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IPE GROUP LIMITED

國際精密集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 929)

ANNOUNCEMENT: PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

The Board wishes to inform the shareholders of the Company and potential investors that, the net profit of the Group for the year ended 31 December 2019 is expected to decrease by approximately 50% to 60% as compared to the year ended 31 December 2018.

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

This announcement is made by IPE Group Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Part XIVA of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong (“**SFO**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that according to the preliminary review over the drafted financial information of the Group for the year ended 31 December 2019 prepared by the Company’s management and the information currently available to the Board, the net profit of the Group for the year ended 31 December 2019 is expected to decrease by approximately 50% to 60% as compared to the year ended 31 December 2018.

* *For identification purpose only*

The Board believes that decrease in the net profit of the Group for the year ended 31 December 2019 is mainly attributable to (i) a significant decline in sales of hard disk drivers components due to a weak market for hard disk drivers; (ii) a decrease in sales of automotive and hydraulic equipment components, which is directly and indirectly affected by the Sino-US trade conflicts; and (iii) a decrease in gross profit, triggered by reduced efficiency in economics scale due to a drop in the overall sales.

As the Group is still in the process of finalizing its annual results for the year ended 31 December 2019, the information divulged in this announcement is only based on preliminary assessment by the Company's management according to the latest unaudited management accounts of the Group, which is not reviewed by the audit committee of the Company. Further details of the Group's performance will be disclosed when the Group's final results for the year ended December 2019 are announced.

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

By Order of the Board
IPE Group Limited
Zeng Guangsheng
Chairman

Hong Kong, 24 January 2020

As at the date of this announcement, the Board comprises two executive directors, namely, Mr. Zeng Guangsheng (Chairman and Chief Executive Officer) and Mr. Ng Hoi Ping; two non-executive directors, namely, Ms. Zeng Jing and Mr. Chen Kuangguo; and four independent non-executive directors, namely, Mr. Yang Rusheng, Mr. Cheung, Chun Yue Anthony, Mr. Mei Weiyi and Mr. Xu Bing.