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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)

VOLUNTARY ANNOUNCEMENT PRODUCTION EXPANSION PLANS AND ACQUISITION OF LAND USE RIGHT

This announcement is made by Precision Tsugami (China) Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

PRODUCTION EXPANSION PLANS

The board of directors of the Company (the “**Board**”) is pleased to announce that on 25 March 2025, Precision Tsugami (China) Corporation* (津上精密機床(浙江)有限公司), a wholly-owned subsidiary of the Company, agreed with The Administration Committee of Pinghu Economic Technological Development Zone* (平湖經濟技術開發區管理委員會) in relation to, among other things, the proposed acquisition by public auction of a parcel of land (the “**Land**”) adjoining the fourth plant of the Company located in the Pinghu Economic Technological Development Zone*. The Land is a state-owned industrial land located in the Pinghu Economic Technological Development Zone*, the People’s Republic of China. The Land has an area of approximately 32.5 mu (equivalent to approximately 21,685.9 square meters), with a 50-year land use right.

REASONS FOR AND BENEFITS OF THE PLANS

The rapid growth of China’s new energy vehicle, humanoid robot and artificial intelligence sectors has driven surging demand for computerised numerical control (“**CNC**”) high precision machine tools. The Group anticipates that there will be increasingly more development opportunities generated in the CNC high precision machine tools industry in the future.

In this connection, with a view to increase the production capacity of the Group so as to service a strong output of CNC high precision machine tools, the Group intends to construct a new production plant on the Land (the “**Plans**”). These new facilities will help the Company to meet the increasing demands for CNC high precision machine tools, driven by the rapid development of downstream industries, including the automotive industry, particularly new energy vehicles, along with the humanoid robot and artificial intelligence sectors. This strategic investment of the Group will further solidify the Group’s position in the industry, enhance competitiveness, and drive high-quality development of the CNC high precision machine tool supply chain in the Pinghu Economic Technological Development Zone*.

The Board is of the view that the Plans are in line with the Company's long-term development objectives and strategies, and are also in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATION

As all the applicable percentage ratios (as defined in Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) in respect of the proposed acquisition of the Land are expected to be below 5%, the proposed acquisition of the Land does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

Further announcement(s) in relation to the matters referred to above may be made by the Company as and when required in accordance with 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. Tang Donglei
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 27 March 2025

As at the date of this announcement, the executive directors of the Company are Dr. Tang Donglei and Dr. Li Zequn; the non-executive directors of the Company are Mr. Takao Nishijima, Ms. Mami Matsushita and Mr. Kenji Yoneyama; and the independent non-executive directors of the Company are Dr. Satoshi Iwabuchi, Dr. Huang Ping and Mr. Tam Kin Bor.

* *for identification purpose only*