鷹普精密工業有限公司
Impro Precision Industries Limited
(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1286

2026 INTERIM RESULTS PRESENTATION

August 11, 2026

Disclaimer

The information set forth in this presentation relates to the business of Impro Precision Industries Limited (the “Company”, together with its subsidiaries, the “Group”) for the six months ended June 30, 2026. This presentation is intended to provide updated information on the Group for the six months ended June 30, 2026 and does not constitute an offer, solicitation, invitation or recommendation to subscribe for or purchase any securities of any member of the Group. The information in this presentation is in summary form and is not a complete description of the business and the operating results of the Group for the six months ended June 30, 2026. No representation or warranty, express or implied, is made and no reliance should be placed on the accuracy, fairness or completeness of the information herein contained. For more detailed information of the annual results of the Group for the six months ended June 30, 2026, please refer to the 2026 interim results announcement of the Group published on the websites of The Stock Exchange of Hong Kong Limited and the Company.

This presentation contains certain forward-looking statements with respect to the financial conditions, operating results, and business of the Group and certain plans and objectives of the management of the Group. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of the Group to be materially different from any future results of performance expressed or implied by such forward looking statements. Accordingly, you should not place reliance on any forward-looking information or statements.

1H/2026 Results Summary

Significant Revenue Growth amid Robust AI-related and other End-Markets Momentum

- 1H/2026 Group revenue increased by 23.2% y-o-y to HK$3,018.0M
- Demand for liquid cooling systems grew particularly strong, driving remarkable revenue growth in Diversified Industrials - Others end-market by 107.6%; revenue from Energy end-market surged 83.7% while revenue from HHPE end-market increased significantly by 23.7%
- Recreational Boat and Vehicle end-market benefited from customers‘ supply chain restructuring, revenue increased sharply by 57.4% as market share gains. Sales in Aerospace and Construction Equipment end-markets recorded strong growth of 34.6% and 34.2% respectively

Gross Profit Margin Increases & Record High Profit attributable to Shareholders

- Group GPM up 0.6% to 28.4%, with GPM of SC up 2.1% to 32.4%, driven by a significant increase in revenue of HHPE end-market
- China plants reported robust financial results; Turkey plants profit dropped sharply to bare breakeven amid high inflation and weak Passenger Car end-market demand; Mexico plants net loss widened as sales continued to ramp up
- Profit attributable to shareholders up 21.6% to HK$421.0M; adjusted for significant one-off items, adjusted profit attributable to shareholders up 20.4% to HK$433.1M

Capitalizing on Huge Growth Opportunities in AI-related, Aerospace & Energy End-Markets

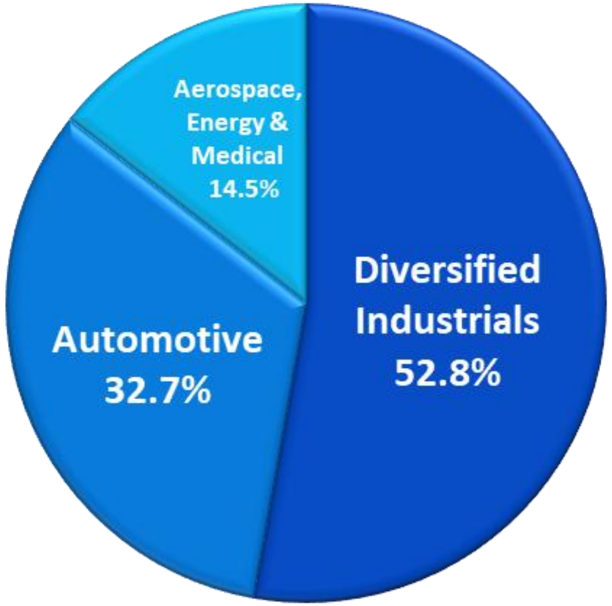
- Demand from AI-related data centers remains robust, driving sustained growth in demand for HHPE and liquid cooling system components. With the Phase II SC workshop at Mexico SLP Campus scheduled to begin commercial production in 3Q or 4Q 2026, supported by a significant ramp-up in capacity at IC plant in Mexico SLP Campus, the Group’s sales growth is expected to accelerate in 2H/2026
- Aerospace and ST plants in Mexico are actively pursuing multiple NADCAP certifications for special processes, which are expected to be completed progressively in 2H/2026, paving the way for production ramp-up

Growing Operating Cash Flow & Stable Dividend Payout

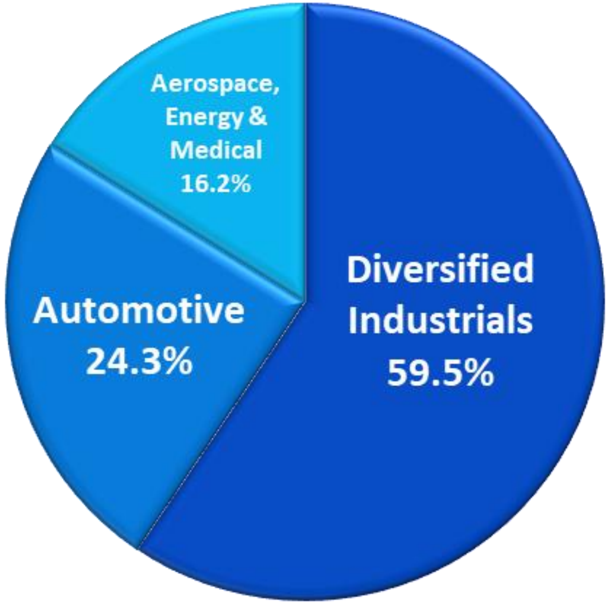
- OCF increased by 24.1% to HK$689.1M in 1H/2026, driven by effective control of working capital management as both DIV and DSO remained stable
- 2026 interim dividend at HK$0.08/share, or total HK$155.8M, equivalent to 36.0% dividend payout based on adjusted profit attributable to shareholders
- Successfully raised ~HK$680M through top-up placement and the employee share ownership scheme in 1H/2026, strengthening the Group’s financial position and laying a solid foundation for future growth

Revenue by End-Markets

1H/2025



1H/2026



	1H/2025	1H/2026	Inc/(Dec)	
By End-Markets	**HK$ mil**	**HK$ mil**	**HK$ mil**	**Change**
Diversified Industrials	1,293.8	1,794.6	500.8	38.7%
Automotive	802.2	735.2	(67.0)	-8.4%
Aerospace, Energy & Medical	353.9	488.2	134.3	37.9%
Total	**2,449.9**	**3,018.0**	**568.1**	**23.2%**

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Revenue by End-Markets

By End-Market	1H/2025 HK$ mil	1H/2026 HK$ mil	Inc/(Dec) HK$ mil	Change
Diversified Industrials	**1,293.8**	**1,794.6**	**500.8**	**38.7%**
- High Horsepower Engine	533.7	660.3	126.6	23.7%
- Construction Equipment	339.1	455.0	115.9	34.2%
- Agricultural Equipment	154.6	160.8	6.2	4.0%
- Recreational Boat & Vehicle	68.7	108.1	39.4	57.4%
- Others	197.7	410.4	212.7	107.6%
Automotive	**802.2**	**735.2**	**(67.0)**	**-8.4%**
- Commercial Vehicle	379.0	403.9	24.9	6.6%
- Passenger Car	423.2	331.3	(91.9)	-21.7%
Aerospace, Energy & Medical	**353.9**	**488.2**	**134.3**	**37.9%**
- Aerospace	239.1	321.9	82.8	34.6%
- Energy	54.1	99.4	45.3	83.7%
- Medical	60.7	66.9	6.2	10.2%
Total	**2,449.9**	**3,018.0**	**568.1**	**23.2%**

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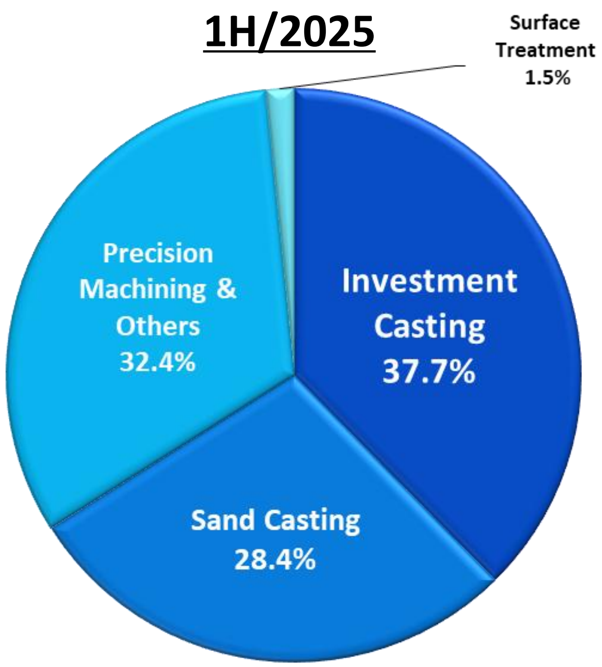
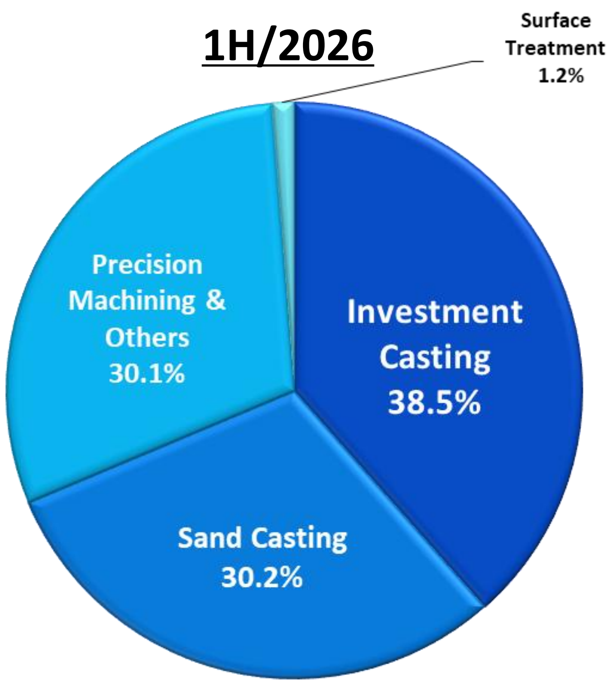
Revenue by Business

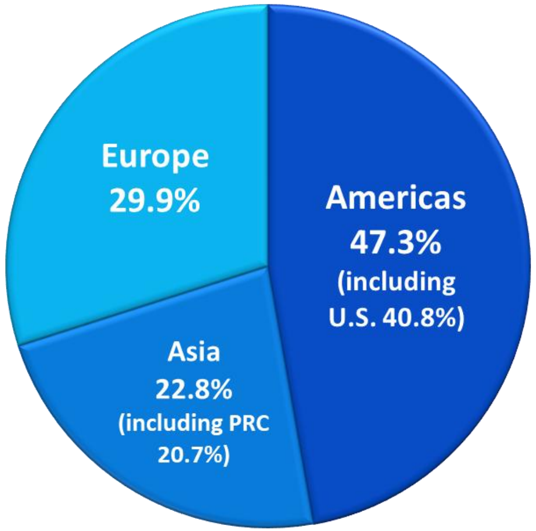




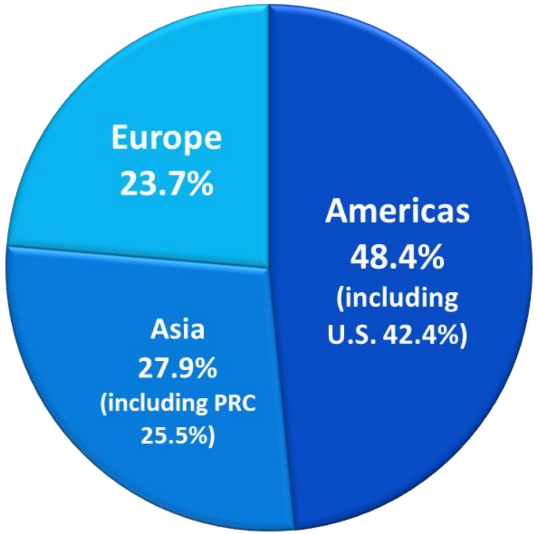
	1H/2025	1H/2026	Inc/(Dec)	
By Business	**HK$ mil**	**HK$ mil**	**HK$ mil**	**Change**
Investment Casting	922.6	1,161.7	239.1	25.9%
Sand Casting	695.2	911.0	215.8	31.0%
Precision Machining & Others	793.3	907.7	114.4	14.4%
Surface Treatment	38.8	37.6	(1.2)	-3.1%
Total	**2,449.9**	**3,018.0**	**568.1**	**23.2%**

Revenue by Geographical

1H/2025



1H/2026



By Geographical	1H/2025 HK$ mil	1H/2026 HK$ mil	Inc/(Dec) HK$ mil	Change
Americas	**1,156.6**	**1,461.8**	**305.2**	**26.4%**
- United States	998.1	1,279.8	281.8	28.2%
- Others	158.5	182.0	23.5	14.8%
Asia	**560.1**	**842.4**	**282.3**	**50.4%**
- PRC	507.5	768.6	261.1	51.4%
- Others	52.6	73.8	21.2	40.3%
Europe	**733.2**	**713.8**	**(19.4)**	**-2.6%**
Total	**2,449.9**	**3,018.0**	**568.1**	**23.2%**

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1H/2026 Financial Review

1H/2026 Financial Review

Financial Highlights	1H/2025 HK$ mil	1H/2026 HK$ mil	Change
Revenue	2,449.9	3,018.0	23.2%
Gross profit	681.5	856.8	25.7%
Gross profit margin	*27.8%*	*28.4%*	*0.6%*
Other revenue	12.7	19.2	51.2%
Other net income/(loss)	24.1	(66.1)	-374.3%
Selling and distribution expenses	(94.4)	(78.5)	-16.8%
Administrative and other operating expenses	(162.1)	(195.7)	20.7%
EBITDA	715.3	828.4	15.8%
EBITDA margin	*29.2%*	*27.4%*	*-1.8%*
Profit att. to shareholders of the Company	346.3	421.0	21.6%
Adj. Profit Attr. to shareholders of the Company	359.6	433.1	20.4%
Adjusted basic EPS (HK cents)	19.10	22.80	19.4%
DPS (HK cents)	8.0	8.0	0.0%

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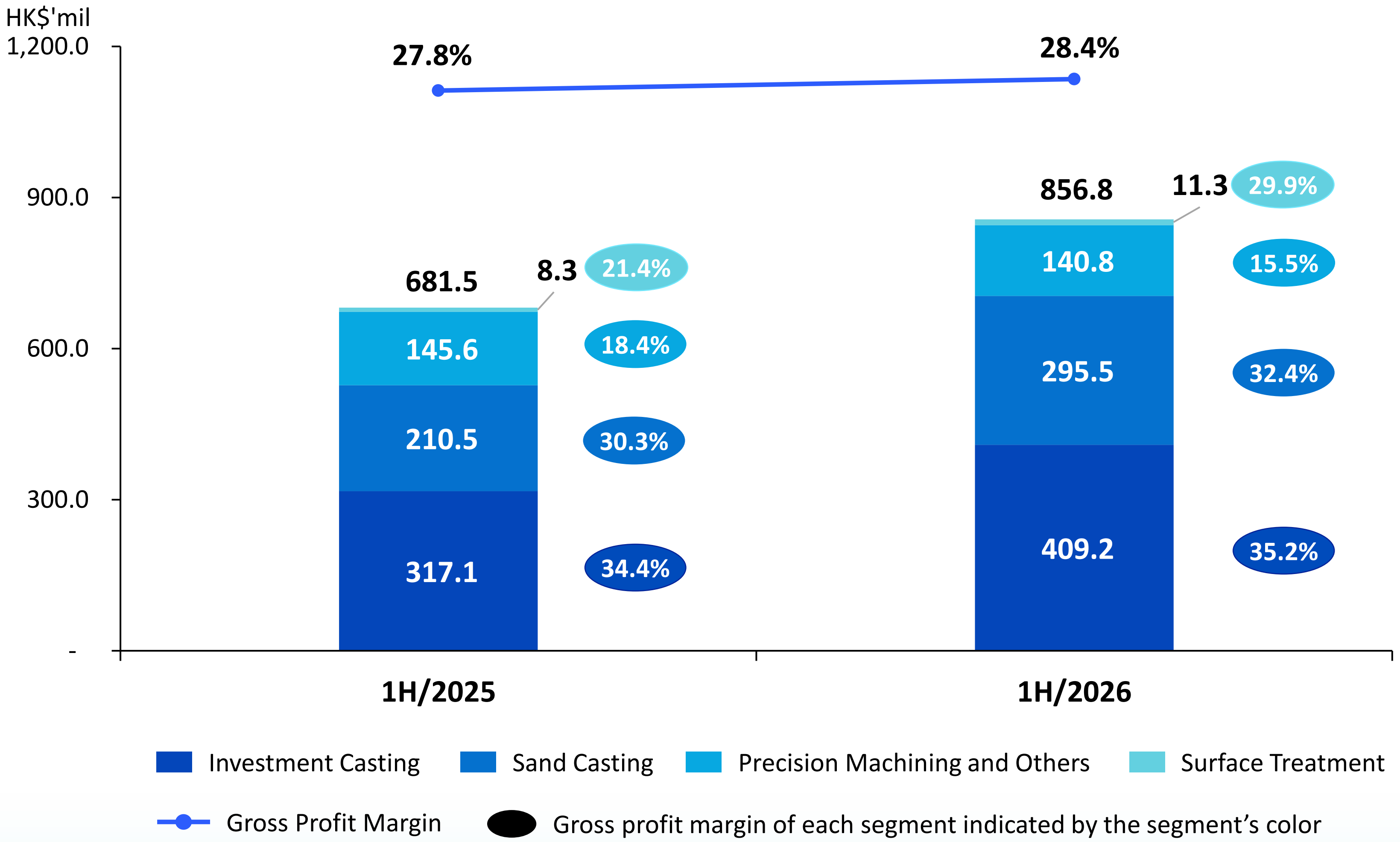
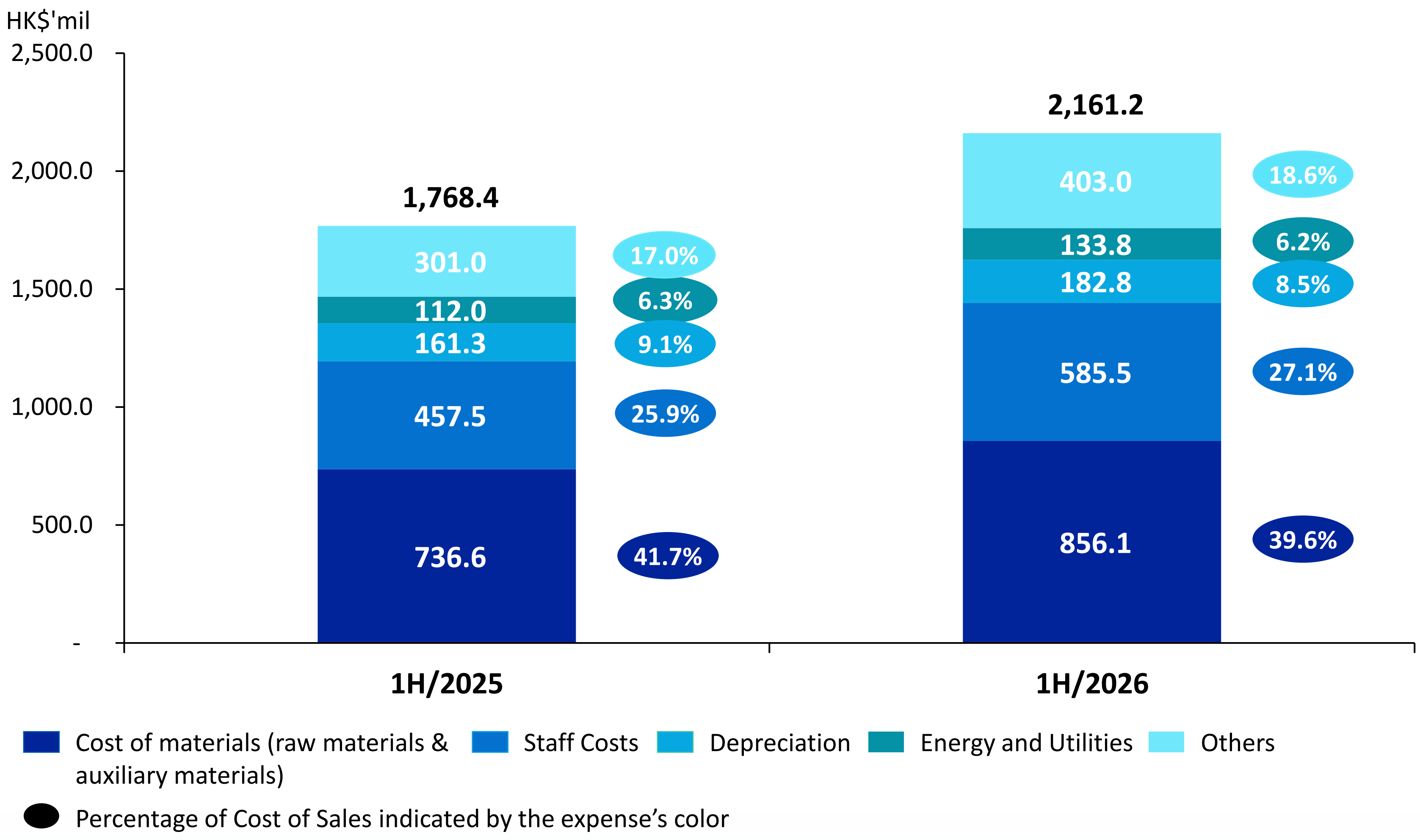
Gross Profit

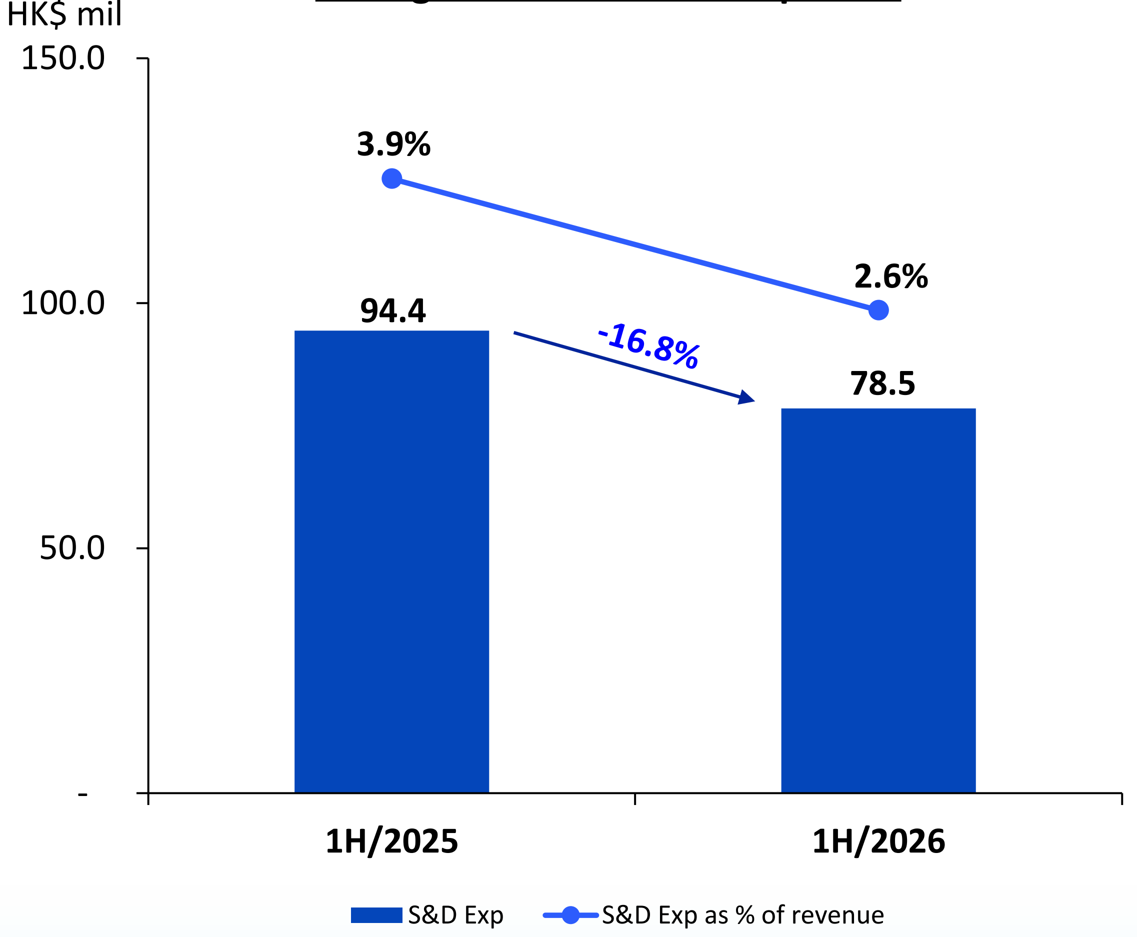


Cost of Sales Analysis

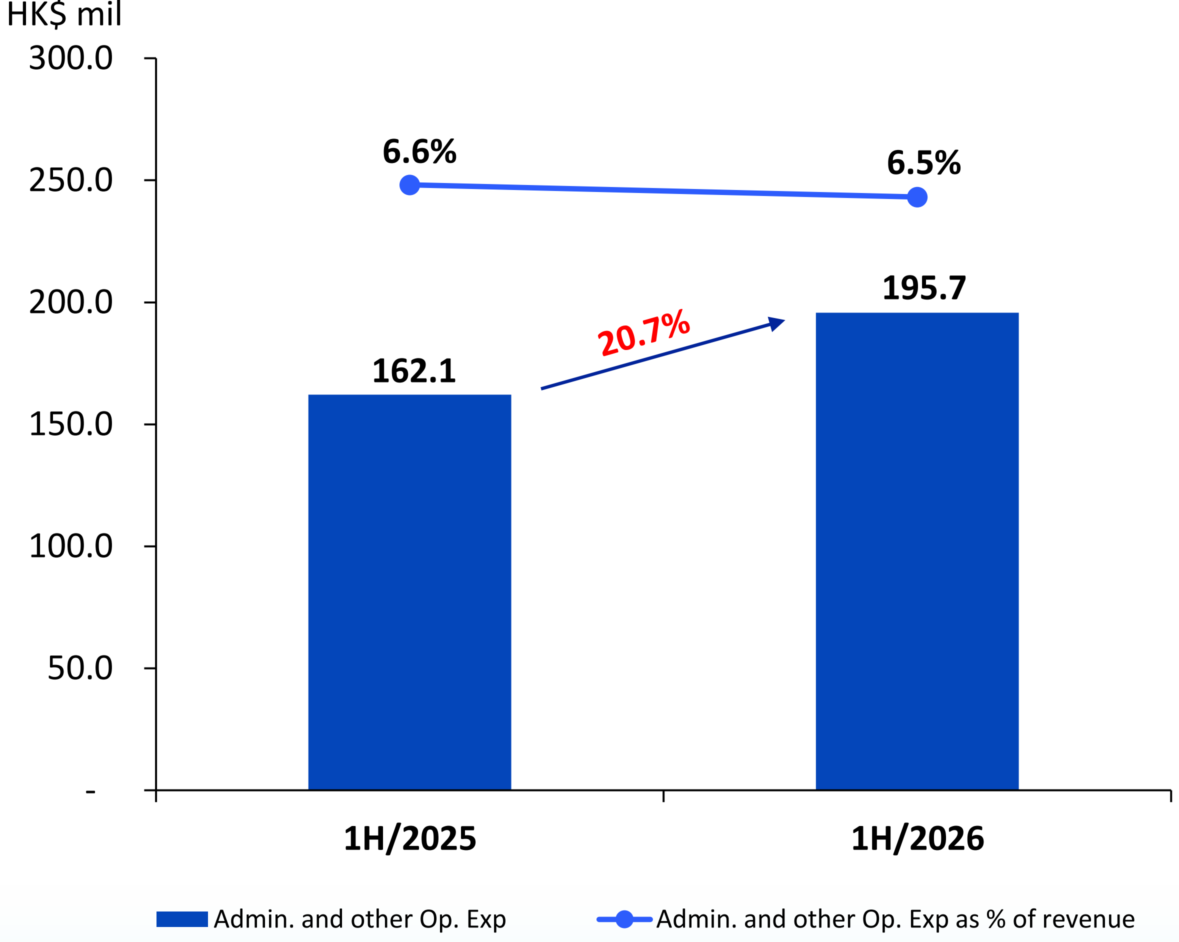


Operating Expenses Analysis

Selling and Distribution Expenses



Administrative and Other Operating Expenses



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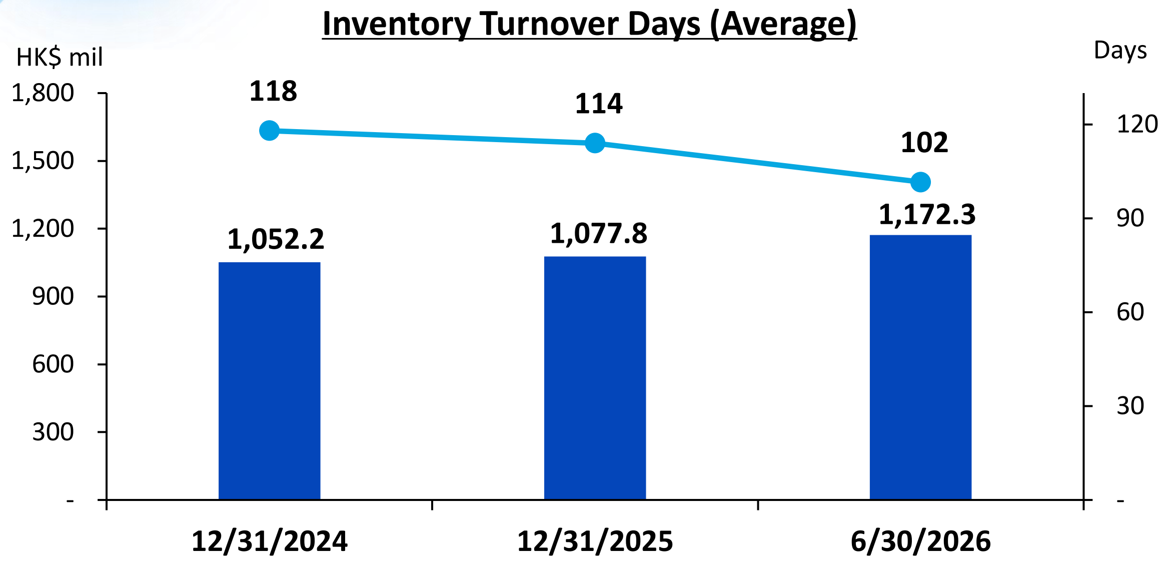
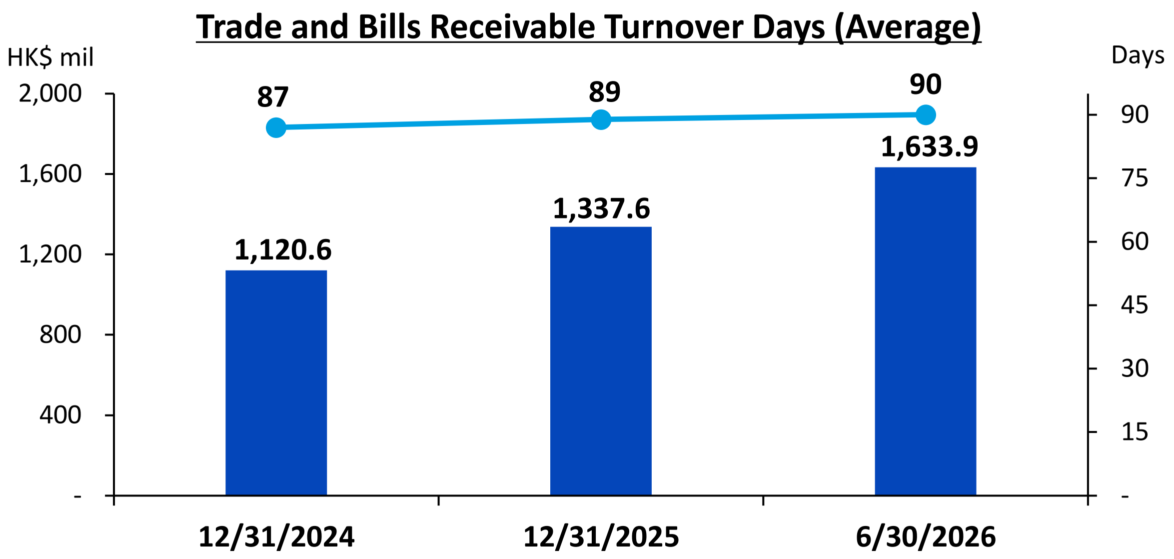
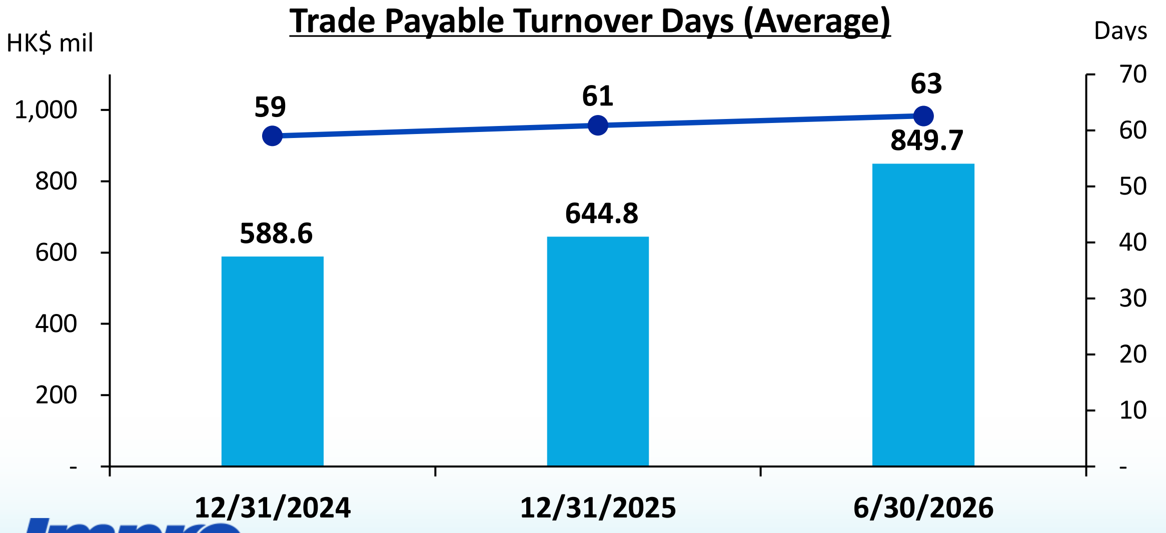
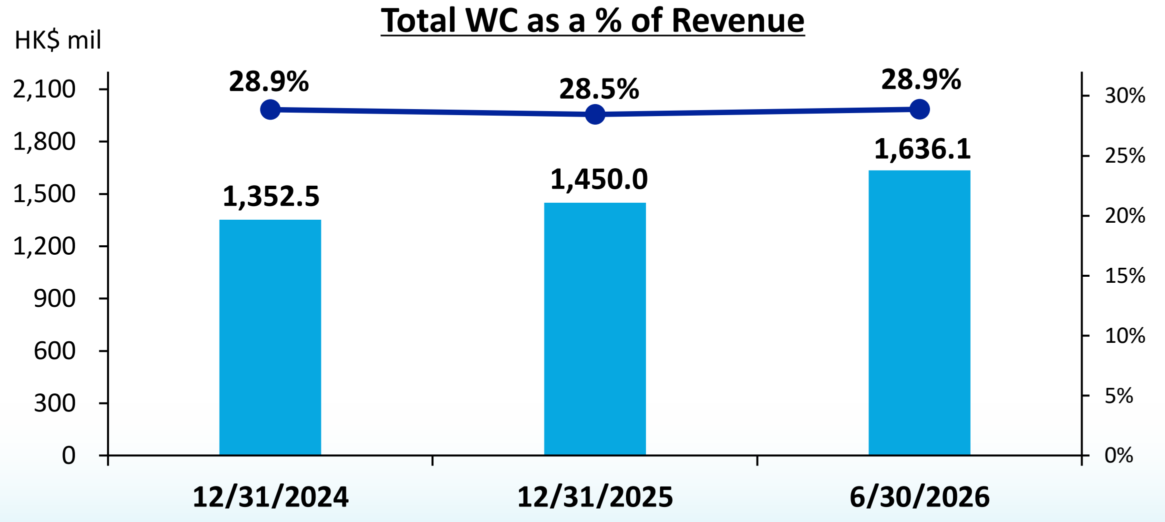
Key Working Capital Ratios

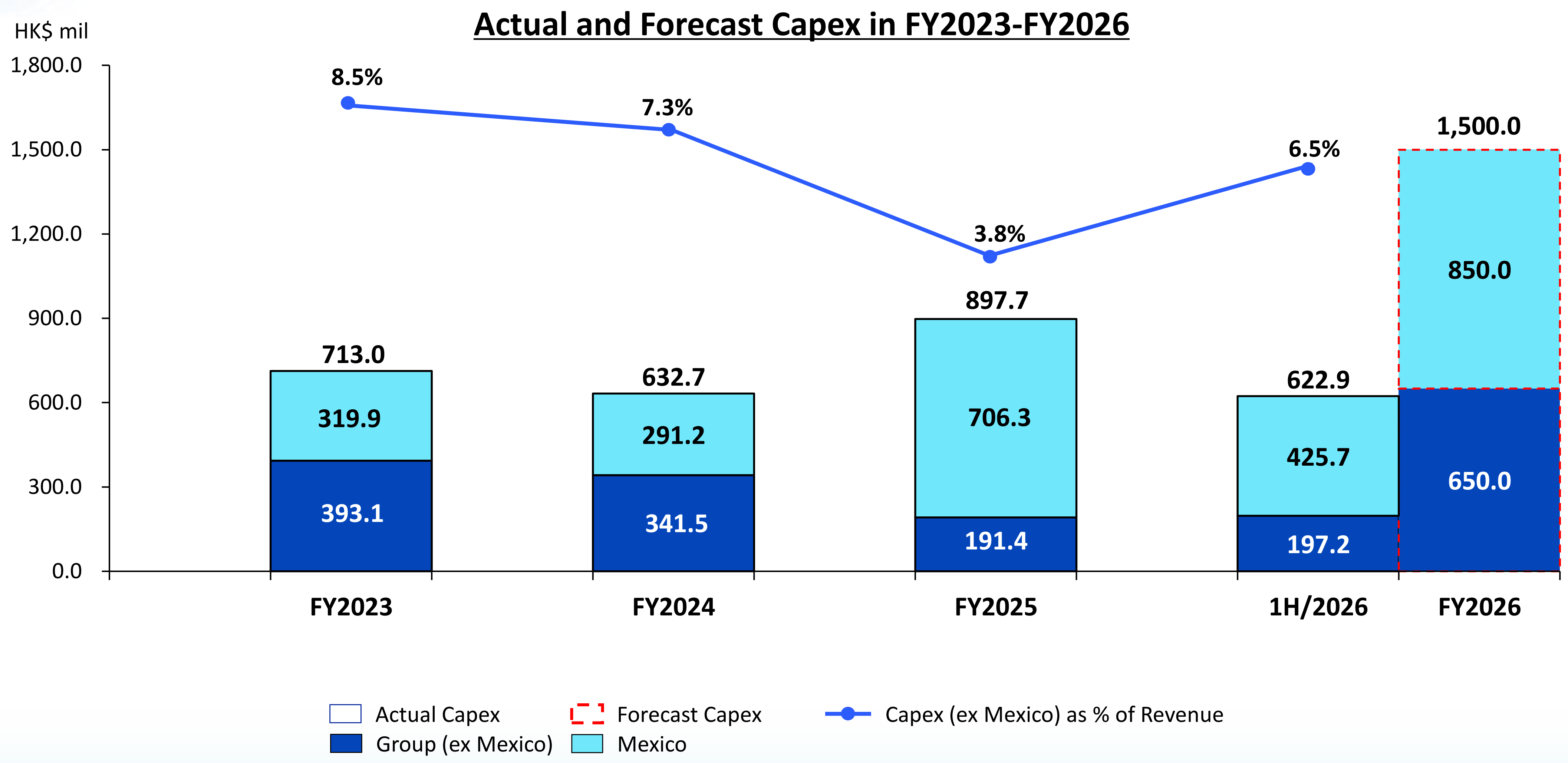








Capital Expenditure



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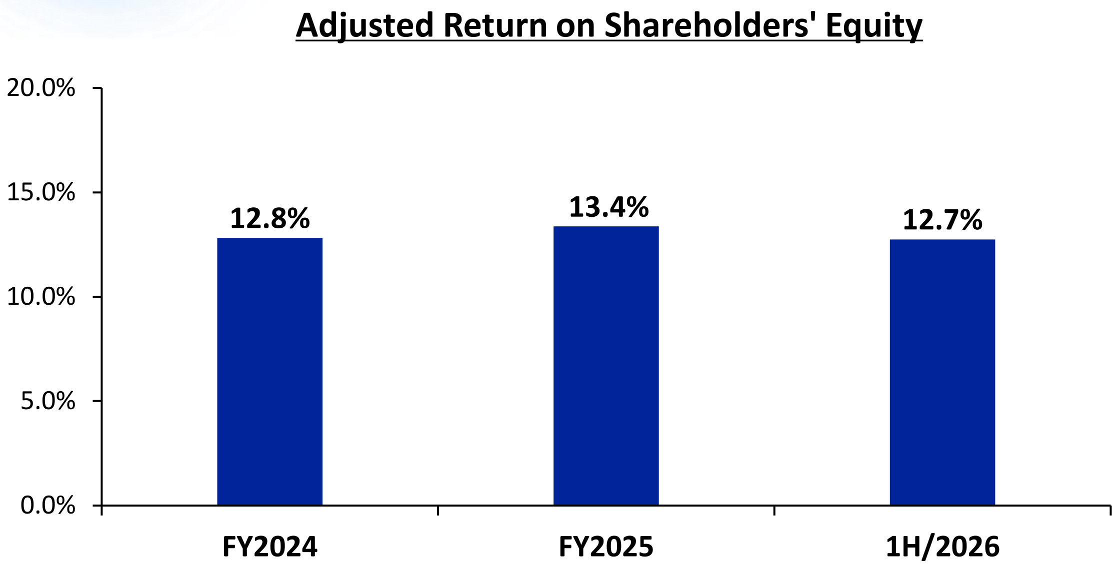
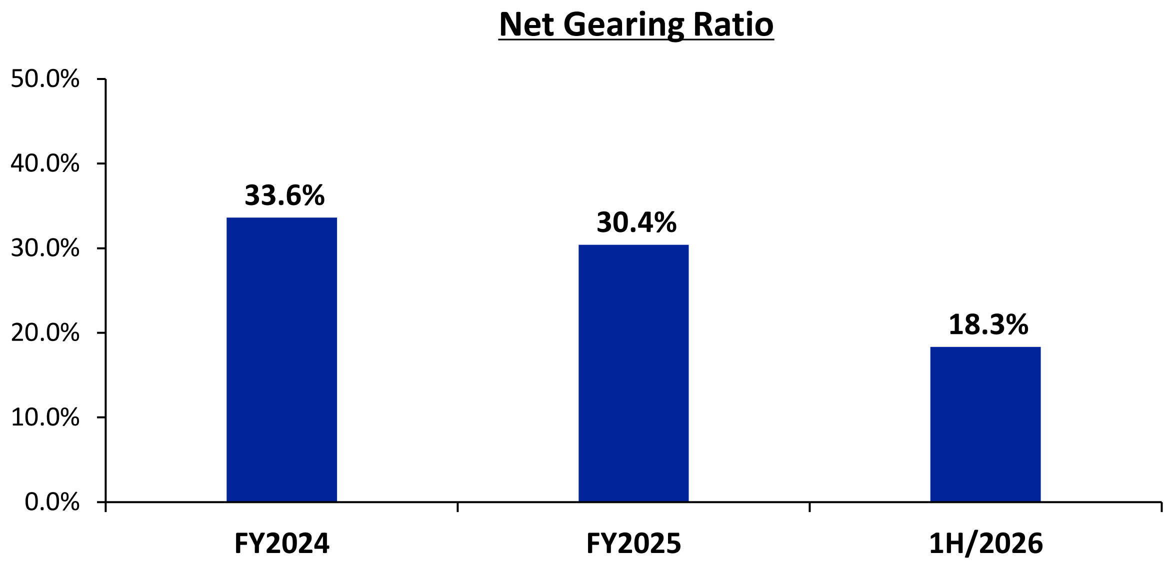
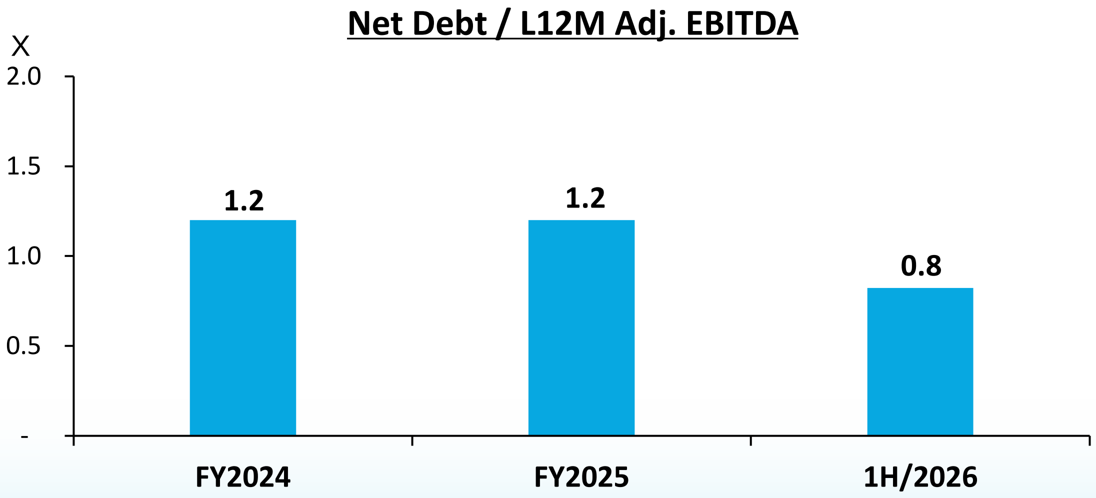
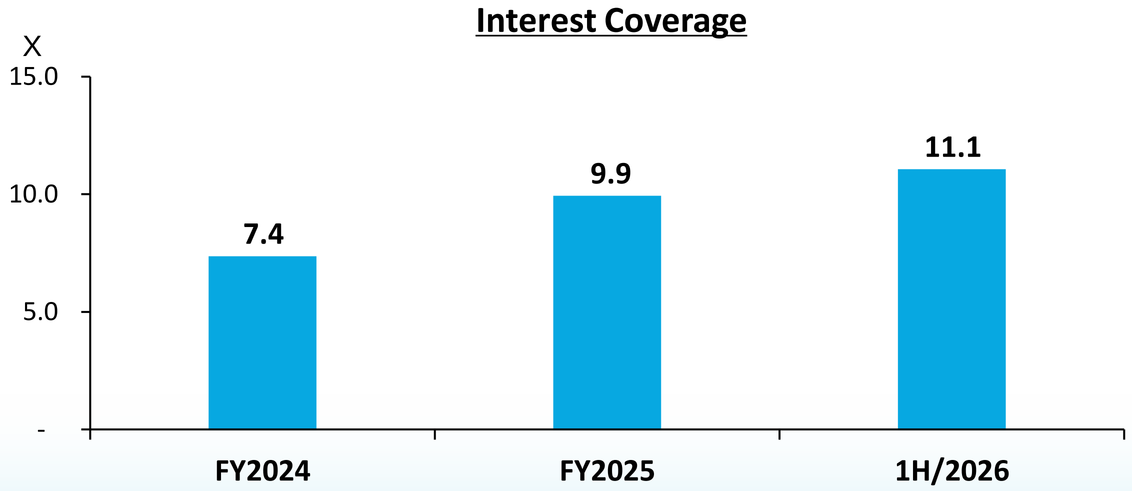
Key Financial Ratios









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Business Outlook

Mexico SLP Campus Construction Update

- Mexico SLP Campus Precision Machining (PM), Sand Casting (SC) and Investment Casting (IC) plants are now fully operational, Aerospace component and Surface Treatment (ST) plants obtained the 1st phase of AS9100 quality system certification for aerospace applications in Jan 2026. As multiple special processes involved in aerospace products, NADCAP certification and customer certification are expected to be obtained in 2H/2026
- Large SC workshop at the Phase 2 of Mexico SLP Campus is scheduled to begin mass production in 3Q or 4Q/2026. Together with significant ramp-up in capacity at the IC plant, the Group's sales growth is expected to accelerate in 2H/2026
- Latest 2026 capex budget for the Mexico plants increased by HK$200M to ~HK$850M, including capex of Phase 2 of the Campus construction, Phase 2 living facilities, and new machinery and equipment. Revenue from the Mexico SLP Campus is expected to grow strongly in coming years

Business Outlook

- Global economy is expected to remain volatile amid multiple pressures, including geopolitical conflicts in the Middle East, fluctuations in energy costs, and the continued rise of trade protectionism. The direction of U.S. tariff policies is also adding uncertainty to the global trading system
- Current trade environment highlights the advantages of Impro's long-standing “Global Footprint” and “Diversified End-markets” strategies, while supporting customers’ multi-sourcing strategies to mitigate supply chain risks
- With the rapid development of AI, the demand for AI-related big data centers in the American, European and Asian markets including China, has increased significantly. **This surge has stimulated the demand for HHPE and liquid cooling systems components**
- Given the anticipated continued strong growth in AI-related products, **coupled with substantial new orders from Mexico SLP Campus and a recovery in demand in certain end-markets, the Group's sales revenue growth rate is expected to accelerate over the next two to three years**
- Considering the Group’s strong order backlog and future new project development progress, **the Company raises 2026 full year sales forecast growth rate to between 20% and 25% y-on-y**
- Sound financial and cash flow position, together with ~HK$1.2B cash and HK$2.6B undrawn banking facilities provide the Group with ample financial resources to support capacity expansion. The Group also closely monitors synergetic M&A opportunities, with the aim of delivering long-term and sustainable growth return to shareholders

Q&A Session

Appendices – Financials Summary

Appendix 1 - Reconciliation of Adjusted Profit Attributable to Shareholders and Adjusted EBITDA

	1H/2025 HK$ mil	1H/2026 HK$ mil	Change
Reconciliation to Adj. Profit Attr. to Shareholders			
Profit after tax	347.4	422.0	**21.5%**
Adjustments (net of tax):			
- Amort’n and Dep’n related to past acq’s PPA adj	13.3	12.1	
Adjusted NPAT	**360.7**	**434.1**	**20.3%**
Less: Profit Attr. to non-controlling interests	(1.1)	(1.0)	
Adjusted Profit Attr. to Shareholders	**359.6**	**433.1**	**20.4%**

Appendix 2 – Consolidated Statement of Profit or Loss

	1H/2025 HK$ mil	1H/2026 HK$ mil
Revenue	2,449.9	3,018.0
Cost of sales	(1,768.4)	(2,162.2)
Gross Profit	**681.5**	**856.8**
Other revenue	12.7	19.2
Other net income/(loss)	24.1	(66.1)
Selling and distribution expenses	(94.4)	(78.5)
Administrative and other operating expenses	(162.1)	(195.7)
Operating Profit	**461.8**	**535.7**
Net finance costs	(41.0)	(44.0)
Profit before taxation	**420.8**	**491.7**
Income tax	(73.4)	(69.7)
Profit for the period	**347.4**	**422.0**
Attributable to:		
- Equity shareholders of the Company	346.3	421.0
- Non-controlling interests	1.1	1.0
Profit for the period	**347.4**	**422.0**

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Appendix 3 – Consolidated Statement of Financial Position

	12/31/2025 HK$ mil	6/30/2026 HK$ mil
Non-current assets		
Property, plant and equipment	5,236.2	5,712.7
Prepayments for Property, plant and equipment	18.6	119.2
Intangible assets	168.7	164.9
Goodwill	228.3	237.4
Deferred expenses	163.0	169.2
Other financial assets	1.6	1.6
Deferred tax assets	141.5	119.1
	5,957.9	**6,524.1**
Current assets		
Inventories	1,077.8	1,172.3
Trade and bills receivables	1,337.6	1,633.9
Prepayments, deposits and other receivables	286.8	333.7
Taxation recoverable	8.9	15.6
Cash and cash equivalents	720.9	1,248.4
	3,432.0	**4,403.9**
TOTAL ASSETS	**9,389.9**	**10,928.0**

Appendix 3 – Consolidated Statement of Financial Position

	12/31/2025 HK$ mil	6/30/2026 HK$ mil
Current liabilities		
Bank loans	1,061.1	969.0
Lease liabilities	4.4	3.5
Trade payables	644.8	849.7
Other payables and accruals	489.9	459.0
Taxation payable	20.5	14.5
	2,139.7	**2,295.7**
Net current assets	**1,292.3**	**2,108.2**
Total assets less current liabilities	**7,250.2**	**8,632.3**
Non-current liabilities		
Bank loans	1,359.5	1,526.8
Lease liabilities	5.7	4.4
Deferred income	139.7	139.9
Defined benefit retirement plans obligation	58.8	55.2
Deferred tax liabilities	63.3	61.1
	1,627.0	**1,787.4**
NET ASSETS	**5,623.2**	**6,844.9**

Appendix 3 – Consolidated Statement of Financial Position

	12/31/2025 HK$ mil	6/30/2026 HK$ mil
Capital and reserves		
Share capital	188.7	194.7
Reserves	5,416.1	6,540.0
Total equity attributable to equity shareholders of the Company	**5,604.8**	**6,732.1**
Non-controlling interests	18.4	110.2
TOTAL EQUITY	**5,623.2**	**6,844.9**

Appendix 4 – Condensed Consolidated Cash Flow Statement

	1H/2025 HK$ mil	1H/2026 HK$ mil
Operating activities		
Cash generated from operations	621.2	750.9
Tax paid	(65.9)	(61.8)
Net cash generated from operating activities	**555.3**	**689.1**
Investing activities		
Payment of property, plant and equipment	(400.8)	(634.0)
Payment for deferred expenses	(43.6)	(55.9)
Others	5.7	8.2
Net cash used in investing activities	**(438.7)**	**(681.7)**

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Appendix 4 – Condensed Consolidated Cash Flow Statement

	1H/2025	1H/2026
	HK$ mil	HK$ mil
Financing activities		
Proceeds from bank loans	907.0	1,248.3
Repayment of bank loans	(785.1)	(1,228.1)
Interest paid	(46.9)	(48.1)
Lease rentals paid	(2.4)	(2.4)
Proceeds from issue of ordinary shares, net of issuance costs	-	539.0
Capital contributions from non-controlling interests, net of issuance costs	-	138.5
Dividends paid to equity shareholders of the Company	(151.0)	(151.0)
Dividends paid to non-controlling interest	(5.3)	(2.7)
Net cash (used in)/generated from financing activities	**(83.7)**	**493.5**
Increase in cash and cash equivalents	**32.9**	**500.9**
Cash and cash equivalents at January 1	601.7	720.9
Effect of foreign exchange rate changes	20.6	26.6
Cash and cash equivalents at June 30	**655.2**	**1,248.4**

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