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HIPINE

SHENZHEN HIPINE PRECISION TECHNOLOGY CO., LTD.

深圳西普尼精密科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2583)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025

The board (the “**Board**”) of directors (the “**Directors**”) of Shenzhen Hipine Precision Technology Co., Ltd. (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”) is pleased to announce the consolidated annual results of the Group for the year ended 31 December 2025 (the “**Reporting Year**”), together with the comparative figures for the year ended 31 December 2024.

The Board refers to the positive profit alert announcement of the Company dated 23 December 2025 on the consolidated net profit for the first 11 months in 2025. The following sets forth a summary of the financial highlights of the Group for the year ended 31 December 2025.

FINANCIAL HIGHLIGHTS

	2025	2024	Change %
	RMB'000	RMB'000	(Approximately)
	(audited)	(audited)	
Consolidated statement of profit or loss and other comprehensive income			
Revenue	610,842	456,556	33.8%
Gross profit	192,595	124,157	55.1%
Gross profit margin	31.5%	27.2%	
Profit for the year	101,896	49,348	106.5%
Adjusted profit for the year (<i>Note</i>)	117,130	59,656	96.3%
Basic earnings per share	2.00	1.02	
Consolidated statement of financial position			
Cash and cash equivalents	203,326	13,983	1,354.1%
Inventories	845,145	656,143	28.8%
Trade receivables	87,762	65,227	34.5%
Bank borrowings	139,635	88,794	57.3%
Net assets value	1,031,010	659,418	56.4%

Note: Adjusted profit for the year represents the profit for the year before deducting Listing expenses, and reflects the Group's core operating performance.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	NOTES	2025 RMB'000	2024 RMB'000
Revenue	3	610,842	456,556
Cost of sales		<u>(418,247)</u>	<u>(332,399)</u>
Gross profit		192,595	124,157
Other income		7,690	7,163
Impairment losses under expected credit loss (“ECL”) model, net of reversal		43	(1,811)
Other gains and losses		(675)	(7,935)
Selling expenses		(21,631)	(19,562)
Administrative expenses		(16,109)	(12,653)
Research and development expenses		(13,081)	(11,787)
Other expenses		(5,290)	(4,050)
Listing expenses		(15,234)	(10,308)
Finance costs		<u>(4,185)</u>	<u>(4,557)</u>
Profit before tax		124,123	58,657
Income tax expense	4	<u>(22,227)</u>	<u>(9,309)</u>
Profit and total comprehensive income for the year	5	<u><u>101,896</u></u>	<u><u>49,348</u></u>
Total comprehensive income (expense) for the year attributable to:			
— Owners of the Company		101,898	49,348
— Non-controlling interests		<u>(2)</u>	<u>—</u>
		<u><u>101,896</u></u>	<u><u>49,348</u></u>
Earnings per share			
— Basic	7	<u><u>2.00</u></u>	<u><u>1.02</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>NOTES</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Non-current Assets			
Property, plant and equipment		102,670	78,000
Right-of-use assets		6,289	7,877
Intangible assets		4,112	822
Deferred tax assets		4,573	4,438
Prepayments and other receivables		16,590	6,625
Pledged/restricted bank deposits		—	10
Financial assets at fair value through profit or loss (“FVTPL”)		—	2,097
		<u>—</u>	<u>2,097</u>
Total Non-current Assets		<u>134,234</u>	<u>99,869</u>
Current Assets			
Inventories		845,145	656,143
Trade receivables	8	87,762	65,227
Prepayments and other receivables		6,609	7,373
Financial assets at FVTPL		1,000	—
Amounts due from related parties		—	7
Pledged/restricted bank deposits		—	5,330
Bank deposit with original maturity over three months		—	10,000
Cash and cash equivalents		203,326	13,983
		<u>203,326</u>	<u>13,983</u>
Total Current Assets		<u>1,143,842</u>	<u>758,063</u>

	<i>NOTES</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current Liabilities			
Trade and other payables	9	49,871	47,245
Tax payable		15,669	5,261
Bank borrowings		107,135	61,604
Lease liabilities		2,479	2,771
Contract liabilities		924	455
Gold loans		37,046	51,643
		<u>213,124</u>	<u>168,979</u>
Total Current Liabilities			
		<u>930,718</u>	<u>589,084</u>
Net Current Assets			
		<u>1,064,952</u>	<u>688,953</u>
Total Assets less Current Liabilities			
Non-current Liabilities			
Deferred income		326	—
Lease liabilities		1,116	2,345
Bank borrowings		32,500	27,190
		<u>33,942</u>	<u>29,535</u>
Total Non-current Liabilities			
		<u>1,031,010</u>	<u>659,418</u>
Net Assets			
Capital and Reserves			
Share capital		58,825	48,225
Reserves		971,587	611,193
		<u>1,030,412</u>	<u>659,418</u>
Equity attributable to owners of the Company			
Non-controlling interests		598	—
		<u>1,031,010</u>	<u>659,418</u>
Total Equity			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

Shenzhen Hipine Precision Technology Co., Ltd. (深圳西普尼精密科技股份有限公司) (the “**Company**”) was incorporated as a limited liability company on 15 July 2013 in Shenzhen, Guangdong Province, the PRC. The respective address of the registered office and the principal place of business of the Company is 3701A, Shuibei International Jewellery Centre 2901, No. 99 Beili North Road, Cuijin Community Cuizhu Street, Luohu District Shenzhen, Guangdong Province, the PRC.

The H shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 30 September 2025 (the “**Listing Date**”).

The Group is principally engaged in the manufacturing and sale of precious metal watches and accessories in the PRC. The ultimate controlling parties of the Company are Mr. Li Yongzhong (father-in-law of Mr. Hu Shaohua and father of Mr. Li Shuo and Mr. Li Linmao), Mr. Hu Shaohua (son-in-law of Mr. Li Yongzhong and brother-in-law of Mr. Li Shuo and Mr. Li Linmao), Mr. Li Shuo (son of Mr. Li Yongzhong, brother-in-law of Mr. Hu Shaohua and elder brother of Mr. Li Linmao) and Mr. Li Linmao (son of Mr. Li Yongzhong, brother-in-law of Mr. Hu Shaohua and younger brother of Mr. Li Shuo) who act in concert under a contractual agreement (the “**Controlling Shareholders**”).

The consolidated financial statements are presented in RMB, which is also the functional currency of the Company.

2. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the International Accounting Standards Board (“**IASB**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21	Lack of Exchangeability
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The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. REVENUE AND OPERATING SEGMENTS

Disaggregation of revenue from contracts with customers

Types of goods or service

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Manufacturing and sales of and processing fee income from watches and accessories		
Watches	312,385	350,779
Accessories	<u>298,457</u>	<u>105,777</u>
	<u>610,842</u>	<u>456,556</u>

All of the Group's revenue are recognised at a point in time.

Performance obligations for contracts with customers

Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on the receipt of products by customers.

Processing fee income is recognised at the point in time when the processed product is transferred to customers.

A contract liability represents the Group's obligation to transfer goods or services for which the Group has received consideration from the customer.

The Group applies the practical expedient of not disclosing the transaction price allocated to the remaining performance obligation as the original expected duration of all the contracts with customers of the Group are within one year or less.

Operating Segments

Information reported to the chairman and the executive directors of the Company, being the chief operating decision makers ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered.

Management reviews the operating results of the business as a whole to make decisions about resources to be allocated. Therefore, the executive directors of the Company regards that there is only one segment which is used to make strategic decisions. Revenue and profit before tax are the measures reported to the CODM for the purpose of resources allocation and performance assessment. All of the Group's business and operations are conducted in Mainland China and currently, the Group's principal market, majority of revenue, operating profits and non-current assets are derived from/located in the Mainland China. Accordingly, no geographical segment information is presented.

Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Customer A	105,144	101,539
Customer B	78,647	116,659
Customer C	N/A*	68,585
Customer D	264,312	79,989

* The revenue of relevant customer did not contribute over 10% of the total revenue of the Group.

4. INCOME TAX EXPENSE

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current year		
PRC Enterprise Income Tax (“EIT”)	22,362	10,932
Under provision in respect of prior years	—	90
Deferred tax	<u>(135)</u>	<u>(1,713)</u>
Income tax expense	<u>22,227</u>	<u>9,309</u>

PRC Enterprise Income Tax

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

The Company has been accredited as a High New Tech Enterprises in December 2023 for a term of three years ended December 2025 and renewed for another three years up to 2028. According to the EIT Law for High New Tech Enterprises, the Company was entitled to a preferential income tax rate of 15% for both years.

5. PROFIT FOR THE YEAR

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit for the year has been arrived at after charging the following items:		
Auditor's remuneration	1,800	3,206
Directors' and supervisors' remuneration	2,843	1,664
Other staff cost:		
Salaries and other allowances	34,065	30,273
Retirement benefits scheme contributions	<u>3,713</u>	<u>3,251</u>
Total staff costs	37,778	33,524
Less: capitalised in inventories	<u>(16,422)</u>	<u>(15,462)</u>
	<u><u>21,356</u></u>	<u><u>18,062</u></u>
Cost of inventories recognised as an expense (Including: write-down of inventories of RMB1,725,000 (2024: RMB921,000))	398,480	314,386
Depreciation of property, plant and equipment	3,581	3,296
Depreciation of right-of-use assets	3,437	2,723
Amortisation of intangible assets	<u>276</u>	<u>126</u>
Total depreciation and amortisation	7,294	6,145
Less: capitalised in inventories	<u>(3,345)</u>	<u>(2,551)</u>
	<u><u>3,949</u></u>	<u><u>3,594</u></u>

6. DIVIDENDS

During the year ended 31 December 2024, the Company declared a cash dividend of RMB4.20 (including tax) for every 10 shares and was distributed to all shareholders of the Company. A total of RMB20,256,000 cash dividends have been declared, and it was paid in August 2024.

No dividend was paid or proposed for ordinary shareholders of the Company during 2025, nor has any dividend been proposed since the end of the reporting period.

7. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

Earnings figures are calculated as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit for the year attributable to owners of the Company for basic earnings per share	<u>101,898</u>	<u>49,348</u>

Number of shares

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>50,875</u>	<u>48,225</u>

No diluted earnings per share for both 2025 and 2024 were presented as there were no potential ordinary shares in issue for both 2025 and 2024.

8. TRADE RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	92,281	69,518
Less: Allowance for credit losses	<u>(4,519)</u>	<u>(4,291)</u>
	<u>87,762</u>	<u>65,227</u>

As at 1 January 2024, trade receivables from contracts with customers net of allowance for credit losses of the Group amounted to RMB42,612,000.

The Group grants credit period ranging from 0 day to 90 days to its trade customers.

Aging of trade receivables net of allowance for credit losses is prepared based on revenue recognition dates, as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
0–90 days	80,993	62,422
91–180 days	2,966	640
181–365 days	3,549	967
Over 365 days	254	1,198
	<u>87,762</u>	<u>65,227</u>

9. TRADE AND OTHER PAYABLES

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables from third parties	<u>21,698</u>	<u>17,794</u>
Accrued employees' benefits	5,270	3,682
Other tax payables	17,529	15,784
Deposits	1,450	1,040
Accrued issued cost/listing expenses	—	6,374
Other accrued expenses	2,711	523
Payables for purchase of property, plant and equipment	1,110	1,216
Others	<u>103</u>	<u>832</u>
	<u>49,871</u>	<u>47,245</u>

The following is the aging analysis of trade payables based on invoice date at the end of each reporting year:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
0–90 days	16,480	11,805
91–180 days	3,622	3,842
181–365 days	178	880
Over 365 days	<u>1,418</u>	<u>1,267</u>
	<u>21,698</u>	<u>17,794</u>

The average credit period on purchases of goods is 90 days.

10. PLEDGE OF ASSETS

The Group's borrowings had been secured by the pledge of the Group's assets and the carrying amounts of the respective assets are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Property, plant and equipment	93,202	66,270
Right-of-use assets	2,931	2,998
Pledge bank deposits	<u>—</u>	<u>5,330</u>
	<u>96,133</u>	<u>74,598</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

The Group is a designer, manufacturer and brand-owner of gold-case watches and gold-bezel watches in China, focusing on the research, development and production of watches as well as related accessories. Its flagship proprietary brand “HIPINE (西普尼)” has long been deeply engaged in the “precious metal + wearable + smart” segment, with the mission to “Reconceptualise gold through technological innovation”. As the first brand in China to apply hard-gold technology to watch manufacturing, HIPINE has grown into the largest precious metal gold watch brand in terms of GMV in China.

The Group adopts a sales model that focuses on distributors supplemented by direct sales, and has established a nationwide distribution network, selling its products through more than 3,000 offline retail outlets; its direct sales business is mainly carried out through self-operated online stores on e-commerce platforms such as JD.com and Tmall. In addition to its own-brand (OBM) business, the Group also provides original design manufacturing (ODM) services for many well-known domestic jewelry brands, including the development and production of watches and accessories under private labels, as well as contract processing services, with customers covering industry leaders such as Lao Feng Xiang, China National Gold Jewelry (China Gold/JDZB) and Chow Tai Seng, with which it maintains long-term and stable strategic cooperative relationships. Furthermore, the Group cooperates with leading global retailers and chain supermarkets to further broaden its channels for domestic market promotion and sales.

The Group has reached a collaboration with Huawei, pioneering a new cross-border development landscape in the field of precious metal smart wearables in China, and has taken the lead domestically in launching the Dual-Display smart precious metal-watch. Based on this, it has successfully built a business model for high-end customized products and solutions equipped with Huawei smart movements, with a sales network that now steadily covers multiple industry channels including liquor, banking, gifting and automobiles, thereby creating a business model with a competitive moat. It has also been awarded Huawei Terminal Government and Enterprise's “Participation Award” and recognized as an “Emerging Partner.”

In addition, the Company has entered into a framework agreement with a subsidiary of a pharmaceutical company headquartered in Jiangsu, China and listed in Hong Kong. Under this framework agreement, both parties will jointly develop and sell customized smart watches integrated with Huawei smart movements. The term of the framework agreement is from March 2025 to September 2026, with a target procurement volume of not less than 10,000 smart watches. During the Reporting Year, the Group completed orders for a total of more than 6,000 smart watches pursuant to the aforementioned framework agreement.

In the long term, the Group regards research and development innovation as the core strategy driving high-quality development, and adheres to a high-intensity and stable R&D investment policy, continuously focusing on breakthroughs in core technologies, high-end product development, manufacturing process optimization and integration with intelligent technologies. It has built a well-established product R&D system and technological innovation system with continuous iteration capabilities. The Group has been successfully recognized by the Ministry of Industry and Information Technology as one of the seventh batch of Specialised, Refined, Differential and Innovative “Little Giants” Enterprises, a national authoritative accreditation that fully demonstrates the Group’s core competitiveness and industrial influence in the field of precious metal and smart wearables, and further consolidates its market position in its market segment.

As of 31 December 2025, the Group had established a multi-dimensional intellectual property system covering technological innovation, product design, software development and brand operation. It owned 30 invention patents, 63 utility model patents and 124 design patents, as well as 8 software copyrights, 8 works copyrights and 191 trademarks. This well-developed intellectual property matrix provides solid support and a core safeguard for the Group’s long-term high-quality development and for maintaining its technology and differentiated product advantages.

Leveraging its solid business foundation and growth prospects, the Company was successfully listed (the “**Listing**”) on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 30 September 2025. (the “**Listing Date**”) The Board believes that the Listing will effectively drive the implementation of the Group’s business strategies as set out in the prospectus dated 19 September 2025 and provide the Group with sufficient financial resources. The net proceeds from the Global Offering are intended to be used for:

- (i) enhancing its production capacity to reinforce its position in the precious metal watch gold and partial precious metal watch gold markets and capture growth opportunities in the smart watch and accessories market;
- (ii) strengthening its R&D capabilities to drive sustained business growth; and
- (iii) expanding and optimising its sales network, strengthen its brand building and enhance its brand influence and recognition.

OPERATING PERFORMANCE

Group Results

A breakdown of the Group's revenue generated by product type, together with the Group's gross profit margin, for the Reporting Year and the year ended in 31 December 2024 are set out as follows:

	2025		2024	
	Revenue <i>RMB'000</i> (Audited)	Percentage of total revenue Approximate %	Revenue <i>RMB'000</i> (Audited)	Percentage of total revenue Approximate %
Watches	312,385	51.1	350,779	76.8
Accessories	<u>298,457</u>	<u>48.9</u>	<u>105,777</u>	<u>23.2</u>
Total	<u><u>610,842</u></u>	<u><u>100</u></u>	<u><u>456,556</u></u>	<u><u>100</u></u>
Gross profit margin	31.5%		27.2%	

Product Mix

The Group's revenue was derived from the sales of different types of watches and accessories under OBM model and ODM model, and the provision of ODM services to its customers based on their needs. These different types of products and services are composed of different selling prices and costs, and thus the Group's sales mix affected its revenue and gross profit margins during the Reporting Year.

According to data reported by China Gold News, in 2025 China's gold bar and coin consumption increased by approximately 35% year on year as compared with 2024 which was mainly driven by persistently high gold prices, the implementation of new tax policies, and rising recognition of gold's investment attributes, lightweight, finely designed and high value added gold products continued to gain favor, and demand for gold bars and coins remained strong with steady growth.

The Group's gross profit margin increased from 27.2% in 2024 to 31.5% in 2025, mainly driven by the improvement in the gross profit margin of watch products. In 2025, among the Group's traditional gem-set precious metal watches, The average gold content of the traditional watches sold by the Group decreased compared with 2024, leading to a reduction in the average production cost per watch and thereby enhancing the gross profit margin of watch products.

The Group's revenue growth for the period was primarily attributable to increased revenue from accessories sales, mainly driven by the growth in ODM business revenue from the sale of gold products to Customer A. The Group maintains a well-established relationship with Customer A, whose platform penetration and consumer trust have continued to improve, resulting in a significant increase in accessories sales and revenue generated from Customer A.

A breakdown of the Group's revenue generated by business model for the Reporting Year and the year ended in 31 December 2024 are set out as follows:

Product mix

	2025		2024	
	Revenue <i>RMB'000</i> (Audited)	Percentage of segment revenue Approximate %	Revenue <i>RMB'000</i> (Audited)	Percentage of segment revenue Approximate %
OBM				
— Offline distributorship	294,047	48.1	315,158	69.0
— Retail and online stores	<u>29,296</u>	<u>4.8</u>	<u>22,571</u>	<u>5.0</u>
	<u>323,343</u>	<u>52.9</u>	<u>337,729</u>	<u>74.0</u>
ODM				
— Developing and manufacturing	279,027	45.7	109,612	24.0
— Subcontract processing	<u>8,472</u>	<u>1.4</u>	<u>9,215</u>	<u>2.0</u>
	<u>287,499</u>	<u>47.1</u>	<u>118,827</u>	<u>26.0</u>
Total	<u><u>610,842</u></u>	<u><u>100</u></u>	<u><u>456,556</u></u>	<u><u>100</u></u>

The Group's revenue increased from approximately RMB457 million for the last year to approximately RMB611 million for the Reporting Year, representing an increase of approximately 33.8%.

Business strategy

With the development of China's economy, the market sizes of the watch and precious metal jewellery and accessories industries in China have been constantly expanding, in which brand is one of the most important factors that affect consumers' purchasing decisions. The Group focuses on its marketing and brand-building business strategy to gain widespread recognition from consumers at the retail level, and to uphold the Group's position in the precious metal watch-24K gold and partial precious metal watch-24K gold markets in China to promote sustainable business growth.

The Directors are of the view that the key drivers fuelling the robust growth of China's precious metal watch-gold and partial precious metal watch-gold markets include the deep-rooted cultural significance of gold, the rising investment value of gold as prices increase, and the growing popularity of precious metal watches-gold and partial precious metal watches-gold as they offer both financial value preservation and aesthetic appeal, particularly among younger consumers.

Overall, the precious metal watch, precious metal watch-gold and partial precious metal watch-gold markets in China exhibit robust growth potential, driven by strong cultural and investment demand as well as evolving consumer preferences. In light of the Group's competitive strengths, including but not limited to (i) craftsmanship and designs that align with market needs; (ii) research and development capabilities, commitment to innovation and ability to convert research and development results into products and commercialise them; (iii) extensive, diversified and stable distribution and sales networks; and (iv) long-term collaborative and mutually beneficial relationship with ODM customers including renowned jewellery brands, the Directors believe that the Group could navigate the competitive landscape and leverage the key growth drivers mentioned above, and is well-positioned to capture the growth and expansion opportunities and maintain the Group's market position.

FINANCIAL REVIEW

Cost of Sales

Cost of sales in 2025 amounted to approximately RMB418 million, representing an increase of approximately 25.8% compared with approximately RMB332 million in 2024. As a percentage of revenue, cost of sales decreased from approximately 72.8% in 2024 to approximately 68.5% in 2025.

Gross Profit

During the Reporting Year, the Group's gross profit increased to approximately RMB193 million, representing an increase of approximately 55.1% as compared with approximately RMB124 million for 2024. The gross profit margin increased from approximately 27.2% for 2024 to approximately 31.5% for 2025. Such increase was mainly attributable to a decrease in the average unit cost of production as aforementioned.

Selling and Distribution Costs

Selling and distribution costs increased to approximately RMB22 million for 2025, representing an increase of approximately 10.6% as compared with approximately RMB20 million in 2024. Such increase was mainly due to an increase in sales staff salary and bonus, sales platform expenses, and business meeting expenses, but was partially offset by the decrease in advertising expenses and renovation expenses. As a percentage of revenue, the Group's selling and distribution costs decreased from approximately 4.4% in 2024 to 3.6% in 2025.

Administrative Expenses

Administrative expenses for 2025 amounted to approximately RMB16 million, representing an increase of approximately 23.1% as compared with approximately RMB13 million in 2024. Such increase was mainly due to the increase in salary and bonus, office expenses, business meeting expenses, depreciation, motor car expenses, insurance and maintenance costs, which was partially offset by the decrease in trip and other expenses. As a percentage of revenue, the Group's administrative expenses decreased from approximately 2.8% in 2024 to 2.6% in 2025.

Research and development expenses

Research and development expenses for 2025 amounted to approximately RMB13 million, representing an increase of approximately 8% as compared with approximately RMB12 million in 2024. Such increase was mainly due to the increase in laboratory staff salary and bonus, raw materials, electricity, cost of moulds and other expenses, which was partially offset by the decrease in depreciation and laboratory test costs. As a percentage of revenue, the Group's research and development expenses decreased from approximately 2.6% in 2024 to 2.1% in 2025. The Group has consistently maintained high-intensity and stable R&D investment, which is aligned with the Group's business planning.

Listing expenses

Listing expenses comprised of professional and other expenses in relation to the Listing. Listing expenses of approximately RMB15 million was recorded for the Reporting Year and RMB10 million for the previous year.

Profit from Operations

The Group recorded an operating profit of approximately RMB124 million for 2025, as compared with an operating profit of approximately RMB59 million for 2024, representing an increase of approximately 111.6% year-on-year. Such increase was mainly due to the increase in revenue derived from the sales of accessories and the increase in gross profit margin in relation to the sales of watch product, but was partially offset by the increase in selling and distribution costs and administrative expenses and research and development expenses.

Income Tax Expense

During the year ended 31 December 2025, the Group had income tax expense of RMB22 million (2024: RMB9 million).

Profit for the Year

As a result of the combined effect of the above mentioned factors, the Group recorded a net profit of approximately RMB102 million for 2025, as compared with a net profit of approximately RMB49 million for 2024, representing an increase of approximately 106.5% year-on-year.

The net profit for the full financial year ended 31 December 2025 is largely consistent with the estimated net profit for the full year of 2025 as announced in the positive profit alert of the Company dated 23 December 2025.

Profit for the Year Attributable to Owners of the Company

As a result of the combined effect of the above factors, the Group recorded a profit attributable to owners of the Company of approximately RMB102 million for 2025, as compared with a profit attributable to owners of the Company of approximately RMB49 million for 2024, representing an increase of approximately 106.5% year-on-year.

OUTLOOK

Looking ahead, the Group will seize three major trends — upgrading of gold consumption, popularization of smart wearables, and the rise of the cultural IP economy. Focusing on four key strategic directions — channel deepening, global expansion, cultural empowerment, and product innovation — the Group aims to drive high-quality and sustainable growth.

1. Deepening channel layout

Building on a foundation of over 3,000 offline retail outlets nationwide, the Group will empower more partner retailers to sell OBM products, thereby continually strengthening market penetration. With the establishment of an e-commerce subsidiary, resources devoted to online channels will increase significantly, driving rapid growth across platforms such as JD.com, Tmall, and Douyin. Meanwhile, the Group will further its cooperation with Huawei in smart hardware and actively explore opportunities across various industry channels and high-end corporate customization markets — including liquor, banking, gifting, and automotive sectors — all of which will serve as core growth engines for the Group's future performance.

2. Expanding global presence

The Group actively embraces opportunities in international markets and has established a HIPINE watch distribution and retail network in Malaysia through local partnerships. The Board believes this will serve as a foundation for further strategic expansion in Hong Kong and Southeast Asia in the coming years, continuously enhancing the Group's global brand influence.

3. Elevating cultural value and brand positioning

Leveraging the newly established Beijing cultural and creative subsidiary as a key platform, the Group will deeply integrate intangible cultural heritage craftsmanship and IP collaborations with advanced gold-processing techniques to create a premium gold jewelry and watch brand. In the future, through three dimensions — gold's intrinsic material value, cultural and emotional empowerment, and active participation in the cultural creative ecosystem — the Group will transform from a traditional precious metals manufacturer into a creator of cultural value, promoting synchronized growth in both brand equity and business performance.

4. Strengthening technological innovation and new category development

Moving forward, the Group will continue to strengthen R&D investment, focusing on smart wearable technologies (such as health monitoring and AI interaction) and new material development. Precious metal smart rings and smart jewelry will become the next business growth drivers, combining the eternal value of precious metals with the aesthetic appeal of smart wearable technology. Through cutting-edge products and innovative concepts, the Group aims to lead a new trend of intelligent and healthy living.

LIQUIDITY, FINANCIAL RESOURCES, GEARING AND CAPITAL STRUCTURE

Liquidity

As at 31 December 2025, current assets amounted to approximately RMB1,144 million (31 December 2024: approximately RMB758 million). Current liabilities were approximately RMB213 million (31 December 2024: approximately RMB169 million).

Financial Resources

As at 31 December 2025, the Group had total cash and bank balances approximately RMB203 million (31 December 2024: approximately RMB14 million). The Group has strengthened its treasury management, including the management of capital raised, resulting in an increase of approximately RMB189 million of cash and bank balances from the last year. The cash and cash equivalents of the Group are held in RMB.

Gearing

As at 31 December 2025, total interest-bearing borrowings amounted to RMB140 million (31 December 2024: RMB89 million). The increment was mainly due to the increase in new short-term borrowings obtained during the Reporting Year. These borrowings were denominated in Renminbi. These borrowings carry interest at variable market rates of 2.42% to 3.80% (31 December 2024: 3.10% to 4.35%) and are repayable in instalments over a period of 1 to 15 years (31 December 2024: 1 to 15 years). The net gearing ratio, which was calculated based on the amount of total interest-bearing borrowings (including the interest payables) and lease liabilities divided by the total equity as of the end of the year of the Company was 13.9% (31 December 2024: 14.2%).

Share Capital Structure

The H Shares were successfully listed on the Main Board of Stock Exchange on 30 September 2025. There has been no change in the capital structure of the Company since then. The share capital of the Company comprises of H Shares only.

As at 31 December 2025, the total equity of the Group was approximately RMB1,031 million (31 December 2024: approximately RMB659 million).

Treasury policy

The Group adopts a prudent financial management approach to its treasury policy so as to ensure that the Group's liquidity structure (composed of assets, liabilities and other commitments) is able to meet its funding requirements at all times.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

As at 31 December 2025, there was no significant investment held by the Group.

FUTURE PLANS FOR MATERIAL INVESTMENT AND CAPITAL ASSETS

Save for the implementation of the business strategies as disclosed in the sections headed "Business — Our Business Strategies" and "Future Plans and Use of Proceeds — Use of Proceeds" of the Prospectus, which will be funded by the net proceeds from the Global Offering, the Group does not have other plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group did not have any material acquisitions or disposals of subsidiaries and affiliated companies during the Reporting Year.

CHARGE ON GROUP ASSETS

As at 31 December 2025, the Group has pledged its factory in Fujian in order to obtain a bank borrowing.

FOREIGN EXCHANGE EXPOSURE

The Group's sales and purchases transactions are primarily denominated in Renminbi. The Group did not have any significant risk from exposure to foreign exchange fluctuations. The Group did not enter into any currency hedging transactions during the Reporting Year.

Hedging

During the Reporting Year, the Group did not utilise hedging instruments to hedge against gold price fluctuations, but had taken out gold loans from time to time primarily for the purpose of managing market risks associated with gold price fluctuations.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had no material contingent liabilities (31 December 2024: nil).

CAPITAL EXPENDITURE

During the Reporting Year, the Group's capital expenditure amounted to approximately RMB28 million (31 December 2024: approximately RMB4 million), which was used for the acquisitions of property, plant and equipment, and additions of right-of-use assets for operations.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 31 December 2025, the Group employed 321 employees (31 December 2024: 319 employees). The Group offered competitive remuneration package, including basic salary, commission, annual bonus, and other common benefits. The remuneration package of each employee is structured with reference to the nature of his/her position, experience and performance, and is reviewed annually based on the Group's objective performance appraisal system. During the Reporting Year, the Group paid a total of RMB41 million in remuneration to its employees (31 December 2024: RMB36 million).

USE OF PROCEEDS FROM THE GLOBAL OFFERING

On 30 September 2025, the H Shares were successfully listed on the Stock Exchange, and 10,600,000 new H Shares were issued at the offer price of HK\$29.6 per H Share. The proceeds from the Listing, after deducting Listing-related expenses, was approximately RMB244 million. There is no change to the intended use of proceeds and the expected implementation timetable as set out in the section headed "Future Plans and Use of Proceeds" of the Prospectus. As at 31

December 2025, after the Listing, the Company has used, and intend to continue to use, these proceeds in accordance with the intended use of proceeds and proportion, as well as the expected timetable as set out in the section headed “Future Plans and Use of Proceeds” of the Prospectus.

After the Listing Date, the unutilised net proceeds from the Global Offering are placed in licensed banks and/or authorized financial institution as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and laws in the relevant jurisdictions (where applicable).

Apart from the matters as set out above, the management discussion and analysis has not materially changed from those information previously disclosed in the Prospectus.

CORPORATE GOVERNANCE

The Company has adopted and applied corporate governance practices based on the principles and code provisions as set out in the Corporate Governance Code (the “**CG Code**”) as contained in Appendix C1 to the Listing Rules as the Company’s own code of corporate governance practices. As the H Shares were listed on the Main Board of the Stock Exchange on the Listing Date (i.e. 30 September 2025), the CG Code was not applicable to the Company prior to the Listing Date. Since the Listing Date and up to the date of this announcement, the Company has fully complied with all applicable code provisions of the CG Code and has adopted the recommended best practices set out therein where appropriate.

The Company is committed to fulfilling its responsibilities to the Shareholders and protecting and enhancing Shareholder value through sound corporate governance. The Directors are fully aware that it is essential to incorporate sound corporate governance elements into the Group’s management structure, internal control and risk management processes in order to achieve effective accountability.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions by the Directors and the supervisors of the Company (the “**Supervisors**”). Having made specific enquiries to all the Directors and Supervisors, they confirmed that they have strictly complied with the required standards as set out in the Model Code throughout the period from the Listing Date and up to the date of this announcement.

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

From the Listing Date and up to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

As at 31 December 2025, the Company did not hold any treasury shares under the Listing Rules.

AUDIT COMMITTEE

The audit committee of the Board (the “**Audit Committee**”) comprises three members, namely Ms. Guo Xiaohong (Chairlady) and Mr. Wong Sin Yung, all of whom are independent non-executive Directors, and Mr. Huang Liangdi, whom is non-executive Director.

The Audit Committee has reviewed with the management of the Company the consolidated financial statements of the Group for the year ended 31 December 2025, including the accounting principles and practices adopted by the Group.

The Audit Committee is of the opinion that the preparation of the financial information complies with the applicable accounting standards, the requirements of the Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements for the year as approved by the Board of Directors on 17 March 2026. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

DIVIDENDS

The Board does not recommend the payment of any final dividend in respect of the Reporting Year.

ANNUAL GENERAL MEETING AND CLOSURE OF THE REGISTER OF MEMBERS

In order to determine the qualification of Shareholders to attend and vote at the annual general meeting (“**AGM**”) of the Company to be held on Monday, 11 May 2026, the Company will close its register of members from Wednesday, 6 May 2026 to Monday, 11 May 2026 (both days inclusive). No transfer of Shares will be registered during the aforesaid period. To be eligible to attend and vote at the AGM, all completed share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company’s H Share Registrar, Tricor Investor Services Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:30 p.m. on Tuesday, 5 May 2026.

EVENTS AFTER THE REPORTING YEAR

There were no significant events of the Group requiring disclosure which would materially affect the Group’s operating and financial performance subsequent to the Reporting Year and up to the date of this announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the Company's website (www.hipine.com) and the website of the Stock Exchange (www.hkexnews.hk).

The annual report of the Company for the year ended 31 December 2025 containing all the information required by the Listing Rules will be made available on the websites of the Company and the Stock Exchange in due course and will be, where necessary, dispatched to Shareholders.

ACKNOWLEDGEMENT

I would like to express my sincere gratitude to the Board, the management and all staff for their hard work and contributions, and to the Shareholders and business partners for their unfailing support to the Group.

By order of the Board
Shenzhen Hipine Precision Technology Co., Ltd.
LI Yongzhong
Chairman of the Board and Executive Director

Shenzhen, the PRC, 17 March 2026

As at the date of this announcement, the Board consists of: (i) the executive Directors Mr. LI Yongzhong (Chairman of the Board), Mr. HU Shaohua and Mr. LI Yangjin; (ii) the non-executive Director Mr. HUANG Liangdi; and (iii) the independent non-executive Directors Ms. GUO Xiaohong, Mr. WONG Sin Yung and Mr. SHE Dingshun.