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 Cayman Islands with limited liability)

(Stock code: 1651)

VOLUNTARY ANNOUNCEMENT
(1) GRANT OF AWARDED SHARES PURSUANT TO THE SHARE AWARD SCHEME AND (2) AMENDMENTS TO RULES RELATING TO THE SHARE AWARD SCHEME

GRANT OF AWARDED SHARES PURSUANT TO THE SHARE AWARD SCHEME

On 6 March 2026, based on the recommendation of the Remuneration Committee, the Board resolved to grant a total of 270,600 Awarded Shares, which are existing Shares held by the Trustee through acquisition from the secondary market by utilising the Company's internal resources provided to the Trustee, to 56 Grantees, pursuant to the Share Award Scheme at nil consideration, subject to any rejections by the Grantees.

AMENDMENTS TO THE SCHEME RULES

The Company is pleased to announce that on 6 March 2026, the Board has resolved to amend the rules relating to the Scheme Rules to provide for the entitlement of Grantees to receive an amount equivalent to dividends declared by the Company in respect of the Awarded Shares prior to the vesting of such Awarded Shares.

Under the previous Scheme Rules, Grantees were only entitled to receive dividends in respect of Awarded Shares after the relevant vesting period had expired and the Awarded Shares had vested. Following the amendments, Grantees will now be entitled to a Dividend Equivalent at the time such dividends are declared, notwithstanding that the Awarded Shares have not been vested.

LISTING RULES IMPLICATIONS

The grant of the Awarded Shares to the Grantees has been approved by the Remuneration Committee and the Board (including all independent non-executive Directors, save and except that the relevant Directors who are Grantees have abstained from voting in relation to the respective grant of Awarded Shares to himself/herself). The grant of the Awarded Shares to each of the relevant Directors constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. However, no new Shares (including treasury shares) will be issued upon the vesting of such Awarded Shares. As the grant of such Awarded Shares to such Directors also forms part of their remuneration packages under their respective service contracts with the Company, it is therefore exempt from the reporting, announcement and independent Shareholders' approval requirements under Rule 14A.73(6) and Rule 14A.95 of the Listing Rules.

The grant of the Awarded Shares to the Grantee who is both an employee and a connected person of the Group constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios (as defined under the Listing Rules) are below 0.1% and the grant of the Awarded Shares is on normal commercial terms, such grant of the Awarded Shares to each of such Grantees is fully exempt from reporting, announcement and independent Shareholders' approval under Rule 14A.76(1) of the Listing Rules.

The Share Award Scheme of the Company shall be funded solely by existing Shares purchased by the Trustee under the Share Award Scheme, and this grant of the Awarded Shares is only subject to the disclosure requirements under Rule 17.12 of the Listing Rules.

In addition to the above, as the Share Award Scheme does not constitute a share scheme involving the issue of new Shares as referred to in Chapter 17 of the Listing Rules, the amendments to the Share Award Scheme are not subject to shareholders' approval at a general meeting of the Company pursuant to Chapter 17 of the Listing Rules.

This announcement is made by Precision Tsugami (China) Corporation Limited (the "**Company**", together with its subsidiaries, the "**Group**") on a voluntary basis. Reference is made to the announcements of the Company dated 10 November 2023, 11 March 2024 and 7 March 2025 (the "**Announcements**") in relation to the share award scheme adopted by the Company (the "**Share Award Scheme**"). Unless otherwise defined, capitalised terms used in this announcement have the same meanings as those as defined in the Announcements.

GRANT OF AWARDED SHARES PURSUANT TO THE SHARE AWARD SCHEME

On 6 March 2026, based on the recommendation of the remuneration committee of the Company (the "**Remuneration Committee**"), the Board resolved to grant a total of 270,600 awarded Shares (the "**Awarded Shares**"), which are existing Shares held by the Trustee through acquisition from the secondary market by utilising the Company's internal resources provided to the Trustee, to 56 share award grantees (the "**Grantee(s)**"), pursuant to the Share Award Scheme at nil consideration, subject to any rejections by the Grantees.

Details of the Awarded Shares are as follows:

Date of grant	:	6 March 2026
Number of Shares granted	:	270,600
Number of Grantees	:	56
Vesting conditions	:	The Awarded Shares shall vest in the Grantees subject to the terms of the Share Award Scheme. Vesting of the Awarded Shares will be conditional on the relevant Grantee remaining a director or employee of the Group or, if applicable, any Related Entity until and on each of the vesting date(s) and his/her execution of the relevant documents to effect the transfer from the Trustee.
Vesting date	:	100% of the total number of Awarded Shares granted to each of the Grantees shall be vested in such Grantee on 6 March 2031.

Among the aggregate 270,600 Awarded Shares, 69,200 Awarded Shares are granted to 6 Directors and 1 employee who is a connected person of the Group, and the remaining 201,400 Awarded Shares are granted to other employees of the Group.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, each of the Grantees is a third party independent of the Company and its connected persons.

The 270,600 Awarded Shares granted to the Grantees represent approximately 0.07% of the issued share capital of the Company as at the date of this announcement. The 270,600 Awarded Shares represent the value of approximately HK$10,282,800, taking into account of the closing price of HK$38.0 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant of the Awarded Shares.

The Company confirms that (i) the total number of Shares awarded and approved by the Board under the Share Award Scheme, without taking into account the Awarded Shares (if any) that are rejected by a Selected Participant or which have lapsed pursuant to the Share Award Scheme, has not exceeded 6% of the issued share capital of the Company as at the Adoption Date; and (ii) the aggregate number of Shares awarded to each of the Grantees pursuant to the Share Award Scheme has not exceeded 1% of the issued share capital of the Company as at the Adoption Date.

REASONS FOR AND BENEFITS OF THE GRANT OF THE AWARDED SHARES

The purpose of the Share Award Scheme is to (i) recognise contributions made by certain Eligible Participants and to provide the Eligible Participants with incentives to, through their opportunity in ownership of the equity interests in the Company and sharing of the results of the Group's strategic development, contribute to the Group and increase the value of the Company and the Shares, thereby benefiting the Company and the Shareholders as a whole; and (ii) retain talents and attract suitable personnel for further development of the Group.

The purpose of the grant of the Awarded Shares to the Grantees is to (i) recognise the Grantees' contribution to the operation and the performance of the Group; and (ii) incentivise the Grantees to remain with the Group or a Related Entity and to endeavour to contribute to the development of the Group in the future. As such, the Remuneration Committee holds the view that the grant of the Awarded Shares and its terms are consistent with the purpose of the Share Award Scheme.

The Directors (including the independent non-executive Directors) are of the view that the grant of the Awarded Shares to the Grantees, the respective terms and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

NUMBER OF SHARES AVAILABLE FOR FUTURE GRANT

As all the 270,600 underlying Awarded Shares will be satisfied by the corresponding portion of the 934,000 Shares previously purchased by the Trustee but not awarded pursuant to the Share Award Scheme, no new Shares (including treasury shares) will be issued by the Company and the grant of the Awarded Shares will not result in any dilution effect to the number of total issued Shares upon vesting thereof. Assuming all Awarded Shares are accepted by the Grantees, as at the date of this announcement, 663,400 Shares are held by the Trustee for future grants pursuant to the Share Award Scheme.

Immediately after the grant of the Awarded Shares, 17,948,640 Shares will be available for future grants under the scheme limit of the Share Award Scheme.

AMENDMENTS TO THE SCHEME RULES

The Company is pleased to announce that on 6 March 2026, the Board has resolved to amend the rules relating to the Scheme Rules to provide for the entitlement of Grantees to receive an amount equivalent to dividends declared by the Company in respect of the Awarded Shares prior to the vesting of such Awarded Shares.

Under the previous Scheme Rules, Grantees were only entitled to receive dividends in respect of Awarded Shares after the relevant vesting period had expired and the Awarded Shares had vested. Following the amendments, Grantees will now be entitled to receive an amount equal in value to any dividends declared by the Company in respect of their unvested Awarded Shares (a "**Dividend Equivalent**") at the time such dividends are declared, notwithstanding that the Awarded Shares have not been vested.

The Board has further resolved to make corresponding amendments to the Trust Deed to ensure consistency with the amended Scheme Rules.

Save as disclosed above, all other provisions of the Scheme Rules remain unchanged.

REASONS FOR AND BENEFITS OF THE AMENDMENTS TO THE SCHEME RULES

By allowing Grantees to benefit from the Company's distributions during the vesting period in the form of Dividend Equivalent, the Board believes that the amendments to the Scheme Rules will better align the interests of Grantees with those of the Shareholders. The Board considers that these changes will enhance the attractiveness and competitiveness of the Share Award Scheme, support the incentive and retention of key personnel, and help reinforce the Share Award Scheme's purpose in recognising and rewarding the contributions of Eligible Participants. Overall, the amendments are expected to provide further incentives for the ongoing commitment and development of the Group's employees and assist in attracting suitable personnel for the Group's future growth.

LISTING RULES IMPLICATIONS

The grant of the Awarded Shares to the Grantees has been approved by the Remuneration Committee and the Board (including all independent non-executive Directors, save and except that the relevant Directors who are Grantees have abstained from voting in relation to the respective grant of Awarded Shares to himself/herself). The grant of the Awarded Shares to each of the relevant Directors constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. However, no new Shares (including treasury shares) will be issued upon the vesting of such Awarded Shares. As the grant of such Awarded Shares to such Directors also forms part of their remuneration packages under their respective service contracts with the Company, it is therefore exempt from the reporting, announcement and independent Shareholders' approval requirements under Rule 14A.73(6) and Rule 14A.95 of the Listing Rules.

The grant of the Awarded Shares to the Grantee who is both an employee and a connected person of the Group constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As all of the applicable percentage ratios (as defined under the Listing Rules) are below 0.1% and the grant of the Awarded Shares is on normal commercial terms, such grant of the Awarded Shares to each of such Grantee is fully exempt from reporting, announcement and independent Shareholders' approval under Rule 14A.76(1) of the Listing Rules.

The Share Award Scheme of the Company shall be funded solely by existing Shares purchased by the Trustee under the Share Award Scheme, and this grant of the Awarded Shares is only subject to the disclosure requirements under Rule 17.12 of the Listing Rules.

In addition to the above, as the Share Award Scheme does not constitute a share scheme involving the issue of new Shares as referred to in Chapter 17 of the Listing Rules, the amendments to the Share Award Scheme are not subject to shareholders' approval at a general meeting of the Company pursuant to Chapter 17 of the Listing Rules.

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. Wang Xiaokun
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 6 March 2026

As at the date of this announcement, the executive directors of the Company are Dr. Wang Xiaokun, Dr. Tang Donghao, Mr. Shoichiro Haga and Mr. Li Junying; the non-executive directors of the Company are Mr. Nobuhiro Watabe and Ms. Mami Matsushita; and the independent non executive directors of the Company are Mr. Kunimasa Ota, Dr. Satoshi Iwabuchi, Dr. Huang Ping and Mr. Tam Kin Bor.