

Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the prospectus dated 12 September 2017 (the “**Prospectus**”) issued by Precision Tsugami (China) Corporation Limited (the “**Company**”).

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. Potential investors should read the Prospectus for detailed information about the Company and the Global Offering described below before deciding whether or not to invest in the Offer Shares.

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In connection with the Global Offering, BOCI Asia Limited, being the Stabilising Manager, its affiliates or any person acting for it, on behalf of the Underwriters, may over-allocate Shares or effect short sales or any other stabilising transactions with a view to stabilising or maintaining the market price of the Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilising Manager, its affiliates or any person acting for it, to conduct any such stabilising action, which, if commenced, will be done at the sole and absolute discretion of the Stabilising Manager, its affiliates or any person acting for it, and may be discontinued at any time. Any such stabilising activity is required to be brought to an end on the 30th day after the last date for the lodging of applications under the Hong Kong Public Offering, being 15 October 2017. Such stabilisation action, if commenced, may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws, rules and regulatory requirements, including the Securities and Futures (Price Stabilizing) Rules, as amended, made under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Potential investors should be aware that stabilising actions cannot be taken to support the price of the Shares for longer than the stabilisation period which begins on the Listing Date and is expected to expire on the 30th day after the last date for lodging applications under the Hong Kong Public Offering, being 15 October 2017. After this date, no further stabilising action may be taken and demand for the Shares and the price of the Shares could fall.

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)

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	: 90,000,000 Shares comprising 60,000,000 New Shares and 30,000,000 Sale Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	: 9,000,000 Shares (subject to adjustment)
Number of International Offer Shares	: 81,000,000 Shares comprising 51,000,000 New Shares and 30,000,000 Sale Shares (subject to adjustment and the Over-allotment Option)
Maximum Offer Price	: HK\$5.60 per Offer Share, plus brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value	: HK\$1.00 per Share
Stock code	: 1651

Sole Sponsor



Sole Global Coordinator



Joint Bookrunners and Joint Lead Managers



Application has been made by the Company to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and any Shares to be issued pursuant to the Global Offering (including any Shares which may be issued pursuant to the Capitalisation Issue and the exercise of the Over-allotment Option and the Shares to be issued upon the exercise of the outstanding Pre-IPO Share Options).

The Global Offering comprises the International Offering of initially 81,000,000 Offer Shares (comprising 51,000,000 new Shares and 30,000,000 Sale Shares to be offered by the Selling Shareholder, subject to adjustment and the Over-allotment Option), representing 90% of the total number of Offer Shares initially available under the Global Offering, and the Hong Kong Public Offering of initially 9,000,000 Offer Shares (subject to adjustment), representing 10% of the total number of Offer Shares initially available under the Global Offering. In connection with the Global Offering, the Company is expected to grant to the Sole Global Coordinator on behalf

of the International Underwriters the Over-allotment Option, exercisable by the Sole Global Coordinator on behalf of the International Underwriters at any time from the Listing Date up to (and including) the date which is the 30th day after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to allot and issue up to an aggregate of 13,500,000 additional Shares at the Offer Price, representing 15% of the total number of Offer Shares initially available under the Global Offering to cover, among other things, over-allocations in the International Offering, if any. The allocation of the Offer Shares between the International Offering and the Hong Kong Public Offering will be subject to adjustment as described in the section headed “Structure and Conditions of the Global Offering” in the Prospectus. In the event that the Over-allotment Option is exercised, an announcement will be made on the website of the Company at www.tsugami.com.cn and the website of the Stock Exchange at www.hkexnews.hk.

Subject to the granting of the approval for the listing of, and permission to deal in, the Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made to enable the Shares to be admitted into CCASS.

The Offer Price will not be more than HK\$5.60 per Offer Share and is expected to be not less than HK\$4.60 per Offer Share. Applicants must pay the maximum indicative Offer Price of HK\$5.60 per Offer Share plus brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% in full upon application for Shares under the terms set out in the Application Forms, subject to refund if the Offer Price as finally determined is less than HK\$5.60 per Offer Share.

Applications for the Hong Kong Offer Shares will only be considered on the basis of the terms and conditions set out in the Prospectus and the related Application Forms and designated website (www.hkeipo.hk) in relation to the HK eIPO White Form.

Applicants who would like the allotted Hong Kong Offer Shares to be issued in their own names should (i) complete and sign the **WHITE** Application Form or (ii) submit applications online through the designated website of the **HK eIPO White Form** Service Provider at www.hkeipo.hk under the **HK eIPO White Form** service.

Applicants who would like the allotted Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to their CCASS Investor Participants’ stock accounts or their designated CCASS Participants’ stock accounts should either (i) complete and sign the **YELLOW** Application Form, or (ii) give **electronic application instructions** to HKSCC via CCASS.

Copies of the Prospectus, together with the **WHITE** Application Forms, may be obtained during normal business hours from 9:00 a.m. on Tuesday, 12 September 2017 until 12:00 noon on Friday, 15 September 2017 from:

- (i) any of the following addresses of the Hong Kong Underwriters:

BOCI Asia Limited

26/F, Bank of China Tower
1 Garden Road
Central
Hong Kong

Halcyon Securities Limited

11/F, 8 Wyndham Street
Central
Hong Kong

Hong Kong Asset Management Limited

Unit 3408, 34th Floor
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

- (ii) any of the following branches of Bank of China (Hong Kong) Limited, the receiving bank for the Hong Kong Public Offering:

District	Branch name	Address
Hong Kong Island	Bank of China Tower Branch	3/F, 1 Garden Road
	Wan Chai (Wu Chung House) Branch	213 Queen's Road East, Wan Chai
	Aberdeen Branch	25 Wu Pak Street, Aberdeen
Kowloon	Jordan Road Branch	1/F, Sino Cheer Plaza, 23-29 Jordan Road
	Kwun Tong Plaza Branch	G1 Kwun Tong Plaza, 68 Hoi Yuen Road, Kwun Tong
	To Kwa Wan Branch	80N To Kwa Wan Road, To Kwa Wan
New Territories	Citywalk Branch	Shop 65, G/F, Citywalk, 1 Yeung Uk Road, Tsuen Wan
	Tai Po Branch	68-70 Po Heung Street, Tai Po Market

Copies of the Prospectus, together with the **YELLOW** Application Forms, may be obtained during normal business hours from 9:00 a.m. on Tuesday, 12 September 2017 until 12:00 noon on Friday, 15 September 2017 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or from your stockbroker, who may have such Application Forms and the Prospectus available.

The **WHITE** or **YELLOW** Application Form completed in accordance with the instructions printed thereon, together with a cheque or a banker's cashier order attached and marked payable to "BANK OF CHINA (HONG KONG) NOMINEES LIMITED – PRECISION TSUGAMI PUBLIC OFFER" for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above, at the following times:

Tuesday, 12 September 2017 : 9:00 a.m. to 5:00 p.m.
Wednesday, 13 September 2017 : 9:00 a.m. to 5:00 p.m.
Thursday, 14 September 2017 : 9:00 a.m. to 5:00 p.m.
Friday, 15 September 2017 : 9:00 a.m. to 12:00 noon

The application lists will be open from 11:45 a.m. to 12:00 noon on Friday, 15 September 2017, the last application day or such later time as described in the section headed "How to Apply for Hong Kong Offer Shares – 10. Effect of Bad Weather on the Opening of the Application Lists" in the Prospectus.

Time for Submitting Applications under the HK eIPO White Form

Applicants applying by **HK eIPO White Form** may submit applications to the **HK eIPO White Form** Service Provider at www.hkeipo.hk (24 hours daily, except on the last application day) from 9:00 a.m. on Tuesday, 12 September 2017 until 11:30 a.m. on Friday, 15 September 2017 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Friday, 15 September 2017 or such later time as described in the section headed "How to Apply for Hong Kong Offer Shares – 10. Effect of Bad Weather on the Opening of the Applications Lists" in the Prospectus.

Time for Inputting Electronic Application Instructions

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

Tuesday, 12 September 2017 – 9:00 a.m. to 8:30 p.m.⁽¹⁾
Wednesday, 13 September 2017 – 8:00 a.m. to 8:30 p.m.⁽¹⁾
Thursday, 14 September 2017 – 8:00 a.m. to 8:30 p.m.⁽¹⁾
Friday, 15 September 2017 – 8:00 a.m.⁽¹⁾ to 12:00 noon

Note:

- (1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Tuesday, 12 September 2017 until 12:00 noon on Friday, 15 September 2017 (24 hours daily, except on the last application day) or such later time as described in the section headed "How to Apply for Hong Kong Offer Shares – 10. Effect of Bad Weather on the Opening of the Application Lists" in the Prospectus.

Please refer to the sections headed “Structure and Conditions of the Global Offering” and “How to Apply for Hong Kong Offer Shares” in the Prospectus for details of the conditions and procedures of the Hong Kong Public Offering.

The Company expects to announce the final Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares on Friday, 22 September 2017 in The Standard (in English), and the Hong Kong Economic Journal (in Chinese), and on the Company’s website at www.tsugami.com.cn and the website of the Stock Exchange at www.hkexnews.hk.

The results of allocations in the Hong Kong Public Offering and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants (where applicable) and the number of Hong Kong Offer Shares successfully applied for under **WHITE** and **YELLOW** application forms, or by giving **electronic application instructions** to HKSCC via CCASS, will be made available through a variety of channels as described in the section headed “How to Apply for Hong Kong Offer Shares – 11. Publication of Results” in the Prospectus.

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application. Share certificates will only become valid at 8:00 a.m. on Monday, 25 September 2017 provided that the Global Offering has become unconditional and the right of termination described in the section headed “Underwriting” in the Prospectus has not been exercised.

Assuming that the Global Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Monday, 25 September 2017, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Monday, 25 September 2017. The Shares will be traded in board lots of 1,000 Shares each. The stock code of the Shares is 1651.

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

Hong Kong, 12 September 2017

As at the date of this announcement, the executive Directors are Dr. Tang Donglei, Mr. Yoshimasa Hashimoto and Mr. Tatsushi Hidano; the non-executive Directors are Mr. Takao Nishijima, Ms. Mami Matsushita and Dr. Ng Lai Man Carmen; and the independent non-executive Directors are Dr. Huang Ping, Dr. Eiichi Koda and Mr. Tam Kin Bor.

Halcyon Capital Limited of 11/F, 8 Wyndham Street, Central, Hong Kong acts as the Sole Sponsor to the Global Offering.

This announcement is available for viewing on the Company’s website at www.tsugami.com.cn and the website of the Stock Exchange at www.hkexnews.hk.

Please also refer to the published version of this announcement in The Standard (in English) and the Hong Kong Economic Journal (in Chinese).