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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)

VOLUNTARY ANNOUNCEMENT
IMPACT OF UNITED STATES TARIFFS ON THE BUSINESS AND OPERATIONS OF THE GROUP

This announcement is made voluntarily by Impro Precision Industries Limited (the "**Company**", together with its subsidiaries, the "**Group**").

According to the Federal Register announcement issued by the United States ("**US**") Department of Commerce on the evening of August 15, 2025, the US government will expand the scope of imposing a 50% tariff on imports of steel and aluminum products from all countries to the US ("**Additional Tariffs**"), adding 407 steel and aluminium derivatives product codes of "US Harmonized Tariff Schedule" to the list of additional tariffs (the "**New Tariff List**"). The New Tariff List will take effect on August 18, 2025.

According to the Group's latest sales forecast for the next 12 months, approximately 40% of the value of the Group's products sold to the US is sold to customers on "Delivered Duty Paid" terms, i.e. the Group is responsible for arranging transportation and delivery of the goods to the designated location, while completing customs clearance and paying all applicable taxes and duties. Approximately 60% of these products will be included in the New Tariff List and will be subject to Additional Tariffs. As the rate of such Additional Tariffs is far higher than the Group's gross profit margin, the imposition of Additional Tariffs will make it commercially impracticable for the Group to continue supplying products on existing terms, and may even constitute force majeure event.

For the year ended 31 December 2024, the Group's revenue from sales to the US accounted for approximately 44.4% of the Group's total revenue. As of the date of this announcement, the Board of Directors believes the Additional Tariffs may have an impact on the Group's business and operations, but as the Group is still negotiating with its customers on the sharing arrangement of the Additional Tariffs, the Group is currently still not in a position to make detailed assessment and calculation of the possible impact caused by the Additional Tariffs to the Group.

The Company will continue to closely monitor the situation and will take appropriate measures in due course and endeavour to mitigate the impact of the Additional Tariffs on the Group's business and operations.

Shareholders and potential investors are advised to exercise caution when dealing in the Company's shares.

By order of the Board
Impro Precision Industries Limited
LU Ruibo
Chairman

Hong Kong, 18 August 2025

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.