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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

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 unaudited consolidated interim results of the Group for the six months ended 30 June 2026 (the "**Period under Review**"), together with the comparative figures for the same period last year.

The Board refers to the positive profit alert announcement of the Company dated 28 July 2026 on the unaudited consolidated net profit for the six months ended 30 June 2026. The following sets forth a summary of the financial highlights of the Group for the six months ended 30 June 2026.

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2026	2025	Change %
	RMB'000	*RMB'000*	(Approximately)
	(Unaudited)	(Unaudited)	
Consolidated statement of profit or loss and other comprehensive income			
Revenue	**333,284**	287,537	15.9%
Gross profit	**138,558**	89,830	54.2%
Gross profit margin	**41.6%**	31.2%	
Profit for the period	**99,084**	56,521	75.3%
Adjusted profit for the period *(Note)*	**99,084**	60,828	62.9%
Basic earnings per share	**1.69**	1.17	

	As at 30 June 2026	As at 31 December 2025	Change %
	RMB'000	*RMB'000*	(Approximately)
	(Unaudited)	(Audited)	
Consolidated statement of financial position			
Cash and cash equivalents	**152,573**	203,326	–25.0%
Inventories	**1,100,510**	845,145	30.2%
Trade receivables	**91,204**	87,762	3.9%
Bank borrowings	**231,740**	139,635	66.0%
Net assets value	**1,130,094**	1,031,010	9.6%

Note: Adjusted profit for the period represents the profit for the period before deducting Listing expense, which reflects the Group's core operating performance.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	NOTES	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**333,284**	287,537
Cost of sales		**(194,726)**	(197,707)
Gross profit		**138,558**	89,830
Other income	*5(a)*	**19,493**	2,463
Impairment losses under expected credit loss model, net of reversal		**(3,011)**	(320)
Other gains and losses	*6*	**12,124**	4,521
Selling expenses		**(15,998)**	(8,558)
Administrative expenses		**(10,722)**	(5,242)
Research and development expenses		**(9,056)**	(5,503)
Other expenses	*5(b)*	**(11,240)**	(1,417)
Listing expenses		**—**	(4,307)
Finance costs		**(3,167)**	(2,233)
Profit before tax		**116,981**	69,234
Income tax expense	*7*	**(17,897)**	(12,713)
Profit and total comprehensive income for the period	*8*	**99,084**	56,521
Profit (loss) and total comprehensive income (expense) for the period attributable to:			
— Owner of the Company		**99,219**	56,521
— Non-controlling interests		**(135)**	—
		99,084	56,521
Earnings per share			
— Basic	*10*	**1.69**	1.17

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	NOTE	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment		**138,772**	102,670
Right-of-use assets		**10,549**	6,289
Intangible assets		**3,858**	4,112
Deferred tax assets		**3,521**	4,573
Prepayments and other receivables		**14,093**	16,590
Total Non-current Assets		**170,793**	134,234
Current Assets			
Inventories		**1,100,510**	845,145
Trade receivables	*11*	**91,204**	87,762
Prepayments and other receivables		**12,366**	6,609
Financial assets at fair value through profit or loss ("**FVTPL**")		**—**	1,000
Cash and cash equivalents		**152,573**	203,326
Total Current Assets		**1,356,653**	1,143,842

	NOTE	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Current liabilities			
Trade and other payables	*12*	**69,141**	49,871
Tax payable		**11,223**	15,669
Bank borrowings		**151,240**	107,135
Lease liabilities		**2,739**	2,479
Contract liabilities		**326**	924
Gold loans		**73,839**	37,046
Total Current Liabilities		**308,508**	213,124
Net Current Assets		**1,048,145**	930,718
Total Assets less Current Liabilities		**1,218,938**	1,064,952
Non-current liabilities			
Deferred income		**1,894**	326
Lease liabilities		**5,445**	1,116
Bank borrowings		**80,500**	32,500
Deferred tax liabilities		**1,005**	—
Total Non-current Liabilities		**88,844**	33,942
Net Assets		**1,130,094**	1,031,010
Capital and reserves			
Share capital		**58,825**	58,825
Reserves		**1,070,806**	971,587
Equity attributable to owners of the Company		**1,129,631**	1,030,412
Non-controlling interests		**463**	598
Total Equity		**1,130,094**	1,031,010

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. GENERAL INFORMATION

Shenzhen Hipine Precision Technology Co., Ltd. (the "**Company**") was incorporated as a limited liability company on 15 July 2013 in Shenzhen, Guangdong Province, the People's Republic of China (the "**PRC**"). The respective address of the registered office and the principal place of business of the Company is Room 1701, Block 2, Yuhong Building, No.3006 Buxin Road, Dushu Community, Dongxiao Subdistrict, Luohu District, Shenzhen, the PRC.

The Group is principally engaged in the manufacturing and sale of precious metal watches and accessories in the PRC.

The condensed consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("**IAS 34**") issued by the International Accounting Standards Board (the "**IASB**") as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange"**).

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and liabilities, which are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to IFRS Accounting Standards and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2026 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2025.

Application of amendments to IFRS Accounting Standards

In the current interim period, the Group has applied the following amendments to IFRS Accounting Standards issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2026 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards — Volume 11

The application of the amendments to IFRS Accounting Standards in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

4. REVENUE AND OPERATING SEGMENTS

Disaggregation of revenue from contracts with customers

Types of goods or service

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Manufacturing and sales of and processing fee income from watches and accessories		
Watches	**236,695**	149,812
Accessories	**96,589**	137,725
	333,284	287,537

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

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 regard 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. The Group's non-current assets are all derived from/located in the Mainland China and the Group's revenue and profit from operation are predominantly derived from the Mainland China. Accordingly, no geographical segment information is presented.

5. OTHER INCOME AND OTHER EXPENSES

(a) Other income

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Watch maintenance service and spare part income	**17,354**	1,869
Bank interest income	**1,440**	37
Government grants and subsidies	**97**	234
Tax refund and incentives	**602**	323
	19,493	2,463

(b) Other expenses

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Watch maintenance service and spare part costs	**11,100**	1,378
Others	**140**	39
	11,240	1,417

6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss on disposal of property, plant and equipment	**(12)**	(12)
Gain on changes in fair value of gold loans	**17,533**	4,702
Net foreign exchange loss	**(5,398)**	(169)
Gain on disposal of financial assets at FVTPL	**1**	—
	12,124	4,521

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
PRC Enterprise Income Tax ("**EIT**")		
Current tax	**15,680**	12,002
Under provision in respect of prior periods	**160**	90
	15,840	12,092
Deferred tax	**2,057**	621
	17,897	12,713

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 statutory tax rate of the PRC subsidiaries is 25% during the six months ended 30 June 2026 and 2025.

According to the EIT Law for High New Tech Enterprises, the Company, as a High Tech Enterprise, is subject to a reduced Enterprise Income Tax rate of 15% during the six months ended 30 June 2026 and 2025.

8. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit for the period after charging the following items:		
Auditor's remuneration	**500**	961
Directors' and supervisors' remuneration	**562**	577
Other staff cost:		
Salaries and other allowances	**22,716**	15,451
Retirement benefits scheme contributions	**2,416**	1,735
Total staff costs	**25,132**	17,186
Less: capitalised in inventories	**(11,348)**	(7,802)
	13,784	9,384
Cost of inventories recognised as an expense	**178,224**	187,765
Including: write-down of inventories	**1,097**	285
Depreciation of property, plant and equipment	**3,955**	1,461
Depreciation of right-of use assets	**2,141**	1,718
Amortisation of intangible assets	**254**	117
Total depreciation and amortisation	**6,350**	3,296
Less: capitalised in inventories	**(2,779)**	(1,276)
	3,571	2,020

9. DIVIDENDS

Subsequent to the end of the current interim period, an interim dividend of RMB0.50 (including tax) per share amounting to RMB29,412,500 (including tax) in aggregate (six months ended 30 June 2025: nil) has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming extraordinary general meeting. Subject to the approval by the shareholders in the forthcoming extraordinary general meeting, the dividends will be paid to owners of the Company whose names appear in the Register of Members on 30 October 2026.

10. 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:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company for basic earnings per share	**99,219**	56,521

Number of shares

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings per share	**58,825**	48,225

During the six months ended 30 June 2026 and 2025, the Group had no potential ordinary shares. Accordingly, no diluted earnings per share is presented.

11. TRADE RECEIVABLES

	30 June	31 December
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables	**98,134**	92,281
Less: Allowance for credit losses	**(6,930)**	(4,519)
	91,204	87,762

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 the date of transfer of goods, which approximated the respective revenue recognition dates, as follows:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0–90 days	**79,691**	80,993
91–180 days	**7,179**	2,966
181–365 days	**1,345**	3,549
Over 365 days	**2,989**	254
	91,204	87,762

12. TRADE AND OTHER PAYABLES

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables	**30,130**	21,698
Accrued employees' benefits	**4,329**	5,270
Other tax payables	**29,507**	17,529
Deposits	**1,410**	1,450
Other accrued expenses	**2,621**	2,711
Payables for purchase of property, plant and equipment	**1,110**	1,110
Others	**34**	103
	69,141	49,871

The following is the aging analysis of trade payables based on invoice date at the end of the reporting period.

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
0–90 days	**25,481**	16,480
91–180 days	**1,461**	3,622
181–365 days	**1,652**	178
Over 365 days	**1,536**	1,418
	30,130	21,698

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

MANAGEMENT DISCUSSION AND ANALYSIS

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 e-commerce 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.

Business Review

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, Tmall and Douyin. 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 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.

During the Period under Review, the Group unveiled its "Intangible Cultural Heritage 12-Hour" high-end collectible series at the China Arts and Crafts Museum (also known as China Intangible Cultural Heritage Museum). The product line integrates multiple national-level intangible cultural heritage techniques to create precious metal timepieces, elevating product value and transforming watches from mere precious metal accessories into wearable cultural carriers and symbols. In the future, the Company will continue to collaborate with national-level arts and crafts masters and intangible cultural heritage inheritors to establish joint-studios, building an integrated ecosystem of "culture + industry + technology" to foster the innovative development of Eastern intangible cultural heritage in contemporary watchmaking.

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.

As at 30 June 2026, the Group had established a multi-dimensional intellectual property system covering technological innovation, product design, software development and brand operation. It owned 34 invention patents, 65 utility model patents and 132 design patents, as well as 10 software copyrights, 13 works copyrights and 222 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.

During the Period under Review, the Company had participated in the formulation of one national standard and three industry standards, which were approved for implementation in July 2026. These standards are the national standard GB/T 6044-2025 “Analogue Quartz Watches” and the industry standards QB/T 8182-2025 “Test Method for Oxidation Resistance of Watch Cases and the related accessories”; QB/T 8190-2025 “Reciprocating Friction Test for Watch Cases and the related accessories"; and QB/T 8191-2025 “Operating Procedures for Comprehensive Parameter Testing Systems for Mechanical Watches”. These standards comprehensively cover several key dimensions, ranging from core products to fundamental testing, and from technical specifications to operating procedures. They fill gaps in standardized evaluation in the relevant fields and provide authoritative guidance for improving the service life and quality stability of products across the industry. Up to the date of this announcement, the Company has cumulatively obtained four national standards, four industry standards and three group standards, which further demonstrates the Company’s extensive technical expertise in precision watch manufacturing and highlights its responsibility and commitment to leading the high-quality development of the industry through standardization.

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

A breakdown of the Group's revenue generated by business model for the Period under Review and the same period last year are set out as follows:

	For the six months ended June 30			
	2026		2025	
Business model	**Revenue**	**Percentage of segment revenue**	Revenue	Percentage of segment revenue
		Approximate		*Approximate*
	RMB'000	***%***	*RMB'000*	*%*
	(Unaudited)		(Unaudited)	
OBM				
— Offline distributorship	**214,065**	**64.2**	141,148	49.1
— Retail and online stores	**35,023**	**10.5**	10,619	3.7
	249,088	**74.7**	151,767	52.8
ODM				
— Developing and manufacturing	**82,985**	**24.9**	131,099	45.6
— Subcontract processing	**1,211**	**0.4**	4,671	1.6
	84,196	**25.3**	135,770	47.2
Total	**333,284**	**100.0**	287,537	100.0

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 Period under Review.

For the six months ended 30 June 2026, the Group's revenue was approximately RMB333.3 million, representing an increase of approximately 15.9% compared with approximately RMB287.5 million for the same period last year. The growth was primarily attributable to the continued increase in the influence of the HIPINE brand and the gradual capitalization of the benefits from investments in the e-commerce team and other resources. OBM revenue increased significantly, with offline watch distribution revenue for the six months ended 30 June 2026 growing by approximately 51.7% as compared with the same period last year and revenue from retail stores and online stores for the six months ended 30 June 2026 increasing by approximately 2.3 times as compared with the same period last year, the real-time retail GMV of retail stores and online stores was approximately RMB98.4 million, representing an increase of approximately 114.3% compared with approximately RMB45.9 million for the same period last year, thereby driving the increase in overall revenue.

A breakdown of the Group's revenue generated by product or service types together with the Group's gross profit margin, for the Period under Review and the same period last year are set out as follows:

	For the six months ended			
	2026		2025	
Types of goods or service	**Revenue**	**Percentage of total revenue**	Revenue	Percentage of total revenue
		Approximate		*Approximate*
	RMB'000	***%***	*RMB'000*	*%*
	(Unaudited)		(Unaudited)	
Watches	**236,695**	**71.0**	149,812	52.1
Accessories	**96,589**	**29.0**	137,725	47.9
Total	**333,284**	**100.0**	287,537	100.0
Gross profit margin	**41.6%**		31.2%	

During the Period under Review, cost of sales amounted to approximately RMB 194.7 million, representing a decrease of approximately 1.5% compared with approximately RMB 197.7 million recorded for the same period of last year. As a percentage of revenue, cost of sales decreased from approximately 68.8% for the same period of last year to approximately 58.4% for the Period under Review. Gross profit increased to approximately RMB138.6 million for the Period under Review, representing an increase of approximately 54.2% as compared with approximately RMB89.8 million for the same period of last year. The Group's gross profit margin stood at 41.6% for the Period under Review, compared with 31.2% for the same period of last year, representing an improvement of approximately 10 percentage points. This was mainly because watch sales volume increased, cost control measures were continuously strengthened, and unit production costs declined.

FINANCIAL REVIEW

Selling expenses

Selling expenses increased to approximately RMB16.0 million for the Period under Review, representing an increase of approximately 86.9% as compared with approximately RMB8.5 million for the same period last year. 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 motor car expenses. As a percentage of revenue, the Group's selling expenses increased from approximately 3.0% for the same period last year to 4.8% for the Period under Review.

Administrative expenses

Administrative expenses for the Period under Review amounted to approximately RMB10.7 million, representing an increase of approximately 104.5% as compared with approximately RMB5.2 million for the same period last year. 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, particularly the cost of directors' and officers' insurance following the Listing. As a percentage of revenue, the Group's administrative expenses increased from approximately 1.8% for the same period last year to 3.2% for the Period under Review.

Research and development expenses

Research and development expenses for the Period under Review amounted to approximately RMB9.1 million, representing an increase of approximately 64.6% as compared with approximately RMB5.5 million for the same period last year. Such increase was mainly due to the commencement of several R&D projects, including AI-enabled smart jewellery product development, the development of artificial intelligence application technologies such as AI-powered gold jewellery retail stores, and product R&D related to a new high-end precious-metal jewellery watch brand, the increase in laboratory staff salary and bonus, raw materials, depreciation, laboratory test costs, electricity and other expenses, which was partially offset by the decrease in cost of moulds. As a percentage of revenue, the Group's research and development expenses increased from approximately 1.9% for the same period last year to 2.7% for the Period under Review. The Group has consistently maintained high-intensity and stable R&D investment, which is aligned with the Group's budgetary plan.

Profit before tax

The Group recorded profit before tax of approximately RMB117.0 million for the Period under Review, as compared with profit before tax of approximately RMB69.2 million for the same period last year, representing an increase of approximately 69.0% period-on-period. Such increase was mainly due to (i) the continuous enhancement of brand influence drove dual growth in revenue from offline distribution and online e-commerce businesses for watches, lifting the Group's overall revenue; and (ii) as watch sales volume increased and cost control measures were continuously strengthened, unit production costs declined, lifting the gross profit margin of watch products and in turn driving growth in profit before tax.

Income tax expense

During the Period under Review, the Group had income tax expense of RMB17.9 million (for the six months ended 30 June 2025: RMB12.7 million).

Profit for the period

As a result of the combined effect of the above mentioned factors, the Group recorded profit and total comprehensive income of approximately RMB99.1 million for the Period under Review, as compared with profit and total comprehensive income of approximately RMB56.5 million for the same period last year, representing an increase of approximately 75.3% period-on-period.

The profit and total comprehensive income for the Period under Review is roughly the same as the estimated profit and total comprehensive income for the Period under Review as announced in the positive profit alert of the Company dated 28 July 2026.

Profit for the period attributable to owners of the Company

As a result of the combined effect of the above factors, the Group recorded profit attributable to owners of the Company of approximately RMB99.2 million for the Period under Review, as compared with profit attributable to owners of the Company of approximately RMB56.5 million for the same period last year, representing an increase of approximately 75.5% period-on-period.

OUTLOOK

For the rest of this year, the Group will seize the opportunities arising from four major trends: upgrading of gold consumption, application of AI, popularization of smart wearables, and the development of cultural IP economy. In the long term, the Group aims to drive high-quality and sustainable growth by focusing on the following four key strategic directions: channel deepening, global expansion, cultural empowerment, and AI-enabled innovative products and application of AI:

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 domestic e-commerce platforms such as JD.com, Tmall, and Douyin. The Group will also initiate business planning for international e-commerce channels, including Amazon. Meanwhile, the Group will further its cooperation with Huawei in smart hardware covering key areas such as the precision machining of structural components for Huawei's high-end wearable products, 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 is of the view that over the next few years, leveraging this foundation and policy and geographic advantages of its subsidiaries in Hong Kong and Hainan Province, the PRC, the Group will seize development opportunities in high-end manufacturing and international distribution of gold watches, precious metals and jewellery. It will also actively expand into Singapore, Macao and other Southeast Asian markets, continuously increase its overseas market share and further enhance the international recognition of its brands.

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. The Group has successfully developed the "Hipine Intangible Cultural Heritage 12-Hour" series of cultural and creative gold watches and will accelerate the launch of a new high-end 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. **Strengthen the development of AI-enabled innovative products and applications**

In the future, the Group will continue to increase its investment in technology research and development, focusing on AI-enabled smart wearable technologies, such as health monitoring and AI interaction, as well as the development of new materials. The Group will develop new AI-enabled smart rings and establish smart rings made of precious metals and smart jewellery as new growth drivers, deeply integrating the enduring value of precious metals with the technological aesthetics of smart wearables. Meanwhile, the Group has independently developed the first comprehensive AI intelligent agent in the gold and jewellery industry, namely the "Golden Avatar Assistant System". It was the first to introduce AI into the actual operating scenarios of gold and jewellery stores, effectively improving store performance and promoting the intelligent transformation and upgrading of the traditional jewellery industry. Moving forward, the Group will lead the way towards a new era of smart and healthy living through its cutting-edge products and innovative development philosophy.

LIQUIDITY, FINANCIAL RESOURCES, GEARING AND CAPITAL STRUCTURE

Liquidity

As at 30 June 2026, current assets amounted to approximately RMB1,356.7 million (31 December 2025: approximately RMB1,143.8 million). Current liabilities were approximately RMB308.5 million (31 December 2025: approximately RMB213.1 million).

Financial resources

As at 30 June 2026, the Group had total cash and bank balances approximately RMB152.6 million (31 December 2025: approximately RMB203.3 million). The Group has strengthened its operational efficiency of treasury management, including the management of capital raised. We flexibly apply the liquid funds in the operating and investing activities. The cash and cash equivalents of the Group are held in RMB.

Gearing

As at 30 June 2026, total interest-bearing borrowings amounted to RMB231.7 million (31 December 2025: RMB139.6 million). The increment was mainly due to the increase in new short-term borrowings obtained during the Period under Review. These borrowings were denominated in Renminbi and carry interest at variable market rates of 2.42% to 3.7% (31 December 2025: 2.42% to 3.8%) and are repayable in instalments over a period of 1 to 15 years (31 December 2025: 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 period of the Company was 21.2% (31 December 2025: 13.9%).

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 H Shares only.

As at 30 June 2026, the total equity of the Group was approximately RMB1,130.1 million (31 December 2025: approximately RMB1,031.0 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 30 June 2026, 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 Period under Review.

CHARGE ON GROUP ASSETS

As at 30 June 2026, 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 Period under Review.

Hedging

During the Period under Review, 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 30 June 2026, the Group had no material contingent liabilities (31 December 2025: nil).

CAPITAL EXPENDITURE

During the Period under Review, the Group's capital expenditure amounted to approximately RMB37.0 million (six months ended 30 June 2025: approximately RMB15.7 million), which was used for the acquisitions of property, plant and equipment and intangible assets for operations.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 June 2026, the Group employed 419 employees (30 June 2025: 307 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 Period under Review, the Group paid a total of RMB27.2 million in remuneration to its employees (for the six months ended 30 June 2025: RMB19.7 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 RMB244.4 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 30 June 2026, 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).

As of the date of this interim results announcement, the Board is not aware of any material change to the plan as to the use of proceeds.

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.

During the Period under Review 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. Having made specific enquiries to all the Directors, they confirmed that they have strictly complied with the required standards as set out in the Model Code throughout the Period under Review.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the Period under Review.

As at 30 June 2026, 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, both of whom are independent non-executive Directors, and Mr. Huang Liangdi, who is a non-executive Director.

The Audit Committee reviewed and considered that the interim financial results for the six months ended 30 June 2026 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

The Company's auditor, Messrs. Deloitte Touche Tohmatsu, has performed an independent review of the Group's unaudited interim financial information for the six months ended 30 June 2026 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

INTERIM DIVIDENDS

The Board recommends the payment of an interim dividend of RMB0.5 per ordinary Share (tax inclusive) in cash for the six months ended 30 June 2026. As of the date of this announcement, the total number of issued Shares of the Company was 58,825,000 H Shares, based upon which the total interim dividend proposed for distribution is approximately RMB29,412,500 (tax inclusive), subject to the actual aggregate amount of the cash dividend to be paid in accordance with the total number of Shares (excluding the treasury Shares, if any) on the record date for the payment of the interim dividend while maintaining an unchanged distribution amount per Share, which will be announced separately by the Company. For the avoidance of doubt, treasury Shares held by the Company, if any, are not entitled to the proposed interim dividend.

The interim dividend will be denominated and declared in RMB and H Shareholders will be paid in Hong Kong dollars. The exchange rate for interim dividends payable in Hong Kong dollars shall be the average exchange rate of RMB against Hong Kong dollars as announced by the People's Bank of China for the five business days prior to the date of approval of the interim dividend at the extraordinary general meeting (the "**EGM**") held for considering and approving the resolution on such the distribution of interim dividend.

Subject to the approval of the interim dividend by the Shareholders at the EGM, the interim dividend is expected to be paid on Friday, 27 November 2026 to Shareholders whose names appear on the register of members of the Company on Friday, 30 October 2026.

For determining the entitlement to the proposed interim dividend, subject to the approval at the EGM, the register of members of the Company will be closed from Thursday, 29 October 2026 to Friday, 30 October 2026 (both dates inclusive). No transfer of Shares will be registered during the aforesaid period. In order to qualify for the proposed interim dividend, 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 Wednesday, 28 October 2026.

This proposal has been considered and approved by the Board of Directors on 28 August 2026.

The notice of the EGM and a circular detailing the proposed resolution on the interim dividend are published on the Company's website (www.hipine.com) and the website of the Stock Exchange (www.hkexnews.hk).

EXTRAORDINARY GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

In order to determine the qualification of Shareholders to attend and vote at the EGM to be held on Wednesday, 30 September 2026, the Company will close its register of members from Friday, 25 September 2026 to Wednesday, 30 September 2026 (both days inclusive). No transfer of Shares will be registered during the aforesaid period. To be eligible to attend and vote at the EGM, 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 Thursday, 24 September 2026.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events of the Group requiring disclosure which would materially affect the Group's operating and financial performance subsequent to 30 June 2026 and up to the date of this announcement.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

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

The interim report of the Company for the six months ended 30 June 2026 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, 28 August 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.