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IMPRO PRECISION INDUSTRIES LIMITED

鷹普精密工業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1286)

**PLACING OF EXISTING SHARES
AND
TOP-UP SUBSCRIPTION OF
NEW SHARES UNDER GENERAL MANDATE**

**Joint Overall Coordinators, Joint Placing Agents
and Capital Market Intermediaries**



Placing and Subscription Agreement

On 27 May 2026 (before trading hours of the Stock Exchange), the Company, the Seller and the Placing Agents entered into the Placing and Subscription Agreement pursuant to which:

- (i) the Seller has agreed to sell, and the Placing Agents have agreed, severally but not jointly nor jointly and severally, as agents of the Seller, to procure on a best effort basis not less than six purchasers to purchase up to 60,000,000 Placing Shares at the Placing Price; and
- (ii) the Company has agreed to issue to the Seller, and the Seller has agreed to subscribe for, up to 60,000,000 Subscription Shares (in the same number as the number of the Placing Shares sold by the Seller pursuant to the Placing) at the Subscription Price,

in each case upon the terms and subject to the conditions set out in the Placing and Subscription Agreement.

Placing and Subscription

The completion of the Placing is subject to the following conditions (among other things): (i) there not having occurred any material adverse change (a) in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Company and its subsidiaries taken as a whole; and (b) in or affecting the financial markets in the relevant jurisdictions; (ii) the representations and warranties made by any of the Company and the Seller pursuant to the Placing and Subscription Agreement being true and accurate and not misleading; (iii) each of the Company and the Seller having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Placing and Subscription Agreement; (iv) the Placing Agents having received on the Closing Date the final draft or substantially complete draft of the CSRC Filings; and (v) the Placing Agents having received on the Closing Date certain legal opinions, relating to such matters as the Placing Agents shall reasonably request, such opinions to be in the form and substance reasonably satisfactory to the Placing Agents.

The Placing Shares comprise up to 60,000,000 Shares represents: (i) approximately 3.18% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 3.08% of the enlarged total number of issued Shares upon the completion of the Subscription (assuming there will be no change to the total number of issued Shares from the date of this announcement to the completion of the Subscription other than the Company's issue of the Subscription Shares).

The completion of the Subscription is conditional upon: (i) the Listing Committee having granted the listing of, and the permission to deal in, the Subscription Shares (and such listing and permission not subsequently revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares under the Placing and Subscription Agreement); and (ii) completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

The Subscription Shares comprise up to 60,000,000 Shares (equivalent to the number of the Placing Shares) represents: (i) approximately 3.18% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 3.08% of the enlarged total number of issued Shares upon the completion of the Subscription (assuming there will be no change to the total number of issued Shares from the date of this announcement to the completion of the Subscription other than the Company's issue of the Subscription Shares).

As at the date of this announcement, the Seller held an aggregate of 1,348,118,787 Shares (representing approximately 71.43% of the total number of issued Shares as at the date of this announcement). On the assumption that a total of 60,000,000 Placing Shares are placed by the Placing Agents and the Seller shall subscribe for 60,000,000 Subscription Shares, (i) upon the completion of the Placing, the Seller will hold an aggregate of 1,288,118,787 Shares (representing approximately 68.25% of the total number of issued Shares upon the completion of the Placing assuming there will be no change to the total number of issued Shares from the date of this announcement to the completion of the Placing); and (ii) upon the completion of the Subscription, the Seller will hold an aggregate of 1,348,118,787 Shares (representing approximately 69.23% of the enlarged total number of issued Shares upon the completion of the Subscription assuming there will be no change to the total number of issued Shares from the date of this announcement to the completion of the Subscription other than the Company's issue of the Subscription Shares).

Gross Proceeds and Net Proceeds from the Subscription

The gross proceeds from the Subscription are expected to be HKD546.0 million. The net proceeds from the Subscription (after deducting all fees, costs and expenses properly incurred by the Seller (including without limitation, the Placing Agents' commission (fixed and discretionary, if any), the stamp duty, the Stock Exchange trading fee and the SFC transaction levy) to be borne by the Company, and other expenses incurred by the Company, in connection with the Placing and the Subscription) are expected to be approximately HKD539.0 million. The net Subscription Price, after deducting such fees, costs and expenses, is expected to be approximately HKD8.98 per Subscription Share.

Use of Proceeds

The Company presently intends to use the net proceeds from the Subscription for: (i) capital expenditures of Mexico and China plants to meet the soaring demand particularly on end-markets related to artificial intelligence data centers; (ii) future production capacity and process categories and make forward-looking preparations for the long-term sustainable development of the aerospace sector; and (iii) repayment of bank borrowings, general working capital and general corporate purposes. The specific use of the proceeds is subject to the adjustments by the Board or its authorised persons according to the operating conditions and actual needs of the Company or the Group, and the relevant opinions of the applicable regulatory authorities received.

The completion of the Placing and the Subscription are subject to the satisfaction or (if applicable) waiver of the conditions precedent set out in the Placing and Subscription Agreement and may or may not materialise. Further announcement will be made as and when appropriate in accordance with the relevant rules of the Stock Exchange. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities.

PLACING AND SUBSCRIPTION AGREEMENT

Date

27 May 2026 (entered into before trading hours of the Stock Exchange)

Parties

- (1) the Company;
- (2) the Seller; and
- (3) the Placing Agents.

Seller

As at the date of this announcement, the Seller held an aggregate of 1,348,118,787 Shares (including the Placing Shares), representing approximately 71.43% of the total number of issued Shares as at the date of this announcement.

Placing Agents

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Placing Agents is an Independent Third Party.

Details of the Placing and the Subscription are set out below.

1. Placing

Placing and Number of the Placing Shares

The Seller has agreed to sell, and the Placing Agents have agreed, severally but not jointly nor jointly and severally, as agents of the Seller, to procure on a best effort basis not less than six purchasers to purchase up to 60,000,000 Placing Shares at the Placing Price, in each case upon the terms and subject to the conditions set out in the Placing and Subscription Agreement.

The number of the Placing Shares represents: (i) approximately 3.18% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 3.08% of the enlarged total number of issued Shares upon the completion of the Subscription (assuming there will be no change to the total number of issued Shares from the date of this announcement to the completion of the Subscription other than the Company's issue of the Subscription Shares).

Placees

It is expected that the Placees to be procured by the Placing Agents and their respective ultimate beneficial owners will be Independent Third Parties.

Immediately after the completion of the Placing, it is expected that none of the Placees will become a substantial shareholder of the Company.

Placing Price

The Placing Price is HKD9.10 and represents:

- (i) a discount of approximately 13.58% to the closing price of HKD10.53 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 11.46% to the average closing price of approximately HKD10.28 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the Last Trading Day; and
- (iii) a discount of approximately 13.88% to the average closing price of approximately HKD10.57 per Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to and including the Last Trading Day.

The Placing Price is exclusive of brokerage, trading fees, stamp duty, transaction fees and levies.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis among the Company, the Seller and the Placing Agents. The Directors consider that the Placing Price and the terms and conditions of the Placing and Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Rights of the Placing Shares

The Placing Shares will be sold free from all pledges, liens, charges and encumbrances, equities, security interests or other claims and together with all rights attaching thereto as at the date of the completion of the Placing, including the rights to all dividends and other distributions declared, made or paid in respect of the Placing Shares for which a record date occurs on or after the date of the Placing and Subscription Agreement.

Conditions of the Placing

The completion of the Placing shall be subject to the following conditions:

- (i) before the completion of the Placing, there shall not have occurred:
 - (a) any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Company and its subsidiaries taken as a whole; or
 - (b) any suspension or limitation of trading (a) in any of the Company's securities by the Hong Kong Stock Exchange (save and except for any trading halt in relation to the Placing and Subscription), or (b) generally on the Hong Kong Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the London Stock Exchange, the New York Stock Exchange or the Nasdaq National Market; or
 - (c) any outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong, the Cayman Islands, the British Virgin Islands, the PRC, Japan, Singapore, the United States, the United Kingdom or any other member of the European Economic Area ("EEA") of a national emergency or war or other calamity or crisis; or
 - (d) any material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the Cayman Islands, the British Virgin Islands, the PRC, Japan, Singapore, the United States, the United Kingdom or any other member of the EEA and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in Hong Kong, the Cayman Islands, the British Virgin Islands, the PRC, Japan, Singapore, the United States, the United Kingdom or any member of the EEA; or
 - (e) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in Hong Kong, the Cayman Islands, the British Virgin Islands, the PRC, Japan, Singapore, the United States, the United Kingdom or any member of the EEA or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation,
- that, in the sole judgment of the Placing Agents, would make the placement of the Placing Shares or the enforcement of contracts to purchase the Placing Shares impracticable or inadvisable, or would materially prejudice trading of the Placing Shares in the secondary market;
- (ii) the representations and warranties made by any of the Company and the Seller pursuant to the Placing and Subscription Agreement being true and accurate and not misleading as of the date of the Placing and Subscription Agreement and the Closing Date;

- (iii) each of the Company and the Seller having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Placing and Subscription Agreement on or before the Closing Date;
- (iv) the Placing Agents having received on the Closing Date the final draft or substantial complete draft of the CSRC Filings and (where applicable) the opinion of the legal counsel of the Company as to the PRC laws in relation to the CSRC Filings, such drafts to be in form and substance reasonably satisfactory to the Placing Agents; and
- (v) the Placing Agents having received on the Closing Date certain legal opinions relating to such matters as the Placing Agents shall reasonably request, such opinions to be in the form and substance reasonably satisfactory to the Placing Agents.

The Company and the Seller shall use their respective reasonable endeavours to procure the fulfilment of the conditions on or before the Closing Date. The Placing Agents in its sole discretion may waive any of the conditions above, in whole or in part and with or without conditions, by notice to the Company and the Seller, and may elect to terminate the Placing and Subscription Agreement in the event that (a) any of the events as set out in condition (i) above occurs at any time between the date of the Placing and Subscription Agreement and the Closing Date; or (b) the Seller does not deliver the Placing Shares on the Closing Date; or (c) any of the conditions (ii) to (v) above has not been satisfied or waived in writing on the dates specified therein.

Completion of the Placing

Subject to the conditions mentioned above, the completion of the Placing is expected to take place on the Closing Date.

2. Subscription

Subscription Shares

The Seller has agreed to subscribe for, and the Company has agreed to issue to the Seller, up to 60,000,000 Subscription Shares (in the same number as the number of the Placing Shares sold by the Seller pursuant to the Placing) at the Subscription Price (being the same as the Placing Price), in each case upon the terms and subject to the conditions set out in the Placing and Subscription Agreement.

The number of the Subscription Shares represents: (i) approximately 3.18% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 3.08% of the enlarged total number of issued Shares upon the completion of the Subscription (assuming there will be no change to the total number of issued Shares from the date of this announcement to the completion of the Subscription other than the Company's issue of the Subscription Shares).

Rights and Ranking of the Subscription Shares

The Subscription Shares will, when fully paid, rank *pari passu* in all respects with the other Shares in issue or to be issued by the Company on or prior to the date of completion of the Subscription including the rights to all dividends and other distributions declared, made or paid on or after the date of allotment.

General Mandate to issue the Subscription Shares

The allotment and issue of the Subscription Shares is not subject to the approval of the Shareholders. The Subscription Shares will be allotted and issued under the General Mandate to allot, issue and deal with Shares granted to the Directors by the resolution of the Shareholders passed at the AGM which authorised the Directors to allot and issue a maximum of 283,092,849 Shares. As at the date of this announcement: (i) no portion of the General Mandate has been utilised; (ii) the Company has not allotted and issued any Shares pursuant to the General Mandate; and (iii) the General Mandate is sufficient for the allotment and issue of the Subscription Shares. The Company has not repurchased any Shares within the last 30 days prior to the date of this announcement.

Subscription Price

The Subscription Price is the same as the Placing Price.

The Subscription Price represents:

- (i) a discount of approximately 13.58% to the closing price of HKD10.53 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 11.46% to the average closing price of approximately HKD10.28 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the Last Trading Day; and
- (iii) a discount of approximately 13.88% to the average closing price of approximately HKD10.57 per Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to and including the Last Trading Day.

The Subscription Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis among the Company, the Seller and the Placing Agents. The Directors consider that the Subscription Price and the terms and conditions of the Placing and Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the Subscription are expected to be approximately HKD546.0 million. The net proceeds from the Subscription (after deducting all fees, costs and expenses properly incurred by the Seller (including without limitation, the Placing Agents' commission (fixed and discretionary, if any), the stamp duty, the Stock Exchange trading fee and the SFC transaction levy) to be borne by the Company, and other expenses incurred by the Company, in connection with the Placing and the

Subscription) are expected to be approximately HKD539.0 million. The net Subscription Price, after deducting such fees, costs and expenses, is expected to be approximately HKD8.98 per Subscription Share.

Conditions of the Subscription

The completion of the Subscription is conditional upon: (i) the Listing Committee granting listing of and permission to deal in the Subscription Shares (and such listing and permission not subsequently revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares under the Placing and Subscription Agreement); and (ii) completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

Application will be made by the Company to the Listing Committee for the approval of the listing of, and the permission to deal in, the Subscription Shares.

The Placing and Subscription Agreement has not provided for the right of the parties to waive the above conditions for the Subscription.

Completion of the Subscription

The completion of the Subscription shall take place on the second Business Day after the date upon which the last of the conditions to completion of the Subscription set out above to be satisfied shall have been so satisfied, or at such other time and/or date as the Company, the Seller and the Placing Agents may agree in writing and in compliance with the Listing Rules, provided that it shall take place on a date no later than 14 days after the date of the Placing and Subscription Agreement. Otherwise, the obligations and liabilities of the Company and the Seller under the Subscription shall be null and void and neither the Company nor the Seller shall have any claim against the other for costs, damages, compensation or otherwise

Under Rule 14A.92(4) of the Listing Rules, the Subscription must be completed on or before 10 June 2026, being 14 days after the date of the Placing and Subscription Agreement. If the Subscription is to be completed thereafter, it will constitute a non-exempt connected transaction under the Listing Rules and require compliance with all the relevant requirements under Chapter 14A of the Listing Rules, including but not limited to the issue of a separate announcement and approval by the independent Shareholders (being Shareholders other than the Seller, their respective ultimate beneficial owners and their respective associates).

3. Lock-Up Arrangements

Pursuant to the Placing and Subscription Agreement:

- (i) The Seller shall not, and shall procure that none of their nominees, any person controlled by them, any trust associated with them or any person acting on their behalf shall, without the prior written consent of the Placing Agents, (a) offer, sell, lend, contract to sell, pledge, grant any option over, make any short sale or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Seller or any Affiliate (as defined below) of the Seller or any person in privity with the Seller or any Affiliate of the Seller), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, (b) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (a) or (b) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (c) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 90 days after the Closing Date. The foregoing shall not apply to the sale of the Shares under the Placing and Subscription Agreement. “Affiliate” shall have the meaning specified in Rule 501(b) of Regulation D under the United States Securities Act of 1933.

- (ii) The Company shall not, and the Seller shall procure that the Company will not, without the prior written consent of the Placing Agents, (a) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, or (b) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (a) or (b) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (c) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Placing and Subscription Agreement and ending on the date which is 90 days after the Closing Date. The foregoing shall not apply to the issue of the Subscription Shares under the Placing and Subscription Agreement or the issuance of options or Shares pursuant to the terms of the share option scheme adopted by the Company on 30 December 2025.

REASONS FOR THE PLACING AND THE SUBSCRIPTION

The Group is principally engaged in the development and production of a broad range of casting products and precision machining parts and provision of surface treatment services. The Group was the world's 6th largest independent and China's largest investment casting manufacturer and also the world's 3rd largest precision machining company in the end-markets of automotive, aerospace and hydraulics, each in terms of total revenue in 2024. As disclosed in the Company's annual report for the year ended 31 December 2025, the global investment casting market is set to grow from approximately US\$17.5 billion in 2025 to more than US\$23.8 billion in 2031, of which approximately US\$4 billion will be coming from the aerospace, energy and medical sector. To capture this market opportunity and gain a share of the market growth, the Group is continuously evaluating the expansion of future production capacity and process categories and make forward-looking preparations for the long-term sustainable development of the aerospace sector. Furthermore, as disclosed in the Company's quarterly business and unaudited financial information for the first quarter of 2026 published on 27 April 2026, the Group's sales growth continued to accelerate in the first quarter of 2026 particularly on end-markets related to artificial intelligence data centers such as high horsepower engine, diversified industrials — others and energy.

The Company intends to raise additional funds through the Placing and the Subscription to support (i) additional production capacity of Mexico and China plants to meet the soaring demand particularly on end-markets related to artificial intelligence data centers; (ii) expansion of future production capacity and process categories and make forward-looking preparations for the long-term sustainable development of the aerospace sector; and (iii) repayment of bank borrowings, general working capital and general corporate purposes.

The Directors (including the independent non-executive Directors) consider that the Placing and Subscription represent an opportunity to raise capital for the Company while broadening its Shareholder and capital base. The Directors believe that the Placing will increase the trading liquidity of Shares in the market and broaden the shareholder base of the Company. A broader and more diverse shareholder base is expected to promote more active trading in Shares, which in turn should enhance the overall market profile of the Company.

The Directors are of the view that the Placing and Subscription would strengthen the financial position of the Group and provide working capital to the Group. The Directors consider that the terms of the Placing and Subscription Agreement (including the Placing Price and the Subscription Price) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The gross proceeds from the Subscription are expected to be HKD546.0 million. The net proceeds from the Subscription (after deducting all fees, costs and expenses properly incurred by the Seller (including without limitation, the Placing Agents' commission (fixed and discretionary, if any), the stamp duty, the Stock Exchange trading fee and the SFC transaction levy) to be borne by the Company, and other expenses incurred by the Company, in connection with the Placing and the Subscription) are expected to be approximately HKD539.0 million. The net Subscription Price, after deducting such fees, costs and expenses, is expected to be approximately HKD8.98 per Subscription Share.

Subject to completion of the Subscription, the net proceeds to be received by the Company from the Subscription (after deduction of related costs, fees and expenses) are estimated to be approximately HK\$539.0 million (the “**Net Proceeds**”). The table below sets forth a detailed breakdown of the intended use of Net Proceeds and the expected timeline:

Intended use of the Net Proceeds	Available amount of the Net Proceeds for utilization	Expected utilization timeline of the use of the Net Proceeds
Capacity expansion of the Mexico and China plants to meet the soaring demand particularly on end-markets related to artificial intelligence data centers	Approximately HK\$350.0 million (or approximately 64.94%)	By 30 June 2027
Expansion of future production capacity and process categories and make forward-looking preparations for the long-term sustainable development of the aerospace sector	Approximately HK\$100.0 million (or approximately 18.55%)	By 30 June 2028
Repayment of bank borrowings, general working capital and general corporate purposes	Approximately HK\$89.0 million (or approximately 16.51%)	By 31 December 2026

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

The Company has not conducted any equity fund raising activities in the twelve months immediately preceding the date of this announcement.

IMPACT ON SHAREHOLDING STRUCTURE

As at the date of this announcement, the Seller held an aggregate of 1,348,118,787 Shares (representing approximately 71.43% of the total number of issued Shares as at the date of this announcement). Upon the completion of the Placing, the Seller will hold an aggregate of 1,288,118,787 Shares (representing approximately 68.25% of the total number of issued Shares upon the completion of the Placing assuming there will be no change to the total number of issued Shares from the date of this announcement to the completion of the Placing). Upon the completion of the Subscription, the Seller will hold an aggregate of

1,348,118,787 Shares (representing approximately 69.23% of the enlarged total number of issued Shares upon the completion of the Subscription assuming there will be no change to the total number of issued Shares from the date of this announcement to the completion of the Subscription other than the Company's issue of the Subscription Shares).

Assuming that all 60,000,000 Placing Shares are placed under the Placing and Subscription Agreement and the Seller shall subscribe for 60,000,000 Subscription Shares and that there will be no change to the total number of issued Shares from the date of this announcement to the completion of the Subscription other than the Company's issue of the Subscription Shares, the respective shareholdings of the Seller (and its ultimate beneficial owner) and other Shareholders before and after the Placing and the Subscription are as follows:

	As at the date of this announcement		Immediately after the completion of the Placing but before the completion of the Subscription		Immediately after the completion of the Subscription	
	<i>% of total number of</i>		<i>% of total number of</i>		<i>% of total number of</i>	
	<i>Number of Shares</i>	<i>issued Shares</i>	<i>Number of Shares</i>	<i>issued Shares</i>	<i>Number of Shares</i>	<i>issued Shares</i>
The Seller						
Impro Development Limited ⁽¹⁾	1,348,118,787	71.43	1,288,118,787	68.25	1,348,118,787	69.23
Related Shareholder						
Mr. Lu Ruibo ⁽¹⁾	9,539,000	0.51	9,539,000	0.51	9,539,000	0.49
Placees	—	—	60,000,000	3.18	60,000,000	3.08
Other Shareholders	<u>529,627,878</u>	<u>28.06</u>	<u>529,627,878</u>	<u>28.06</u>	<u>529,627,878</u>	<u>27.20</u>
Total	<u><u>1,887,285,665</u></u>	<u><u>100.00</u></u>	<u><u>1,887,285,665</u></u>	<u><u>100.00</u></u>	<u><u>1,947,285,665</u></u>	<u><u>100.00</u></u>

Note:

(1) As at the date of this announcement, Impro Development Limited is wholly owned by Mr. Lu Ruibo. Mr. Lu Ruibo is also beneficially interested in 9,239,000 Shares and indirectly interested in 300,000 Shares through spousal interest.

The completion of the Placing and the Subscription are subject to the satisfaction or (if applicable) waiver of the conditions precedent set out in the Placing and Subscription Agreement and may or may not materialise. Further announcement will be made as and when appropriate in accordance with the relevant rules of the Stock Exchange. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meaning:

“AGM”	means the annual general meeting of the Company held on 26 May 2026;
“associates”	has the meaning ascribed to it under the Listing Rules;
“Board”	means the board of directors of the Company;
“Business Day(s)”	a day other than a Saturday or Sunday on which commercial banks are generally open for business in Hong Kong;
“China” or “PRC”	means the People’s Republic of China which shall, for the sole purpose of this announcement, exclude Hong Kong, Macao Special Administrative Region and Taiwan Region;
“Closing Date”	means the second Business Day after the date of the Placing and Subscription Agreement or such other time and/or date as the Seller and the Placing Agents agree;
“Company”	Impro Precision Industries Limited (鷹普精密工業有限公司), a company incorporated in the Cayman Islands with limited liability, and the securities of which are listed on the main board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“CSRC Filings”	means the filing report in relation to the Placing and Subscription and any transactions contemplated by the Placing and Subscription Agreement and any relevant supporting materials to be submitted to the China Securities Regulatory Commission pursuant to the applicable requirements under the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies* (境內企業境外發行證券和上市管理試行辦法) and supporting guidelines issued by the China Securities Regulatory Commission effective from 31 March 2023 (as amended, supplemented or otherwise modified from time to time);
“Director(s)”	means director(s) of the Company;

“General Mandate”	means the general mandate granted to the Directors by the Shareholders at the AGM to exercise all the powers of the Company to allot, issue and otherwise deal with new Shares (including any sale or transfer of treasury Shares out of treasury) or to grant any offers, agreements or options which would or might require Shares to be issued, allotted or disposed of not exceeding 15% of the total number of the Shares in issue (excluding any treasury Shares) as of the date of the AGM;
“Group”	means the Company and its subsidiaries;
“HKD”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Parties”	third parties independent of and not connected with the Company and its connected persons;
“Last Trading Day”	means 26 May 2026, being the last trading day prior to the signing of the Placing and Subscription Agreement;
“Listing Committee”	means the listing committee of the Stock Exchange for considering applications for listing and the granting of listing;
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time;
“Overall Coordinator”	has the meaning ascribed to it under the Listing Rules;
“Placee(s)”	means any professional, institutional or other investors whom the Placing Agents have procured to purchase any of the Placing Shares pursuant to their obligations under the Placing and Subscription Agreement;
“Placing”	means the private placing of the Placing Shares to the Placees procured by the Placing Agents pursuant to the terms and conditions of the Placing and Subscription Agreement;
“Placing Agents”	means DBS Asia Capital Limited and The Hongkong and Shanghai Banking Corporation Limited;
“Placing and Subscription Agreement”	means the agreement dated 27 May 2026 and entered into among the Company, the Seller and the Placing Agents in respect of the Placing and the Subscription;

“ Placing Price ”	means HKD9.10 per Placing Share (exclusive of, without limitation, all brokerage, Hong Kong stamp duty, transaction levies of the SFC and trading fees of the Stock Exchange);
“ Placing Shares ”	means up to 60,000,000 existing Shares to be placed by the Placing Agents on behalf of the Seller under the Placing;
“ Seller ”	means Impro Development Limited;
“ SFC ”	means the Securities and Futures Commission;
“ Share(s) ”	means ordinary share(s) of HKD0.10 each in the capital of the Company;
“ Shareholder(s) ”	means the holder(s) of the Share(s);
“ Stock Exchange ”	means The Stock Exchange of Hong Kong Limited;
“ Subscription ”	means the subscription of the Subscription Shares by the Seller at the Subscription Price pursuant to the terms and conditions of the Placing and Subscription Agreement;
“ Subscription Price ”	means the price per Subscription Share payable by the Seller, which price shall be the same as the Placing Price (being HKD9.10 per Subscription Share);
“ Subscription Shares ”	means up to 60,000,000 new Shares to be allotted and issued by the Company to the Seller pursuant to the terms and conditions of the Placing and Subscription Agreement;
“ substantial shareholder(s) ”	has the meaning ascribed to it under the Listing Rules; and
“ % ”	means per cent.

* *The English translation of the regulation name is for reference only. The official name of the regulation is in Chinese.*

By Order of the Board
IMPRO PRECISION INDUSTRIES LIMITED
LU Ruibo
Chairman and Chief Executive Officer

Hong Kong, 27 May 2026

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. LU Ruibo, Mr. YU Yuepeng, Ms. ZHU Liwei and Mr. WANG Dong and three independent non-executive Directors, namely Dr. YEN Gordon, Mr. LEE Siu Ming and Mrs. CHOW Lok Mei Ki Cindy.