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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 Part XIVA of the SFO.

The Board wishes to inform the shareholders of the Company and potential investors that notwithstanding a slight growth in revenue, the Group is expected to suffer a significant decrease in net profit for the six months ended 30 June 2018 as compared to the same period of last year.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities 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 of the Company (the "Board") wishes to inform the shareholders of the Company and potential investors that notwithstanding a slight growth in revenue, the Group is expected to suffer a significant decrease in net profit for the six months ended 30 June 2018 as compared to the same period of last year. The decrease in net profit is mainly attributable to: (i) increase in staff costs due to general rise in wages and increase in headcount; (ii) exchange difference arising from appreciation of Renminbi during the first half of 2018 which had an adverse impact on our production and operation costs to be reflected in Hong Kong dollars (but our revenue was mainly received in US dollars); and (iii) increase in amortization of share option expense.

* *For identification purposes only*

As the Company is still in the process of finalizing its interim results for the six months ended 30 June 2018, 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 in the Group's interim results announcement for the six months ended 30 June 2018 to be announced in August 2018.

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

By order of the Board
IPE Group Limited
Zeng Guangsheng
Chairman

Hong Kong, 10 July 2018

As at the date of this announcement, the Board comprises five executive directors, namely, Mr. Zeng Guangsheng (Chairman), Mr. Chui Siu On (Chief Executive Officer), Mr. Lau Siu Chung, Ms. Chiu Tak Chun and Mr. Ng Hoi Ping; one non-executive director, namely, Ms. Zeng Jing; and three independent non-executive directors, namely, Dr. Cheng Ngok, Mr. Yang Rusheng and Mr. Cheung, Chun Yue Anthony.