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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2026

The board of directors (the "**Board**") of Precision Tsugami (China) Corporation Limited (the "**Company**") hereby announces the audited consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2026 (the "**Year**" or the "**Year under Review**") together with the comparative figures for the corresponding period in 2025.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 March 2026 RMB'000	2025 RMB'000
REVENUE	4	**5,184,075**	4,261,557
Cost of sales		**(3,376,182)**	(2,851,124)
Gross profit		**1,807,893**	1,410,433
Other income and gains	4	**109,704**	80,384
Selling and distribution costs		**(210,987)**	(189,947)
Administrative expenses		**(136,899)**	(152,629)
Reversal of impairment loss/(impairment loss) on financial assets, net		**3,753**	(6,216)
Other expenses		**(6,100)**	(4,434)
Finance costs	5	**(2,210)**	(412)
PROFIT BEFORE TAX	6	**1,565,154**	1,137,179
Income tax expense	7	**(470,792)**	(354,762)
PROFIT FOR THE YEAR		**1,094,362**	782,417
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,094,362**	782,417
ATTRIBUTABLE TO:			
Owners of the parent		**1,094,362**	782,417

	Note	Year ended 31 March 2026 RMB	2025 RMB
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
– Basic			
– For profit for the Year	8	**2.98**	2.08
– Diluted			
– For profit for the Year	8	**2.97**	2.07

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 March	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**519,214**	554,497
Right-of-use assets		**96,896**	67,656
Intangible assets		**4,718**	6,315
Equity investments designated at fair value through other comprehensive income		**4,750**	4,750
Deferred tax assets		**25,504**	26,294
Total non-current assets		**651,082**	659,512
CURRENT ASSETS			
Inventories		**877,280**	930,344
Trade and notes receivables	*9*	**1,965,119**	1,566,691
Prepayments, other receivables and other assets		**9,278**	16,287
Cash and bank balances		**1,486,249**	1,081,652
Total current assets		**4,337,926**	3,594,974
CURRENT LIABILITIES			
Trade and notes payables	*10*	**614,369**	610,517
Other payables and accruals		**394,382**	213,949
Lease liabilities		**1,841**	1,338
Income tax payable		**154,592**	137,750
Provision		**15,922**	10,391
Total current liabilities		**1,181,106**	973,945
NET CURRENT ASSETS		**3,156,820**	2,621,029
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,807,902**	3,280,541

	Notes	As at 31 March 2026 RMB'000	2025 RMB'000
NON-CURRENT LIABILITIES			
Lease liabilities		**1,187**	1,005
Deferred tax liabilities		**151,655**	116,361
Deferred income		**15,101**	16,600
Other liabilities		**12,405**	12,413
Total non-current liabilities		**180,348**	146,379
NET ASSETS		**3,627,554**	3,134,162
EQUITY			
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Issued capital		**315,479**	319,626
Treasury shares		**(270,129)**	(87,058)
Reserves		**3,582,204**	2,901,594
TOTAL EQUITY		**3,627,554**	3,134,162

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 March	
	2026	2025
	RMB'000	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**1,565,154**	1,137,179
Adjustments for:		
Finance costs	**2,210**	412
Bank interest income	**(19,231)**	(22,518)
Loss on disposal of items of property, plant and equipment	**734**	239
Depreciation of property, plant and equipment	**56,682**	54,789
Depreciation of right-of-use assets	**3,782**	4,450
Amortisation of intangible assets	**1,756**	1,684
Equity-settled share options and shares incentive expenses	**21,380**	6,749
(Reversal of impairment loss)/impairment loss on trade receivables	**(4,499)**	5,682
Impairment loss of financial assets at fair value through other comprehensive income	**739**	533
Impairment loss of inventories	**2,299**	2,743
Impairment loss of financial assets included in prepayments, other receivables and other assets	**7**	1
	1,631,013	1,191,943
Decrease/(increase) in inventories	**50,765**	(76,012)
Increase in trade and notes receivables	**(394,668)**	(591,369)
Decrease/(increase) in prepayments, other receivables and other assets	**7,002**	(2,945)
Increase in trade and notes payables	**3,852**	76,734
Increase in other payables and accruals	**32,149**	31,860
Decrease in other liabilities	**(8)**	(744)
Increase/(decrease) in contract liabilities	**148,284**	(7,665)
Increase in provision	**5,531**	3,396
Decrease in deferred income	**(1,499)**	(1,499)
Cash generated from operations	**1,482,421**	623,699
Income taxes paid	**(417,866)**	(270,785)
Net cash flows from operating activities	**1,064,555**	352,914

	Year ended 31 March	
	2026	2025
	RMB'000	*RMB'000*
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	**19,231**	22,518
Purchases of items of property, plant and equipment	**(23,037)**	(42,405)
Proceeds from disposal of items of property, plant and equipment	**904**	653
Purchase of equity investments designated at fair value through other comprehensive income	**–**	(975)
Additions to right-of-use assets	**(30,747)**	–
Additions to intangible assets	**(159)**	(2,524)
Maturity in time deposits with original maturity of more than three months	**499,000**	428,000
Placement in time deposits with original maturity of more than three months	**(578,608)**	(686,532)
Net cash flows used in investing activities	**(113,416)**	(281,265)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repurchase of shares	**(253,360)**	(61,736)
Principal portion of lease payments	**(1,590)**	(2,587)
Dividends paid	**(368,990)**	(294,857)
Interest paid	**(2,210)**	(412)
Net cash flows used in financing activities	**(626,150)**	(359,592)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**324,989**	(287,943)
Cash and cash equivalents at beginning of year	**390,064**	678,007
CASH AND CASH EQUIVALENTS AT END OF YEAR	**715,053**	390,064
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	**715,053**	390,064

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered address of the Company is located at P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY 1-1205, Cayman Islands.

The Company is an investment holding company. During the Year, the Group was primarily involved in the manufacture and sale of high precision computer numerical control ("**CNC**") machine tools.

The direct parent company and the ultimate holding company of the Company is Tsugami Corporation, a company incorporated in Japan whose shares are listed on the Tokyo Stock Exchange.

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name of company	Date of incorporation/ registration and place of operations	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Precision Tsugami (Hong Kong) Limited *(note (a))* ("**Precision Tsugami Hongkong**")	24 September 2013 Hong Kong	HK$767,718,112	100	–	Investment holding
津上精密機床(浙江)有限公司*(note (b))* Precision Tsugami (China) Corporation* ("**Precision Tsugami Zhejiang**")	11 September 2003 Zhejiang, Chinese mainland	US$148,700,000	–	100	Manufacture and sale of high precision CNC machine tools
浙江品川精密機械有限公司*(note (b))* Shinagawa Precision Machinery (Zhejiang) Co., Ltd.* ("**Shinagawa Precision**")	24 November 2010 Zhejiang, Chinese mainland	RMB35,000,000	–	100	Manufacture and sale of precision machine tool castings
安徽津上精密機床有限公司*(note (b))* Precision Tsugami (Anhui) Corporation* ("**Precision Tsugami Anhui**")	18 April 2018 Anhui, Chinese mainland	RMB150,000,000	–	100	Manufacture and sale of high precision CNC machine tools and precision machine tool castings

* The English names of the subsidiaries registered in the People's Republic of China (the "**PRC**") represent the best efforts made by the management of the Company to translate their Chinese names as these subsidiaries do not have official English names.

Notes:

(a) This entity is a limited liability company incorporated in Hong Kong.

(b) These entities are registered as limited liability companies under the laws of the PRC.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) as issued by the International Accounting Standards Board ("**IASB**"), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for notes receivable and equity investments which have been measured at fair value. These financial statements are presented in Renminbi and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 March 2026. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has the rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows related to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified as profit, loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted amendments to IAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in and the functional currencies of overseas subsidiaries and joint ventures for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

In addition, the IASB has issued amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37 *Disclosures about Uncertainties in the Financial Statements*, which added illustrative examples in the corresponding IFRS Accounting Standards. These examples reflect existing requirements in the corresponding IFRS Accounting Standards to report the effects of uncertainties in the financial statements using climate-related examples. Therefore, the amendments do not have an effective date or transitional provisions.

3 OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and only has one reportable operating segment, which is the manufacture and sale of high precision CNC machine tools. Management monitors the operating results of the Group's operating segment for the purpose of making decisions about resource allocation and performance assessment. Therefore, no analysis of operating segments is presented.

Geographical information

(a) Revenue from external customers

	Year ended 31 March	
	2026	2025
	RMB'000	*RMB'000*
Chinese mainland	**4,817,272**	3,790,671
Overseas	**366,803**	470,886
Total revenue	**5,184,075**	4,261,557

The revenue information above is based on the locations of customers.

(b) Non-current assets

	Year ended 31 March	
	2026	2025
	RMB'000	*RMB'000*
Chinese mainland	**620,828**	628,468

The non-current asset information above is based on the locations of these assets and excludes financial instruments and deferred tax assets.

Information about major customers

Business revenue of approximately RMB353,154,000 (2025: RMB452,140,000) was derived from sales by the industrial products segment to a single customer, including sales to a group of entities which are known to be under common control with that customer.

4 REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 March 2026 *RMB'000*	2025 *RMB'000*
Revenue from contracts with customers		
Sale of goods	**5,175,628**	4,255,516
Rendering of services	**8,447**	6,041
Total	**5,184,075**	4,261,557

(i) Disaggregated revenue information

	Year ended 31 March 2026 *RMB'000*	2025 *RMB'000*
Type of goods or services		
Precision lathes	**4,330,858**	3,624,492
Precision machining centres	**385,602**	243,618
Precision grinding machines	**226,844**	208,359
Other components	**232,324**	179,047
Sale of goods	**5,175,628**	4,255,516
Rendering of services	**8,447**	6,041
Total	**5,184,075**	4,261,557
Geographical markets		
Chinese mainland	**4,817,272**	3,790,671
Overseas	**366,803**	470,886
Total	**5,184,075**	4,261,557
Timing of revenue recognition		
Goods transferred at a point in time	**5,175,628**	4,255,516
Services rendered at a point in time	**8,447**	6,041
Total	**5,184,075**	4,261,557

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	Year ended 31 March 2026 *RMB'000*	2025 *RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of goods	**84,442**	92,107

There was no revenue recognised from performance obligations satisfied in previous periods.

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 180 days from delivery. Certain contracts provide customers with a right of return which gives rise to variable consideration subject to constraint.

Rendering of services

The performance obligation is satisfied upon the rendering of the promised services to the customers and payment is generally due within approximately 30 days.

An analysis of other income and gains is as follows:

	Year ended 31 March	
	2026	2025
	RMB'000	*RMB'000*
Other income and gains		
Bank interest income	**19,231**	22,518
Government grants *(Note (a))*	**90,034**	56,504
Others	**439**	1,362
Total other income and gains	**109,704**	80,384

Note (a): The amount represents grants received from the local PRC government. There are no unfulfilled conditions or contingencies relating to these grants. Government grants received for which related expenditure has not yet been undertaken are included in deferred income in the statement of financial position.

5 FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

	Year ended 31 March	
	2026	2025
	RMB'000	*RMB'000*
Interest arising from discounted notes receivable	**2,166**	370
Interest on lease liabilities	**44**	42
Total	**2,210**	412

6 PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Year ended 31 March	
	2026	2025
	RMB'000	*RMB'000*
Cost of inventories sold*	**3,372,475**	2,848,239
Cost of services provided	**3,707**	2,885
Impairment loss of inventories**	**2,299**	2,743
Depreciation of property, plant and equipment	**56,682**	54,789
Depreciation of right-of-use assets	**3,782**	4,450
Amortisation of intangible assets	**1,756**	1,684
Research and development costs	**51,314**	72,837
Lease payments not included in the measurement of lease liabilities	**3,865**	3,363
Equity-settled share-based payment expense	**21,380**	6,749
Auditor's remuneration		
– Annual audit	**1,420**	1,420
Employee benefit expense (including directors' and chief executives' remuneration):		
Wages and salaries	**393,342**	374,491
Pension scheme contributions	**40,259**	33,616
Social security contributions and accommodation benefits	**58,411**	51,061
Foreign exchange differences, net	**4,240**	3,759
Impairment of financial assets, net:		
(Reversal of impairment loss)/impairment loss on trade receivables	**(4,499)**	5,682
Impairment loss of financial assets at fair value through other comprehensive income	**739**	533
Impairment loss of financial assets included in prepayments, other receivables and other assets	**7**	1
Warranty provision	**20,284**	16,433
Bank interest income	**(19,231)**	(22,518)
Loss on disposal of items of property, plant and equipment	**734**	239
Government grants	**(90,034)**	(56,504)

* The cost of inventories sold includes depreciation of property, plant and equipment and employee benefit expense, which are also included in the respective total amounts of the items disclosed above.

** Impairment loss of inventories during the year is included in "cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

7 INCOME TAX EXPENSE

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and/or operated.

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in that jurisdiction.

Hong Kong profits tax is provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong.

The provision for Chinese mainland current income tax is based on the statutory rate of 25% (2025: 25%) of the assessable profits of the PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008 (the "**New Corporate Income Tax Law**").

The major components of income tax expense are as follows:

	Year ended 31 March	
	2026	2025
	RMB'000	*RMB'000*
Current tax – Chinese mainland	**431,471**	335,043
Adjustment in prior years	**3,237**	–
Deferred tax	**36,084**	19,719
Total tax charge for the year	**470,792**	354,762

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled to the income tax expense at the effective income tax rate is as follows:

	Year ended 31 March	
	2026	2025
	RMB'000	*RMB'000*
Profit before tax	**1,565,154**	1,137,179
Tax at the statutory tax rate	**391,289**	284,295
Adjustments in respect of current tax of previous periods	**3,237**	170
Expenses not deductible for tax	**5,997**	3,942
Tax losses and temporary differences (utilized)/not recognised	**(641)**	2,204
Effect of withholding tax at 10% on the distributable profits of the Group's PRC subsidiaries	**81,972**	81,081
Research and development expenditures super deduction	**(11,062)**	(16,930)
Total tax charge at the Group's effective tax rate	**470,792**	354,762

8 EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 366,936,945 (2025: 376,040,025) outstanding during the year.

The calculation of the diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculation of basic and diluted earnings per share is based on:

	As at 31 March	
	2026	2025
	RMB'000	*RMB'000*
Earnings		
Profit attributable to ordinary equity holders of the Company used in the basic earnings per share calculation	**1,094,362**	782,417

	Number of shares	
	2026	2025
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	**366,936,945**	376,040,025
* Effect of dilution – weighted average number of ordinary shares:		
Restricted shares	**1,868,715**	1,243,082
	368,805,660	377,283,107

* The diluted earnings per share amount is based on the profit for the year ended 31 March 2026 of RMB1,094,362,000 and the weighted average number of ordinary shares of 368,805,660 outstanding during the year.

9 TRADE AND NOTES RECEIVABLES

	As at 31 March	
	2026	2025
	RMB'000	*RMB'000*
Trade receivables*	**148,280**	224,032
Notes receivable	**1,819,463**	1,349,782
	1,967,743	1,573,814
Impairment allowance	**(2,624)**	(7,123)
Net carrying amount	**1,965,119**	1,566,691

* Trade receivables include trade receivables from related parties.

Customers are usually required to make payments in advance before the Group delivers goods to them. However, the Group's trading terms with certain major customers with good repayment history and high reputations are on credit. The credit period is generally one to six months. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly and actively by senior management. The Group does not hold any collateral or other credit enhancements over its balance of trade receivables. Trade receivables are unsecured and non-interest-bearing.

At 31 March 2026, the Group endorsed certain notes receivable not yet due as of year end accepted by banks in Chinese mainland (the "**Endorsed Notes**") to some of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB190,368,000 (2025: RMB124,123,000) (the "**Endorsement**"). In addition, the Group discounted certain notes receivable not yet due as of year end accepted by banks in Chinese mainland (the "**Discounted Notes**"), with no relevant amount incurred this year (2025: with no relevant amount incurred). In accordance with the Law of Negotiable Instruments in Chinese mainland, the holders of the Endorsed Notes and the Discounted Notes have the right of recourse against the Group if the banks default (the "**Continuing Involvement**").

In the opinion of the directors, the Group has transferred substantially all the risks and rewards relating to certain of the Endorsed Notes and Discounted Notes accepted by large and reputable banks with amounts of RMB130,037,000 (2025: RMB77,423,000) and RMB nil (2025: nil), respectively (the "**Derecognised Notes**"). Accordingly, the Group has derecognised the full carrying amounts of these Derecognised Notes and the associated trade payables settled by the Endorsed Notes.

The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Notes and the undiscounted cash flows to repurchase these Derecognised Notes is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Notes are not significant.

At 31 March 2026, the Group continued to recognise the remaining Endorsed Notes and the associated trade payables with an amount of RMB60,331,000 (2025: RMB46,700,000) because the directors believe that the Group has retained substantially all the risks and rewards, which include default risks relating to such remaining Endorsed Notes.

During the Year, the Group did not recognise any gain or loss on the date of transfer of the Derecognised Notes. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively.

Notes receivable of RMB791,401,000 (2025: RMB572,368,000) were classified as financial assets at fair value through other comprehensive income under IFRS 9, and RMB1,028,062,000 (2025: RMB777,414,000) were classified as financial assets measured at amortised cost under IFRS 9.

A receivable is an entity's right to consideration that is unconditional. An entity shall recognise a receivable in accordance with IFRS 9. Upon initial recognition of a receivable from a contract with a customer, any difference between the measurement of the receivable in accordance with IFRS 9 and the corresponding amount of revenue recognised shall be presented as an impairment loss. In the subsequent measurement of financial assets at fair value through other comprehensive income, impairment reversals are recognised in profit or loss and computed in the same manner as financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income.

The Group's notes receivable were all aged within six months and none of them had been past due.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of allowance, is as follows:

	As at 31 March	
	2026	2025
	RMB'000	*RMB'000*
Within 3 months	**144,378**	216,374
3 months to 6 months	**1,278**	489
6 months to 9 months	**–**	46
Total	**145,656**	216,909

The movements in the loss allowance of trade receivables are as follows:

	As at 31 March	
	2026	2025
	RMB'000	*RMB'000*
At the beginning of the year	**7,123**	1,441
(Reversal of impairment loss)/impairment loss on trade receivables	**(4,499)**	5,682
At the end of the year	**2,624**	7,123

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns according to the sales type, customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade and notes receivables using a provision matrix:

As at 31 March 2026

		Past due			
	Current	**Less than 1 month**	**1 to 3 months**	**Over 3 months**	**Total**
Expected credit loss rate	**0.133%**	**–**	**–**	**–**	**0.133%**
Gross carrying amount *(RMB'000)*	**1,967,743**	**–**	**–**	**–**	**1,967,743**
Expected credit losses *(RMB'000)*	**2,624**	**–**	**–**	**–**	**2,624**

As at 31 March 2025

	Current	Past due: Less than 1 month	Past due: 1 to 3 months	Past due: Over 3 months	Total
Expected credit loss rate	0.453%	–	–	–	0.453%
Gross carrying amount *(RMB'000)*	1,573,814	–	–	–	1,573,814
Expected credit losses *(RMB'000)*	7,123	–	–	–	7,123

10 TRADE AND NOTES PAYABLES

	As at 31 March 2026 *RMB'000*	2025 *RMB'000*
Trade payables*	**536,521**	531,980
Notes payable	**77,848**	78,537
	614,369	610,517

* Trade payables include trade payables to related parties.

An ageing analysis of the outstanding trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	As at 31 March 2026 *RMB'000*	2025 *RMB'000*
Within 3 months	**536,371**	531,930
Over 3 months	**150**	50
	536,521	531,980

Trade payables are non-interest-bearing, and trade payables to third parties are normally settled within 90 days.

11 DIVIDENDS

	Year ended 31 March 2026 *RMB'000*	2025 *RMB'000*
Final dividends paid for the year ended 31 March 2025 – HK$0.50 per ordinary share (HK$0.40 per ordinary share for the year ended 31 March 2024)	**168,800**	138,371
Interim dividends paid for the six months ended 30 September 2025 – HK$0.60 per ordinary share (HK$0.45 per ordinary share for the six months ended 30 September 2024)	**200,390**	156,486
Total	**368,990**	294,857

On 29 June 2026, the Board proposed the payment of a final dividend of HK$0.90 per share for the year ended 31 March 2026. The source of the proposed payment of a final dividend is scheduled to be the retained profits. The proposed final dividend is subject to approval by the shareholders of the Company at the forthcoming annual general meeting.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the Year under Review, despite the ongoing challenges in the global macroeconomic environment, the deepening of geopolitical tensions and supply chain restructuring, as well as the tepid growth momentum of the world economy and international trade, the machine tools industry in China achieved steady growth in terms of various economic indicators, including revenue, profit, orders and production volume, driven by the dual empowerment of national policy support and market demand in key sectors. As a member of the CNC machine tools industry, the Group successfully captured opportunities arising from structural market changes by virtue of its forward-looking strategic layout, continuous technological innovation and refined operational management, achieving sustained performance growth. During the current financial year, the Company's revenue and net profit grew by approximately 21.6% and 39.9% year-on-year, respectively, with both hitting historic highs, demonstrating strong development resilience, profitability and industry leadership.

As the digital and intelligent transformation of the manufacturing industry entered an accelerated stage, particularly with the continuous release of demand for high-precision, high-efficiency and high-reliability CNC machine tools from strategic emerging industries such as new energy vehicles ("**NEVs**"), high-end equipment, AI and next-generation communication technologies, the industry sentiment continued to gain momentum. Leveraging its technological and product advantages, customer resources and solution capabilities accumulated through deep cultivation in various segments of the automotive industry over recent years, the Group firmly seized the window of opportunity presented by downstream leading manufacturers' supply chain optimization and equipment upgrades. This enabled the Group to achieve significant breakthroughs in key segments of precision machining, including NEV three-electric systems (battery, motor, and electric control), intelligent driving and automatic braking systems, further enhancing its market share and brand influence. Meanwhile, in emerging growth sectors such as AI liquid cooling, semiconductors and humanoid robots, the high-value-added product lines specially deployed by the Company also began to contribute revenue at scale, becoming important engines driving growth.

Faced with intensifying price competition within the industry, the Group continuously advanced its lean operational system featuring "all-staff participation and whole-process improvement", translating cost control and efficiency enhancement into core competitiveness. Through deepening design standardization, unifying the specifications of purchased components, optimizing manufacturing processes and refining supply chain management, the Company maintained profitability levels significantly above the industry average despite the rat-race competition in the industry. For the current financial year, the growth rate of net profit far outpaced that of revenue, fully validating the Company's excellent operational efficiency, economies of scale and robust cost control capabilities. This virtuous cycle of "exchanging price for volume to drive dual growth in volume and profit" not only consolidated its market share but also significantly bolstered the Company's overall profitability and risk resistance capacity.

During the Year under Review, the Group saw a steady increase in orders secured from major downstream industries such as automobiles and 3C sectors, with sales revenue and net profit increasing by approximately 21.6% and 39.9% respectively as compared with the last financial year to approximately RMB5,184,075,000 and RMB1,094,362,000, respectively. Benefitting from the Group's various cost reduction and efficiency improvement efforts, the profitability improved significantly, with the gross profit margin increasing by approximately 1.8 percentage points to 34.9% from 33.1% in the last financial year. Net profit margin increased by approximately 2.7 percentage points to 21.1% from 18.4% in the last financial year.

Basic earnings per share during the Year under Review were approximately RMB2.98 (last financial year: approximately RMB2.08).

FINANCIAL REVIEW

Revenue

During the Year under Review, the total revenue increased by approximately 21.6%, or approximately RMB922,518,000, from approximately RMB4,261,557,000 in the last financial year to approximately RMB5,184,075,000. Such increase was primarily due to (1) the continuous overall upward trend of China's economic conditions from the last financial year onwards, which led to an increasing demand for machine tools from various sectors of the downstream manufacturing industry; and (2) improved product cost-effectiveness and competitiveness due to the Company's ongoing cost reduction and efficiency improvement initiatives, as well as active participation in market competition to reduce sales price, with more orders being secured by the Company. In particular, (i) the precision lathes recorded sales of approximately RMB4,330,858,000 during the Year under Review, representing a year-on-year increase of approximately 19.5%; (ii) the precision machining centres recorded sales of approximately RMB385,602,000 during the Year under Review, representing a year-on-year increase of approximately 58.3%; (iii) the precision grinding machines recorded sales of approximately RMB226,844,000 during the Year under Review, representing a year-on-year increase of approximately 8.9%; and (iv) other sales, which mainly included sales of thread and form rolling machines, and ancillary parts and components, recorded approximately RMB240,771,000, representing a year-on-year increase of approximately 30.1%.

The table below sets out the revenue breakdown by product category for the Year under Review and the last financial year: (RMB'000)

	For the year ended 31 March 2026	**Proportion (%)**	For the year ended 31 March 2025	Proportion (%)	**Year-on-year increase (%)**
Precision lathes	**4,330,858**	**83.5%**	3,624,492	85.1%	**19.5%**
Precision machining centres	**385,602**	**7.4%**	243,618	5.7%	**58.3%**
Precision grinding machines	**226,844**	**4.4%**	208,359	4.9%	**8.9%**
Others*	**240,771**	**4.7%**	185,088	4.3%	**30.1%**
Total	**5,184,075**	**100%**	4,261,557	100%	**21.6%**

(*) Others include revenue from sales of precision thread and form rolling machines, parts and components and after-sales service.

Gross Profit and Gross Profit Margin

The gross profit during the Year under Review increased by approximately 28.2% to approximately RMB1,807,893,000 as compared to the last financial year. The gross profit margin increased from approximately 33.1% in the last financial year to approximately 34.9% during the Year under Review. The increased sales revenue during the Year under Review led to a corresponding increase in gross profit, with the gross profit margin rising by 1.8 percentage points, which was mainly attributable to changes in the composition of products sold by the Company and the substantial enhancements in cost reduction and efficiency improvement implemented by the Company.

Other Income and Gains

Other income and gains of the Group primarily consist of bank interest income, government grants and others. During the Year under Review, other income and gains increased by approximately 36.5% as compared with the last financial year to approximately RMB109,704,000, primarily due to a year-on-year increase of approximately 50% in government grants from software tax refunds, which resulted from the increase in domestic sales revenue during the Year under Review.

Selling and Distribution Expenses

Selling and distribution expenses primarily consist of staff salaries and benefits, transportation and insurance costs, warranty expenses, travel expenses, office utility expenses, marketing and advertisement expenses and depreciation costs. During the Year under Review, selling and distribution expenses of the Group amounted to approximately RMB210,987,000, representing an increase of approximately 11.1% as compared with the last financial year, and accounting for approximately 4.1% of the Group's revenue for the Year under Review. Such increase in expenses was mainly attributable to the increase in salaries and benefits costs for marketing and after-sales service staff, and the increase in warranty expenses as a result of the increase in shipment volume.

Administrative Expenses

Administrative expenses primarily consist of salaries and benefits for management, administrative and financial personnel, administrative costs, customisation and development expenses, depreciation expenses relating to property, plant and equipment used for administrative purposes, amortisation expenses for the management information systems, and other taxes and levies expenditure.

During the Year under Review, administrative expenses amounted to approximately RMB136,899,000, representing a decrease of approximately 10.3% as compared with the last financial year, which was mainly due to the decrease in office expenses, depreciation expenses, amortisation expenses as well as development expenses of the administrative department during the Year under Review.

Other Expenses

Other expenses primarily include exchange losses, losses on the disposal of fixed assets, banking charges and others. During the Year under Review, other expenses amounted to approximately RMB6,100,000, representing an increase of approximately RMB1,666,000 as compared with the last financial year, mainly due to the combined effect of the increase in exchange losses arising from the Japanese Yen deposits and receivables held by the Company as a result of movements in the Japanese Yen against Renminbi exchange rates, and the increase in the losses on disposal of fixed assets during the Year under Review.

Reversal of impairment loss /(impairment loss) on financial assets, net

During the Year under Review, the provision for net impairment gains on financial assets amounted to approximately RMB3,753,000, as compared to the provision for net impairment losses of approximately RMB6,216,000 in the last financial year, which was mainly due to the decrease in trade receivables as at the end of the Year under Review, resulting in a decrease in the provision made for the same.

Finance Costs

During the Year under Review, the finance costs were approximately RMB2,210,000 (for the last financial year: RMB412,000), which was mainly due to the increase in interest arising from the discounting of bank bills during the Year under Review as compared with that of the same period last year.

Income Tax Expenses

During the Year under Review, income tax expenses increased by approximately 32.7% as compared with the last financial year to approximately RMB470,792,000, which was mainly due to the increase in revenue and profit before tax.

Profit for the Year

As a result of the aforementioned factors, the Group's profit for the year increased by approximately 39.9% from approximately RMB782,417,000 in the last financial year to approximately RMB1,094,362,000 for the Year under Review.

Liquidity, Financial Resources and Debt Structure

During the Year under Review, the Group continued to maintain a healthy and solid liquidity position by funding its operations and investments mainly with internal cash flows. As at 31 March 2026, the cash and cash equivalents and time deposits with maturity of more than three months of the Group amounted to approximately RMB715,053,000 and RMB752,000,000, respectively (31 March 2025: approximately RMB390,064,000 and RMB676,000,000, respectively).

As at 31 March 2026, the Group's cash and cash equivalents were mainly held in Renminbi, and part of them were held in Hong Kong dollars and Japanese Yen ("**JPY**").

As at 31 March 2026, the Group recorded net current assets of approximately RMB3,156,820,000 (31 March 2025: approximately RMB2,621,029,000). Capital expenditures for the year ended 31 March 2026 amounted to approximately RMB23,196,000, which was mainly utilised to finance the purchase and construction of plants, the addition of processing equipment, and the addition and purchase of design and management software.

As at 31 March 2026, the Group had no outstanding bank loans (31 March 2025: nil) and had no discounted bills with recourse (31 March 2025: nil). As at 31 March 2026, the Group's gearing ratio was approximately 0.08% (31 March 2025: 0.07%), calculated by dividing total debt (i.e. bank loans and other borrowing and lease liabilities) by total equity.

An analysis of the Group's key liquidity ratios is as follows:

	Year ended 31 March	
	2026	2025
Average inventory turnover days *(Note 1)*	**98**	114
Average turnover days of trade and notes receivables *(Note 2)*	**124**	109
Average turnover days of trade and notes payables *(Note 3)*	**66**	73

	As at 31 March	
	2026	2025
Current ratio *(Note 4)*	**3.7**	3.7

Notes:

1. Average inventory turnover days are calculated based on the average balance of inventory at the beginning and end of the relevant financial year divided by the cost of sales for the relevant financial year multiplied by 365 days.

2. Average turnover days of trade and notes receivables are calculated based on the average balance of trade and notes receivables at the beginning and end of the relevant financial year divided by the revenue for the relevant financial year multiplied by 365 days.

3. Average turnover days of trade and notes payables are calculated based on the average balance of trade and notes payables at the beginning and end of the relevant financial year divided by the cost of sales for the relevant financial year multiplied by 365 days.

4. Current ratio is calculated based on total current assets divided by total current liabilities as at the end of the relevant financial year.

Average inventory turnover days

During the Year under Review, the Group's average inventory turnover days were 98 days, representing a decrease of 16 days as compared to the last financial year, which was mainly due to the increase of approximately 21.6% in sales for the Year under Review as compared with the last financial year. The increase in sales led to an increase in production volume, which accelerated the turnover of the Company's inventory, resulting in a decrease in the average inventory turnover days.

Average turnover days of trade and notes receivables

During the Year under Review, the Group's average turnover days of trade and notes receivables were 124 days, representing an increase of 15 days as compared to the last financial year, which was mainly due to the increase of approximately 21.6% in sales for the Year under Review as compared with the last financial year. However, the average balance of trade and notes receivables increased by 25.4% as compared to the last financial year. The increase in trade and notes receivables exceeded the increase in sales, resulting in an increase in average turnover days as compared to the last financial year. Currently, the relevant trade receivables are all within normal credit terms.

Average turnover days of trade and notes payables

During the Year under Review, the Group's average turnover days of trade and notes payables were 66 days, representing a decrease of 7 days as compared to the last financial year, which was mainly due to the fact that the average balance of trade and notes payables during the Year under Review remained basically flat with those of the last financial year, while the cost of sales during the Year under Review increased by 18.4% as compared to the last financial year, resulting in a faster average turnover of trade and notes payables.

Current ratio

As at 31 March 2026, the Group's current ratio was approximately 3.7 times (31 March 2025: approximately 3.7 times), which remained stable. During the Year under Review, the Group recorded an increase in the Company's sales, resulting in an increase in trade and notes receivables, as well as a corresponding increase in procurement of materials due to the increase in production volume of the Company, also an increase in the balance of trade payables as at 31 March 2026, an increase of 21.3% in overall current liabilities, as well as a year-on-year increase of 20.7% in the current assets as at 31 March 2026.

Capital Commitment

The Group had the following capital commitments during the Year under Review and the last year:

	As at 31 March	
	2026	2025
	RMB'000	*RMB'000*
Contracted, but not provided for:		
Property, plant and equipment	**4,064**	5,511
Equity investments designated at fair value through other comprehensive income	**4,750**	4,750
Total	**8,814**	10,261

Contingent Liabilities

As at 31 March 2026, the Group had no material contingent liabilities (31 March 2025: nil).

Currency Risk and Management

Apart from a few overseas businesses that are settled in JPY and United States dollars, the sales and procurement of the Group are mainly denominated in Renminbi. As such, the management of the Group believes that the Company does not have significant currency exchange exposure.

During the Year under Review, the Group did not enter into any foreign currency forward contracts or use any derivative contracts to hedge against its exposure. The Group manages its currency risk by closely monitoring the movement of the foreign currency exchange rates and may consider hedging against significant foreign currency exposure should the need arise.

Significant Investment, Material Acquisition and Disposal of Subsidiaries and Associated Companies

In order to expand its production capacity, the Group increased investment in fixed assets by approximately RMB53,784,000 during the Year under Review, including approximately RMB36,943,000 in buildings, approximately RMB16,621,000 in machinery and equipment and approximately RMB220,000 in other investments.

In order to ensure the Company's future production capacity and meet the demand for CNC machine tools in the PRC market, the Company planned to invest approximately RMB150 million to build two new plants adjacent to the existing fourth plant area of the Group. The completion and acceptance procedures for both new plants were expected to be completed by the end of 2027, and they were planned to be fully put into operation as assembly workshops for finished machines. It is expected to increase production capacity of approximately 3,000 units of CNC precision machine tools for the Group, which will greatly enhance the Company's production capacity.

Save for the investments disclosed above, the Group did not hold any other significant investment nor make any material acquisition or disposal of subsidiaries and associated companies during the Year under Review.

Employees and Remuneration Policy

As at 31 March 2026, the Group employed 2,429 employees (31 March 2025: 2,399), of whom 13 (31 March 2025: 12) were seconded employees from the ultimate holding company. The Group's staff costs (including salaries, bonuses, social insurance, provident funds and share award scheme) amounted to RMB492,012,000 (31 March 2025: RMB459,168,000) in aggregate, accounting for approximately 9.5% of the total revenue of the Group during the Year under Review.

The Group offers attractive remuneration packages, including competitive fixed salaries plus performance-based annual bonuses, and continuously provides tailored training to its employees to promote their upward mobility in the organisation and foster their loyalty. The Group's employees are subject to regular job performance reviews, which have a bearing on their promotion prospects and compensation. Remuneration is determined with reference to market practice and condition and individual employee's performance, qualifications and experience.

OUTLOOK

In 2026, although the machine tools industry still faces multiple challenges in development, it is also ushering in numerous development opportunities. As the inaugural year of the "15th Five-Year Plan" of the country, the government will implement a new round of high-quality development initiatives for key industrial chains, deepen and expand "Artificial Intelligence+", and accelerate the construction of a new energy system. It will continue to support the implementation of the "Two Major" (significant strategies and critical security fields) projects and the "Two New" (large-scale equipment renewal and consumer goods trade-in) policies. In addition, the active expansion of Chinese enterprises into international markets, the rapid development of various downstream emerging sectors and the structural upgrades of traditional fields will all continue to drive the growth of the machine tools industry.

China has long maintained its position as the world's largest machine tools production and consumption market. It is believed that in reliance on China's ultra-large-scale market advantages and backed by the demand support of the world's largest manufacturing country, opportunities and challenges will coexist for China's machine tools industry in 2026, with opportunities outweighing challenges.

Accordingly, the Group maintains its anticipation of a more robust industry demand in the year ending 31 March 2027 compared to the Year under Review, and will work to seize this opportunity to achieve its best performance since the establishment of the Group.

In terms of downstream segments, it can be observed that both in the near term and over the long run, the manufacturing demand for miniature precision parts and components driven by the upgrade and transformation of automotive technologies, as well as the rapid development of AI and embodied robots, will present an extremely appealing development opportunity for the Group which specializes in miniature precision machine tools.

In 2025, both the production and sales volumes of the Group's machine tool products surpassed the Company's historical records. In addition, since the second half of last year, monthly order volumes have consecutively hit record highs, representing a promising overall order situation, and the Company's current production has reached full capacity. To meet the growing market demand, in addition to continuously adopting new equipment and improving its machining capacity for parts and components, the Group has commenced planning for the forward-looking deployment of the Company's future production capacity. In March 2026, the Group acquired a land of approximately 34 mu in Pinghu Economic Development District, and planned to construct two new plants over the next one and a half years. The new plant area under planning is expected to be put into operation by the end of 2027, which could increase an annual assembly production capacity by approximately 3,000 units of machine tools. The Group is confident in its future development and aims to further expand its market share by providing more cost-effective products and services to the market to meet customer demands, striving to become a world-class comprehensive machine tools manufacturer.

EVENTS AFTER THE END OF THE YEAR UNDER REVIEW

After the end of the Year under Review, the Company repurchased 80,000 shares on the Stock Exchange in April 2026. Following the period during which share repurchases are prohibited as stipulated in the Listing Rules, the Company will assess market conditions to determine whether to proceed with share repurchases pursuant to the share buy-back mandate.

Save as disclosed above, the directors are not aware of any material events relating to the business or financial performance of the Group after the Year under Review and up to the date of this announcement.

DIVIDENDS

The Board recommended the payment of a final dividend of HK$0.90 per share for the year ended 31 March 2026 to the shareholders of the Company whose names appear on the register of members of the Company as at Wednesday, 26 August 2026.

The payment of the proposed final dividend is subject to approval by the shareholders of the Company at the annual general meeting for the Year under Review (the "**AGM**"). The final dividend is expected to be paid to the shareholders of the Company on Wednesday, 16 September 2026.

PUBLIC FLOAT

Based on information that was publicly available to the Company and to the best knowledge of the Board, as of the date of this announcement, the Company maintained the public float as prescribed under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") of not less than 25%.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has adopted the Corporate Governance Code (the "**CG Code**") under Appendix C1 to the Listing Rules as its own code of corporate governance since the listing of the shares of the Company on 25 September 2017. The Company has complied with the code provisions of the CG Code during the Year under Review, save for the deviation from code provision C.2.1 of the CG Code due to reasonable grounds (as explained below).

Dr. Tang Donglei had served as both the Chairman and Chief Executive Officer of the Company with effect from 1 April 2022, and he resigned on 13 November 2025. Subsequently, Dr. Wang Xiaokun has been serving as the Chairman and Chief Executive Officer of the Company with effect from 13 November 2025. Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Accordingly, the Company has deviated from the relevant code provision of the CG Code. However, the Board believes that it is in the interests of the Company to vest the roles of both the Chairman and the Chief Executive Officer of the Company in the same person, so as to ensure consistent leadership within the Group and facilitate the prompt execution of the Group's business strategies and boost operation effectiveness. The Board also believes that the balance of power and authority under this arrangement will not be impaired, as all major decisions of the Group must be made in consultation with the Board as a whole, together with its relevant committees, which comprise experienced and high calibre individuals, including several independent non-executive directors who are in the position to provide independent insights to the Board and monitor the management and operation of the Company. The Board will periodically review and consider the effectiveness of this arrangement by taking into account the circumstances of the Group as a whole.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED COMPANIES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as the code of conduct in respect of transactions in securities of the Company by the directors. Having made due and careful inquiries with all the directors, the Company confirms that all the directors have complied with the required standards as set out in the Model Code during the Year under Review.

AUDIT COMMITTEE

As at the date of this announcement, the audit committee of the Company (the "**Audit Committee**") consists of three members, namely Mr. Tam Kin Bor, Dr. Huang Ping and Mr. Kunimasa Ota, all of whom are independent non-executive directors. The chairman of the Audit Committee is Mr. Tam Kin Bor. The primary duties of the Audit Committee include, among others, reviewing the financial statements, annual reports and accounts and interim reports of the Group, making recommendations in respect of the appointment, re-appointment and removal of external auditor, reviewing and supervising the financial reporting process, risk management and internal control system of the Group, supervising the environmental, social and governance (ESG) issues of the Company, and reviewing the accounting policies and practices adopted by the Group.

The Audit Committee has reviewed the Group's audited consolidated financial statements during the Year under Review, including the accounting principles and standards adopted by the Group and discussed with the management in respect of the auditing, risk management, internal control and ESG report review.

REMUNERATION COMMITTEE

As at the date of this announcement, the remuneration committee of the Company (the "**Remuneration Committee**") consists of three members, namely Mr. Shoichiro Haga, Dr. Huang Ping and Mr. Tam Kin Bor, of whom Dr. Huang Ping and Mr. Tam Kin Bor are independent non-executive directors and Mr. Shoichiro Haga is an executive director. The chairman of the Remuneration Committee is Dr. Huang Ping. The primary duties of the Remuneration Committee include, among others, making recommendations to the Board regarding the policy and structure for the remuneration of all directors and senior management of the Group and on the establishment of a formal and transparent procedure for developing remuneration policies, making recommendations to the Board on the remuneration packages of directors and senior management of the Group and reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives.

NOMINATION COMMITTEE

As at the date of this announcement, the nomination committee of the Company (the "**Nomination Committee**") consists of three members, namely Ms. Mami Matsushita, Dr. Huang Ping and Mr. Tam Kin Bor, of whom Dr. Huang Ping and Mr. Tam Kin Bor are independent non-executive directors and Ms. Mami Matsushita is a non-executive director. The chairman of the Nomination Committee is Mr. Tam Kin Bor. The primary duties of the Nomination Committee include, among others, considering and recommending to the Board suitably qualified persons to act as a director, reviewing the structure, size and composition of the Board on a regular basis and as required, evaluating the independence of the independent non-executive directors and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for directors, in particular the Chairman and the Chief Executive Officer.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the Year under Review, the Company repurchased a total of 9,878,000 shares on the Stock Exchange (the "**Share Repurchase**"). Subsequently, the Company continued to repurchase 80,000 shares on the Stock Exchange in April 2026. Among them, 2,897,000 shares were cancelled on 16 July 2025, and 7,061,000 shares were cancelled on 19 May 2026. Details of the Share Repurchase are as follows:

Month of repurchase	**Number of shares repurchased**	**Price per share**		**Aggregate price** (excluding commission fee, etc.)
		Highest *HK$*	Lowest *HK$*	*HK$*
April 2025	2,029,000	21.40	15.18	36,222,760
May 2025	342,000	22.00	20.95	7,317,750
June 2025	310,000	20.65	19.98	6,306,530
July 2025	216,000	21.50	21.20	4,617,700
August 2025	357,000	28.00	26.24	9,784,460
September 2025	2,052,000	33.00	26.62	62,112,260
October 2025	650,000	34.00	32.64	21,769,380
November 2025	868,000	32.60	30.22	27,238,120
December 2025	1,744,000	34.48	31.26	56,959,420
January 2026	826,000	35.30	33.16	28,155,760
March 2026	484,000	35.64	33.48	16,878,060
April 2026	80,000	36.86	36.04	2,920,900

The Board believes that the Share Repurchase may, depending on market conditions and funding arrangements at that time, lead to an enhancement of its earnings per share, and will benefit the Company and shareholders.

Save as disclosed above, there was no purchase, sale and redemption of any listed securities of the Company by the Company or any of its subsidiaries, nor was there any sale of treasury shares of the Company during the Year under Review.

ANNUAL GENERAL MEETING

The forthcoming AGM of the Company will be held in Hong Kong on Monday, 17 August 2026. The notice of the AGM will be published and despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 12 August 2026 to Monday, 17 August 2026, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM. The record date will be Monday, 17 August 2026. In order to qualify for attending and voting at the forthcoming AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 11 August 2026.

In addition, the register of members of the Company will be closed from Monday, 24 August 2026 to Wednesday, 26 August 2026, both days inclusive, for the purpose of ascertaining shareholders' entitlement to the proposed final dividend. The record date will be Wednesday, 26 August 2026. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 21 August 2026.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statements of profit or loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows and relevant notes thereto for the year ended 31 March 2026 as set out in the preliminary results announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Ernst & Young in this respect does not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants, and consequently no assurance has been expressed by Ernst & Young on the preliminary results announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.tsugami.com.cn). The Company's annual report for the year ended 31 March 2026 will be dispatched to the shareholders of the Company (if requested) and published on the above websites in due course.

By Order of the Board
Precision Tsugami (China) Corporation Limited
Dr. Wang Xiaokun
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 29 June 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 are Mr. Nobuhiro Watabe and Ms. Mami Matsushita; and the independent non-executive directors are Mr. Kunimasa Ota, Dr. Satoshi Iwabuchi, Dr. Huang Ping and Mr. Tam Kin Bor.