shall hold office until the Annual General Meeting.

All of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

The nomination committee of the Company (the "**Nomination Committee**") has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the board diversity policy, director nomination policy and the corporate strategy of the Company, and the independence of all independent non-executive Directors. The Nomination Committee has recommended to the Board on re-election of all the retiring Directors including Mr. Kunimasa Ota, Dr. Satoshi Iwabuchi and Dr. Huang Ping as the independent non-executive Directors who are due to retire at the Annual General Meeting. The Company considers that Mr. Kunimasa Ota, Dr. Satoshi Iwabuchi and Dr. Huang Ping are independent in accordance with the independence guidelines set out in the Listing Rules and they will continue to bring valuable business experience, knowledge and professionalism to the Board and enhance the efficiency and diversity of the Board.

Details of the retiring Directors are set out in Appendix I to this circular.

3. PROPOSED DECLARATION OF FINAL DIVIDEND

As stated in the announcement of the Company dated 25 June 2025 in relation to the annual results of the Group for the year ended 31 March 2025, the Board recommended the payment of a final dividend of HK$0.50 per Share for the year ended 31 March 2025. The Final Dividend is subject to the approval of the Shareholders at the Annual General Meeting. Subject to approval by the Shareholders at the Annual General Meeting, the Shareholders whose names appear on the Register of Members on the Record Date, i.e. Wednesday, 27 August 2025 will be entitled to the Final Dividend, which is expected to be paid to the Shareholders on Friday, 12 September 2025.

4. PROPOSED GRANTING OF GENERAL MANDATES TO REPURCHASE SHARES

At the annual general meeting of the Company held on 19 August 2024, the Directors were granted a general mandate to repurchase Shares. The authorisation will expire at the end of the Annual General Meeting. In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Share Buy-back Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares (excluding treasury shares) as at the date of passing of the relevant resolution. As at the Latest Practicable Date, the total number of Shares in issue was 375,675,000 and the Company did not have any treasury shares. Subject to the passing of the relevant resolution, the maximum number of Shares which may be repurchased under the Share Buy-back Mandate will be 37,567,500 Shares (assuming that there will be no change in the number of Shares in issue as at the Latest Practicable Date up to the date of the Annual General Meeting).

The Directors wish to state that they currently have no plan to repurchase any Shares pursuant to the Share Buy-back Mandate.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Buy-back Mandate is set out in Appendix II to this circular.

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 20 to 22 of this circular.

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman decides to allow a resolution which relates to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company following the conclusion of the Annual General Meeting in the manner prescribed under the Listing Rules.

A form of proxy for use at the Annual General Meeting 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). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the Annual General Meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

6. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting, the Register of Members will be closed from Wednesday, 13 August 2025 to Monday, 18 August 2025 (both dates inclusive), during which period no transfer of Shares will be registered. The record date will be Monday, 18 August 2025. In order to be eligible for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration before 4:30 p.m. on Tuesday, 12 August 2025.

For determining the entitlement to the Final Dividend (subject to Shareholders' approval at the AGM), the Register of Members will be closed from Monday, 25 August 2025 to Wednesday, 27 August 2025 (both dates inclusive), during which period no transfer of Shares will be registered. The record date will be Wednesday, 27 August 2025. In order to be eligible for the Final Dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration before 4:30 p.m. on Friday, 22 August 2025.

7. RECOMMENDATION

The Directors consider that the proposed (i) re-election of the retiring Directors; (ii) declaration of Final Dividend; and (iii) granting of Share Buy-back Mandate are all in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions as set out in the notice of the AGM.

8. DIRECTORS' RESPONSIBILITY STATEMENTS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Your attention is also drawn to the information set out in the appendices to this circular and the notice of the AGM set out in this circular.

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

This appendix sets out details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

(1) EXECUTIVE DIRECTOR

Dr. Li Zequn ("Dr. Li")

Dr. Li, aged 64, was appointed as an executive Director of the Company on 20 August 2018. He joined the Group since April 2013 and is the vice president of the Group. He was a director of Precision Tsugami (China) Corporation ("PTC"), the operating subsidiary of the Company in the PRC, from June 2017 to June 2018. He is also the responsible person of management department of the Group. Prior to joining the Group, from October 1991 to August 2003, Dr. Li served at Seiko Instruments Inc. (セイコー インスツル株式會社), a company primarily engaged in the manufacture of products and systems for the electronic product components and machine tools. He was an assistant manager from April 1998 to August 2003, and was primarily responsible for the development of electronics and machinery components. From September 2003 to March 2013, Dr. Li worked for Calsonic Kansei Corporation (カルソニックカンセイ株式會社) and its group company. He was primarily responsible for formulating business strategies and carrying out feasibility study in the PRC. He also served as a manager at Calsonic Kansei Corporation (カルソニックカ ンセイ株式會社) and as the head of a PRC group company of Calsonic Kansei Corporation (カルソニックカンセイ株式會社). Dr. Li was also responsible for the development of production technology, product integration, quality assurance and the provision of technical support at Calsonic Kansei Corporation (カルソニックカンセイ株式會社).

Dr. Li obtained his bachelor's degree in engineering from North University of China (中北大學) (then known as Taiyuan Institute of Machinery (太原機械學院)) in July 1982. He received his master's degree and doctoral degree in engineering from Kanazawa University (國立金澤大學) in Japan in March 1988 and September 1991, respectively.

Dr. Li has entered into a service contract with the Company, with an initial term of three years commencing on 20 August 2018 and shall extend automatically upon expiry, and shall retire by rotation and offer himself for re-election at the Annual General Meeting pursuant to the Articles of Association, or whereby he shall vacate his office pursuant to any other applicable laws from time to time. Dr. Li will not receive any director's fee for his term of appointment. For the year ended 31 March 2025, the total amount of emoluments paid to Dr. Li was RMB2,056,000 comprising salaries, allowance and benefits in kind which was determined and approved by the Board with reference to his past experience, qualifications, responsibilities and duties to be performed in the Company, the Company's performance and the prevailing market condition.

Save as disclosed above, Dr. Li does not have any relationships with any other Directors, senior management, substantial or controlling shareholder of the Company. Save as disclosed above, he has not held any directorships in other listed public companies during the last three years and he does not hold any other position with the Company or any of its subsidiaries. As at the Latest Practicable Date, Dr. Li is interested in 200,000 unvested awarded shares of the Company held by him directly within the meaning of Part XV of the Securities and Futures Ordinance.

Save for the information set out above, there is no other information required to be disclosed pursuant to the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters concerning Dr. Li that need to be brought to the attention of the Shareholders.

(2) EXECUTIVE DIRECTOR

Dr. Wang Xiaokun ("Mr. Wang")

Dr. Wang, aged 53, was appointed as an executive director of the Company on 25 June 2025. He joined the Group since March 2011 and has been the director, deputy general manager and general manager of the sales division of PTC since November 2016 and was promoted to president in October 2023 and was promoted to chairman and president on 25 June 2025. He is primarily responsible for the overall management, strategic planning and business development of the Group. From January 2006 to October 2007, Dr. Wang served as sales manager at Shokuken Co., Ltd. (株式會社食研). From November 2007 to February 2011, Dr. Wang served as deputy general manager of Rongcheng Bodelong Foodstuff Co., Ltd. (榮成波德隆食品有限公司). From March 2011 to October 2016, Dr. Wang served as the assistant manager of the sales department of PTC.

Dr. Wang obtained his bachelor's degree in Food Science and Engineering from Northeast Agricultural University (東北農業大學) in the PRC in July 1995. Dr. Wang received his master's degree in Bioresource Chemistry in March 2001 and his doctoral degree in Diversity Science in September 2005 from Chiba University (日本千葉大學) in Japan.

Dr. Wang is the brother-in-law of Dr. Tang Donglei, who is the executive Director, chairman and chief executive officer of the Company.

Dr. Wang has entered into a service agreement with the Company, with an initial term of three years from 25 June 2025, and shall extend automatically upon expiry, and shall retire by rotation and offer himself for re-election at the Annual General Meeting pursuant to the Articles of Association, or whereby he shall vacate his office pursuant to any other applicable laws from time to time. Dr. Wang will not receive any director's fee for his term of appointment.

Save as disclosed above, Dr. Wang does not hold any other position with the Company or its subsidiaries, nor does he have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company. Save as disclosed above, he has not held any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Dr. Wang is interested in 300,000 unvested awarded shares of the Company held by him directly within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, the Board is not aware of any other matters in relation to the appointment of Dr. Wang that need to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules or need to be brought to the attention of the shareholders of the Company.

(3) NON-EXECUTIVE DIRECTOR

Mr. Takao Nishijima ("Mr. Nishijima")

Mr. Nishijima, aged 77, is a non-executive Director. Mr. Nishijima joined the Group since September 2003 and was appointed as a Director on 2 July 2013 and was redesignated as a non-executive Director on 13 May 2015. Mr. Nishijima ceased to be member of the nomination committee from 25 June 2025. Mr. Nishijima was the general manager of the sales development division of Tsugami Corporation 株式會社ツガミ("Tsugami Japan") (the controlling shareholder of the Company, whose shares are listed on the Tokyo Stock Exchange (TYO: 6101)) and the managing director of Tsugami Kohan Co., Ltd. from May 1999 to June 2000. He acted as the director and general manager of the sales development division, control headquarters of Tsugami Japan from June 2000 to April 2003. Mr. Nishijima has served as the representative director, chairman and chief executive director of Tsugami Japan since April 2003, and was redesignated as the supreme advisor of Tsugami Japan since 22 June 2022. He is primarily responsible for advising on the overall operation of Tsugami Japan.

Mr. Nishijima graduated with a bachelor's degree of economics from the Faculty of Economics of the University of Tokyo (東京大學) in April 1970.

Mr. Nishijima has entered into a service contract with the Company, with an initial term of three years commencing on 25 September 2017 and shall extend automatically upon expiry, and shall retire by rotation and offer himself for re-election at the Annual General Meeting pursuant to the Articles of Association, or whereby he shall vacate his office pursuant to any other applicable laws from time to time. Mr. Nishijima will not receive any director's fee for his term of appointment. For the year ended 31 March 2025, no emoluments were paid to Mr. Nishijima.

Mr. Nishijima does not have any relationships with any other Directors, senior management, substantial or controlling shareholder of the Company. Save as disclosed above, he has not held any directorships in other listed public companies during the last three years and he does not hold any other position with the Company or any of its subsidiaries. As at the Latest Practicable Date, Mr. Nishijima is interested in 414,000 ordinary shares of Tsugami Japan within the meaning of Part XV of the SFO.

Save for the information set out above, there is no other information required to be disclosed pursuant to the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters concerning Mr. Nishijima that need to be brought to the attention of the Shareholders.

(4) NON-EXECUTIVE DIRECTOR

Mr. Shoichiro Haga ("Mr. Haga")

Mr. Haga, aged 53, has been appointed as a non-executive Director, a member of the audit committee and a member of remuneration committee of the Company on 25 June 2025. He joined Tsugami Japan (the controlling shareholder of the Company, whose shares are listed on the Tokyo Stock Exchange, (TYO: 6101)) in March 2025, and currently serves as the representative director and head of Administration of Tsugami Japan. Prior to joining Tsugami Japan, Mr. Haga held various positions at The Hokuetsu Bank, Ltd. from April 1995 to February 2025.

Mr. Haga graduated from Niigata University in 1995, majoring in law.

Mr. Haga has entered into a service agreement with the Company, with an initial term of three years from 25 June 2025 and shall extend automatically upon expiry, and shall retire by rotation and offer himself for re-election at the annual general meeting of the Company pursuant to the articles of association of the Company, or whereby he shall vacate his office pursuant to any other applicable laws from time to time. Mr. Haga will not receive any director's fee for his term of appointment.

Save as disclosed above, Mr. Haga does not hold any other position with the Company or its subsidiaries, nor does he have any relationship with any Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company. Save as disclosed above, he has not held any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Mr. Haga does not have any interest in any shares or underlying shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, the Board is not aware of any other matters in relation to the appointment of Mr. Haga that need to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules or need to be brought to the attention of the shareholders of the Company.

(5) INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Kunimasa Ota ("Mr. Ota")

Mr. Ota, aged 76, has been appointed as an independent non-executive Director of the Company on 25 June 2025. From June 2002 to March 2001, he served various positions in Tokyo Seimitsu Co., Ltd., a company listed on the Tokyo Stock Exchange (TYO: 7729) and primarily engaged in the manufacture and sales of semiconductor production equipment and measuring instruments. He was the external auditor of Tsugami Japan (the controlling shareholder of the Company, whose shares are listed on the Tokyo Stock Exchange, (TYO: 6101)) from June 2009 to June 2011. He has served as an Outside Director (Members of the Audit and Supervisory Committee) of Tsugami Japan since June 2025 and is regarded as a non-executive and independent director under applicable laws in Japan, including the Japanese Companies Act and Securities Listing Regulations.

He currently serves as Corporate Auditor (Outside) of Asia Pile Holdings Corporation, a company listed on the Tokyo Stock Exchange (TYO: 5288) and primarily engaged in the manufacture and sale of concrete piles. He is also a councilor of Musashino Art University and auditor of The Precise Measurement Technology Promotion Foundation.

Mr. Ota graduated from Kyoto University in 1971, majoring in Economics.

Mr. Ota has entered into a letter of appointment with the Company, with an initial term of three years from 25 June 2025 and shall extend automatically upon expiry, and shall retire by rotation and offer himself for re-election at the annual general meeting of the Company pursuant to the articles of association of the Company, or whereby he shall vacate his office pursuant to any other applicable laws from time to time. Mr. Ota will not receive any director's fee for his term of appointment.

Save as disclosed above, Mr. Ota does not hold any other position with the Company or its subsidiaries, nor does he have any relationship with any Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company. Save as disclosed above, he has not held any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Mr. Ota is interested in 2,300 ordinary shares of Tsugami Japan, representing approximately 0.005% of the issued share capital of Tsugami Japan, held by him directly within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, the Board is not aware of any other matters in relation to the appointment of Mr. Ota that need to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules or need to be brought to the attention of the shareholders of the Company.

(6) INDEPENDENT NON-EXECUTIVE DIRECTOR

Dr. Satoshi Iwabuchi ("Dr. Iwabuchi")

Dr. Iwabuchi, aged 66, has been appointed as an independent non-executive Director of the Company on 28 June 2023. He was the lecturer at the School of Medicine of Toho University (東邦大學醫學部) from February 1993 to December 2005. He served as an associate professor from January 2006 to March 2008, subsequently a professor, from April 2008 to March 2025, in Department of Neurosurgery of the School of Medicine of Toho University (東邦大學醫學部) in Japan. He served as a dean of the Toho University Ohashi Medical Center (東邦大學醫療中心大橋醫院) in Japan from July 2018 to June 2024. Since April 2025, Dr. Iwabuchi served as a dean of the Yokohama General Hospital (橫濱綜合醫院) in Japan.

Dr. Iwabuchi graduated from the School of Medicine of Toho University (東邦大學) in 1984 and received his doctorate's degree in medicine from School of Medicine of Toho University (東邦大學) in Japan in 1988.

Dr. Iwabuchi has entered into a letter of appointment with the Company, with an initial term of three years commencing on 28 June 2023 and shall extend automatically upon expiry, and shall retire by rotation and offer himself for re-election at the Annual General Meeting pursuant to the Articles of Association, or whereby he shall vacate his office pursuant to any other applicable laws from time to time. Dr. Iwabuchi is entitled to a director's fee of HKD540,000 per annum as determined by reference to his duties and responsibilities with the Company, the prevailing market condition as well as the performance of the Company's result. For the year ended 31 March 2025, the total amount of emoluments paid to Dr. Iwabuchi was RMB498,000, which was determined and approved by the Board with reference to his past experience, qualifications, responsibilities and duties to be performed in the Company, the Company's performance and the prevailing market condition.

Save as disclosed above, Dr. Iwabuchi does not have any relationships with any other Directors, senior management, substantial or controlling shareholder of the Company. Save as disclosed above, he has not held any directorships in other listed public companies during the last three years and he does not hold any other position with the Company or any of its subsidiaries. As at the Latest Practicable Date, Dr. Iwabuchi has no interests in the shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save for the information set out above, there is no other information required to be disclosed pursuant to the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters concerning Dr. Iwabuchi that need to be brought to the attention of the Shareholders.

(7) INDEPENDENT NON-EXECUTIVE DIRECTOR

Dr. Huang Ping ("Dr. Huang")

Dr. Huang, aged 62, was appointed as an independent non-executive Director on 13 May 2015. He was appointed as a member of audit committee and remuneration committee since 4 September 2017, and was redesignated as the chairman of remuneration committee since 2 February 2018. He was also appointed as a member of nomination committee since 1 April 2022. From April 1991 to May 1999, Dr. Huang served as manager of software engineering in Uniden Corporation (ユニデン株式會社, now Uniden Holdings Corporation), a company listed on the Tokyo Stock Exchange (TYO: 6815) and primarily engaged in the manufacture and sales of wireless communications equipment, where he was a software group leader responsible for development of various kinds of wireless communication products. From May 1999 to November 2001, Dr. Huang served in Mitsubishi Wireless Communications, Inc., a company engaged in the manufacture and sales of wireless communications equipment, where he was responsible for design and implementation of TDMA/AMPS dual mode cellular phone. Dr. Huang had afterwards served various positions in CalAmp Corp., a company whose shares are listed on NASDAQ stock market (NASDAQ: CAMP) and which is a wireless communication solutions provider. Since July 2009, Dr. Huang has been serving as the general manager of eSky Wireless Inc. (蘇州翼凱通信科技有限公司), a company engaged in the development and sales of GSM and W-CDMA wireless communications modules, where he is responsible for research and development of modules and products of GSM/GPRS for sales in North America, Japan and PRC, etc.

Dr. Huang received his bachelor's degree in wireless communication from Tsinghua University (清華大學) in July 1984. Dr. Huang obtained his master's degree and doctoral degree, majoring in electrical and electronic engineering, from Tokyo Institute of Technology (東京工業大學) in March 1988 and March 1991, respectively.

Dr. Huang has entered into a letter of appointment with the Company, with an initial term of three years commencing on 25 September 2017 and shall extend automatically upon expiry, and shall retire by rotation and offer himself for re-election at the Annual General Meeting pursuant to the Articles of Association, or whereby he shall vacate his office pursuant to any other applicable laws from time to time. Dr. Huang is entitled to a director's fee of HKD540,000. For the year ended 31 March 2025, the total amount of emoluments paid to Dr. Huang was RMB498,000, which was determined and approved by the Board with reference to his past experience, qualifications, responsibilities and duties to be performed in the Company, the Company's performance and the prevailing market condition.

Dr. Huang does not have any relationships with any other Directors, senior management, substantial or controlling shareholder of the Company. Save as disclosed above, he has not held any directorships in other listed public companies during the last three years and he does not hold any other position with the Company or any of its subsidiaries. As at the Latest Practicable Date, Dr. Huang has no interests in the shares of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save for the information set out above, there is no other information required to be disclosed pursuant to the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters concerning Dr. Huang that need to be brought to the attention of the Shareholders.

This appendix sets out an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Buy-back Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the total number of Shares in issue was 375,675,000 and the Company did not have any treasury shares.

Subject to the passing of the relevant resolution at the Annual General Meeting in respect of the granting of the Share Buy-back Mandate and assuming there will be no change in the number of Shares in issue as at the Latest Practicable Date up to the date of the Annual General Meeting, the Directors would be authorised under the Share Buy-back Mandate to repurchase, during the period in which the Share Buy-back Mandate remains in force, a total of 37,567,500 Shares, representing 10% of the total number of issued Shares (excluding treasury shares) as at the date of passing of the relevant resolution.

The Share Buy-back Mandate will continue to be in force until (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; or (iii) the date on which the authority set out in the relevant resolution is revoked or varied by an ordinary resolution of the Shareholders in a general meeting, whichever is the earliest.

2. REASONS FOR SHARE REPURCHASE

The Directors believe that the granting of the Share Buy-back Mandate is in the best interests of the Company and the Shareholders as a whole.

When exercising the Repurchase Mandate, the Company may, subject to market conditions and the Company's capital management needs at the relevant time of the repurchases, cancel the Shares repurchased following settlement of any such repurchase or hold them as treasury shares. Shares repurchased for cancellation may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. On the other hand, Shares repurchased and held by the Company as treasury shares may be resold on the market at market prices to raise funds for the Company, or transferred or used for other purposes, subject to compliance with the Listing Rules, the Memorandum and Articles of Association, and the laws of the Cayman Islands. Share repurchases will only be made when the Board believes that such a repurchase will benefit the Company and the Shareholders as a whole.

For treasury shares (if any) deposited with CCASS pending resale on the Stock Exchange, the Company will adopt appropriate measures to ensure that it would not exercise any Shareholders' rights or receive any entitlements which would otherwise be suspended under the relevant laws if those shares were registered in the Company's own name as treasury shares, which may include approval by the Board that (i) the Company will not (or will procure its broker not to) give any instructions to Hong Kong Securities Clearing Company Limited to vote at general meetings for the treasures deposited with CCASS; and (ii) in the case of dividends or distributions, the Company will withdraw the treasury shares from CCASS, and either re-register them in its own name as treasury shares or cancel them, in each case before the record date for the dividends or distributions.

3. FUNDING OF SHARE REPURCHASE

In repurchasing Shares, the Company may only apply funds from its internal resources which are legally available for such purpose in accordance with the Articles of Association, the applicable laws of the Cayman Islands and the Listing Rules.

4. IMPACT OF SHARE REPURCHASE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2025) in the event that the Share Buy-back Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have been traded on the Stock Exchange during each of the previous 12 months preceding the Latest Practicable Date were as follows:

Month	**Highest**	**Lowest**
	HK$	*HK$*
July 2024	10.50	9.14
August 2024	9.85	9.20
September 2024	10.82	9.58
October 2024	11.28	10.40
November 2024	12.38	10.92
December 2024	12.32	11.82

Month	Highest	Lowest
	HK$	*HK$*
January 2025	12.20	11.52
February 2025	19.84	11.82
March 2025	31.50	17.52
April 2025	25.00	14.72
May 2025	23.85	20.35
June 2025	22.90	19.04
July 2025 *(up to the Latest Practicable Date)*	23.85	21.70

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

As at the Latest Practicable Date, the Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that such a person has a present intention to sell, or has undertaken not to sell, any Shares to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Directors will exercise the power of the Company to repurchase Shares pursuant to the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

The Company has confirmed that neither the explanatory statement nor the proposed share repurchase has any unusual features.

7. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Share Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (as defined in the Takeovers Code), could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, Tsugami Japan was interested in 247,530,000 Shares, representing approximately 65.88% of the total issued share capital of the Company.

On the basis that (i) there will be no change in the number of Shares in issue (i.e. 375,675,000 Shares) as at the Latest Practicable Date and the Company does not have any treasury shares up to the date of the Annual General Meeting; and (ii) the shareholding of Tsugami Japan (i.e. 247,530,000 Shares) remains unchanged immediately after the full exercise of the Share Buy-back Mandate, in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the relevant ordinary resolution to be proposed at the AGM, the shareholding interests of Tsugami Japan in the issued Shares would be increased to approximately 73.21% of the total number of issued Shares. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchases to be made under the Share Buy-back Mandate.

In addition, the Listing Rules prohibit a company from making repurchase of its shares on the Stock Exchange if the repurchase would result in the number of Shares held by the public falling below 25% (or such other prescribed minimum percentage as determined by the Stock Exchange). The Directors do not propose to repurchase Shares, which would result in the number of Shares held by the public falling below 25% (or such other prescribed minimum percentage as determined by the Stock Exchange).

8. SHARE REPURCHASE MADE BY THE COMPANY

During the six months prior to the Latest Practicable Date, the Company had repurchased a total of 4,879,000 Shares of the Company on the Stock Exchange and the details are set out below.

Date of Buy-back	No. of Shares	Price Per Share	
		Highest	Lowest
		HK$	*HK$*
12 February 2025	84,000	12.26	12.22
13 February 2025	40,000	12.68	12.52
14 February 2025	100,000	12.62	12.60
17 February 2025	32,000	12.74	12.72
28 February 2025	500,000	17.60	17.28
4 March 2025	100,000	18.04	17.94
11 March 2025	800,000	20.60	19.80
13 March 2025	326,000	22.40	22.35
7 April 2025	520,000	16.20	15.18
8 April 2025	366,000	17.80	17.34
9 April 2025	100,000	18.74	18.54
10 April 2025	150,000	18.50	18.26
11 April 2025	8,000	18.92	18.90
15 April 2025	100,000	19.56	19.24
16 April 2025	635,000	18.60	17.90
17 April 2025	50,000	18.50	18.42

Date of Buy-back	No. of Shares	Price Per Share	
		Highest	Lowest
		HK$	*HK$*
25 April 2025	100,000	21.40	21.30
14 May 2025	42,000	21.80	21.70
15 May 2025	200,000	21.50	20.95
16 May 2025	50,000	22.00	21.35
19 May 2025	50,000	21.45	21.00
26 June 2025	300,000	20.65	19.98
27 June 2025	10,000	20.45	20.40
2 July 2025	116,000	21.50	21.20
3 July 2025	100,000	21.50	21.35

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 IS HEREBY GIVEN that the annual general meeting (the "**AGM**") of Precision Tsugami (China) Corporation Limited (the "**Company**") will be held at Hennessy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 10:00 a.m. on Monday, 18 August 2025, for the purpose of considering and, if thought fit, with or without amendment, passing the following resolutions:

Ordinary Resolutions

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditor of the Company for the year ended 31 March 2025.

2. To declare a final dividend of HK$0.50 per share for the year ended 31 March 2025.

3. (A) To re-elect each of the following as directors of the Company by separate resolutions:

   (i) Dr. Wang Xiaokun as an executive director of the Company;

   (ii) Dr. Li Zequn as an executive director of the Company;

   (iii) Mr. Takao Nishijima as a non-executive director of the Company;

   (iv) Mr. Shoichiro Haga as a non-executive director of the Company;

   (v) Mr. Kunimasa Ota as an independent non-executive director of the Company;

   (vi) Dr. Satoshi Iwabuchi as an independent non-executive director of the Company; and

   (vii) Dr. Huang Ping as an independent non-executive director of the Company.

   (B) To authorise the board of directors of the Company to fix the remuneration of directors.

4. To re-appoint Ernst & Young as the auditor of the Company and to authorise the board of directors of the Company to fix their remuneration.

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

"**THAT**:

(a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;

(b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company as at the date of passing of this resolution, and if any subsequent consolidation or subdivision of shares is conducted, the maximum number of shares that may be repurchased under the mandate in paragraph (a) above as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same; and

(c) for the purposes of this resolution:

"**Relevant Period**" means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; or

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in a general meeting."

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

Hong Kong, 25 July 2025

Notes:

1. According to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), all resolutions proposed at a general meeting must be voted on by poll except where the chairman decides to allow a resolution which relates to a procedural or administrative matter to be voted on by a show of hands. An announcement on the voting results will be published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.tsugami.com.cn) in accordance with the Listing Rules.

2. Any shareholders of the Company (the "**Shareholders**") entitled to attend and vote at the above general meeting is entitled to appoint one or more proxies (who must be individuals) to attend and, on a poll, vote on his/her behalf. For the avoidance of doubt, holders of treasury shares (if any) have no right to vote at the Company's general meeting(s). A proxy need not be a Shareholder. If more than one proxy is so appointed, the form of proxy shall specify the number of shares in respect of which each such proxy is so appointed. In case of a poll every Shareholder present in person or by proxy shall be entitled to one vote for each share held by him/her.

3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which is signed or a certified copy of that power or authority must be deposited with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the holding of the above general meeting or any adjournment thereof (as the case may be). Return of the form of proxy shall not preclude a Shareholder from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

4. For determining the entitlement to attend and vote at the above general meeting, the register of members of the Company will be closed from Wednesday, 13 August 2025 to Monday, 18 August 2025 (both dates inclusive), during which period no transfer of shares will be registered. The record date will be Monday, 18 August 2025. In order to be eligible for attending and voting at the AGM, unregistered holders of shares of the Company shall ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration before 4:30 p.m. on Tuesday, 12 August 2025.

5. For determining the entitlement to the proposed final dividend (subject to Shareholders' approval at the AGM), the register of members of the Company will be closed from Monday, 25 August 2025 to Wednesday, 27 August 2025 (both dates inclusive), during which period no transfer of shares will be registered. The record date will be Wednesday, 27 August 2025. In order to be eligible for the proposed final dividend, unregistered holders of shares of the Company shall ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration before 4:30 p.m. on Friday, 22 August 2025.

6. If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted or in force on the date of the AGM, the above general meeting will not to be held on Monday, 18 August 2025, but will be held immediately at the same time and place on the first Business Day after that day. "Business Day", in this context, shall mean a day (not being a Saturday) on which banks in Hong Kong are open for general banking business. Should Shareholders have any enquiries relating to the above arrangements, please contact the Tricor Investor Services Limited at their customer service hotline at 2980 1333 during 9:00 a.m. to 5:00 p.m. from Monday to Friday, excluding Hong Kong public holidays.

7. References to time and dates of this notice are to Hong Kong time and dates.

As at the date of this notice, the executive directors of the Company are Dr. Tang Donglei, Dr. Wang Xiaokun and Dr. Li Zequn; the non-executive directors of the Company are Mr. Takao Nishijima, Ms. Mami Matsushita and Mr. Shoichiro Haga; and the independent non-executive directors of the Company are Mr. Kunimasa Ohta, Dr. Satoshi Iwabuchi, Dr. Huang Ping and Mr. Tam Kin Bor.