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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)**

### **ANNOUNCEMENT INSIDE INFORMATION**

This announcement is made by Impro Precision Industries 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 and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board (the “**Board**”) of the directors of the Company regrets to announce that in the early morning of Saturday, 4 June 2022, there was a serious fire in one of the three production buildings of the Group’s surface treatment plant (the “**Nantong Plant**”) in Nantong, Jiangsu Province, PRC (the “**Fire Incident**”). The fire was extinguished by early afternoon of the same day. The majority of the Group’s machinery and equipment and inventory located in the said building have been severely damaged. The Board expects that the production at the Nantong Plant will be materially disrupted and currently cannot estimate when the production at the Nantong Plant can fully resume. The management of the Group is working diligently to ensure continuing business operation by leveraging the Group’s another surface treatment plant located in Wuxi, Jiangsu Province, and cooperating with other adjacent third-party production facilities. For the year ended 31 December 2021, the total audited revenue and the net profit after tax generated from the production in the Nantong Plant amounted to approximately HK\$276 million and HK\$31 million, respectively.

The Group has purchased third party property insurance policy covering the Nantong Plant’s buildings, machinery and equipment and inventories, and already reported the Fire Incident to its insurer. Based on the management accounts of the Nantong Plant as of 31 May 2022, the estimated net book value of the building, machinery and equipment and inventories involved in the Fire Incident was approximately HK\$121 million. However, it is currently not possible to ascertain the Group’s total property and indirect financial loss from the Fire Incident, including but not limited to the loss of sales pending resumption of normal production at the Nantong Plant. Any property loss resulting from the Fire Incident would be reduced by any compensation from the insurer under the insurance policy.

While the cause of the Fire Incident will be subject to further investigation by both the Group and the relevant regulatory authorities in Nantong, the Group is relieved that there were no injuries nor fatalities in connection with the Fire Incident. The Group is also conducting a robust safety check of its other production plants to eliminate risk of all material safety hazards and strictly implement various safety measures.

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

By order of the Board  
**Impro Precision Industries Limited**  
**LU Ruibo**  
*Chairman and Chief Executive Officer*

Hong Kong, 4 June 2022

*As at the date of this announcement, the Board comprises five executive Directors, namely Mr. LU Ruibo, Ms. WANG Hui, Ina, Mr. YU Yuepeng, Ms. ZHU Liwei, and Mr. WANG Dong, and three independent non-executive Directors, namely Mr. YU Kwok Kuen, Harry, Dr. YEN Gordon and Mr. LEE Siu Ming.*