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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)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2025**

#### **FINANCIAL HIGHLIGHTS**

1. Revenue for the year increased by 7.6% to HK\$1,087.0 million (2024: HK\$1,010.0 million).
2. Gross profit margin for the year was 28.9% (2024: 28.3%).
3. Profit for the year increased by 13.0% to HK\$34.0 million (2024: HK\$30.1 million).
4. Basic earnings per share for the year was HK1.08 cents (2024: HK1.01 cents).
5. Net asset value per share as at 31 December 2025 was HK\$1.97 (2024: HK\$1.85).
6. The Group was in a net cash position (i.e. cash and bank balances less total borrowings) as at 31 December 2025 in the amount of HK\$242.8 million or equivalent to HK23.08 cents per share (2024: HK\$223.4 million or HK21.23 cents per share).
7. The Board recommended the payment of a final dividend of HK2.8 cents per share for the year ended 31 December 2025 (2024: Nil).

The board (the “**Board**”) of directors (the “**Director(s)**”) of IPE Group Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025, together with the comparative results for the previous year:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Revenue</b>	3	<b>1,087,034</b>	1,010,006
Cost of sales		<u>(773,107)</u>	<u>(724,301)</u>
<b>Gross profit</b>		<b>313,927</b>	285,705
Other income	4	<b>30,215</b>	40,641
Change in fair value of investment properties		–	(732)
Change in fair value of financial assets measured at fair value through profit or loss (“ <b>FVPL</b> ”)		<b>6,521</b>	14,473
(Provision for) Reversal of impairment losses related to receivables		<b>(986)</b>	4,924
Distribution costs		<b>(32,800)</b>	(37,536)
Administrative expenses and other expenses		<b>(187,778)</b>	(172,164)
Research and development costs		<u><b>(80,372)</b></u>	<u>(80,641)</u>
<b>Profit from operations</b>		<b>48,727</b>	54,670
Finance costs	5(a)	<b>(8,551)</b>	(15,572)
Share of loss of an associate		<u><b>(58)</b></u>	<u>(631)</u>
<b>Profit before taxation</b>	5	<b>40,118</b>	38,467
Income tax	6	<u><b>(6,145)</b></u>	<u>(8,356)</u>
<b>Profit for the year</b>		<u><b>33,973</b></u>	<u>30,111</u>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>11,388</b>	10,597
Non-controlling interests		<u><b>22,585</b></u>	<u>19,514</u>
<b>Profit for the year</b>		<u><b>33,973</b></u>	<u>30,111</u>
<b>Earnings per share</b>			
Basic and diluted	7	<u><b>HK1.08 cents</b></u>	<u>HK1.01 cents</u>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Profit for the year</b>	<b>33,973</b>	30,111
<b>Other comprehensive income (loss) for the year (after tax adjustment)</b>		
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of foreign operations	<u>94,833</u>	<u>(52,522)</u>
<b>Total comprehensive income (loss) for the year</b>	<u><b>128,806</b></u>	<u>(22,411)</u>
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>102,321</b>	(38,633)
Non-controlling interests	<u>26,485</u>	<u>16,222</u>
<b>Total comprehensive income (loss) for the year</b>	<u><b>128,806</b></u>	<u>(22,411)</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Non-current assets</b>			
Investment properties	9	<b>130,977</b>	125,974
Property, plant and equipment	9	<b>877,453</b>	847,367
Intangible assets	10	<b>48,067</b>	55,624
Goodwill	11	<b>70,025</b>	66,733
Interest in an associate		<b>1,081</b>	1,023
Deposits for purchase of property, plant and equipment		<b>5,654</b>	3,855
Deferred tax assets		<b>17,746</b>	14,179
		<b>1,151,003</b>	1,114,755
<b>Current assets</b>			
Inventories	12	<b>370,340</b>	318,921
FVPL		<b>33,977</b>	30,825
Trade and other receivables	13	<b>580,326</b>	455,923
Pledged and restricted deposits		<b>18,599</b>	34,733
Cash and cash equivalents		<b>434,804</b>	515,160
		<b>1,438,046</b>	1,355,562
<b>Current liabilities</b>			
Trade and other payables	14	<b>266,822</b>	181,853
Contract liabilities		<b>10,056</b>	7,436
Bank and other loans		<b>84,171</b>	287,946
Lease liabilities		<b>1,053</b>	957
Deferred income		<b>624</b>	585
Tax payable		<b>6,936</b>	5,274
		<b>369,662</b>	484,051
<b>Net current assets</b>		<b>1,068,384</b>	871,511
<b>Total assets less current liabilities</b>		<b>2,219,387</b>	1,986,266

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)***At 31 December 2025*

	<i>Notes</i>	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Bank and other loans		<b>107,787</b>	3,818
Lease liabilities		<b>271</b>	1,735
Other payables	<i>14</i>	<b>3,294</b>	2,306
Deferred income		<b>4,497</b>	428
Deferred tax liabilities		<b>29,456</b>	30,061
		<u><b>145,305</b></u>	<u>38,348</u>
<b>NET ASSETS</b>		<u><b>2,074,082</b></u>	<u>1,947,918</u>
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>105,225</b>	105,225
Reserves		<b>1,791,491</b>	1,689,170
<b>Total equity attributable to equity shareholders of the Company</b>		<b>1,896,716</b>	1,794,395
<b>Non-controlling interests</b>		<b>177,366</b>	153,523
<b>TOTAL EQUITY</b>		<u><b>2,074,082</b></u>	<u>1,947,918</u>

## NOTES

### 1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 10 July 2002 under the Companies Law of Cayman Islands. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of registered office of the Company is 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands. The principal places of business of the Company in Hong Kong, the People's Republic of China (the "**PRC**") and Thailand are Unit 5-6, 23/F, Enterprise Square Three, 39 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong, No. 8 Zhuzian Road, Yue Hu Cun, Zengcheng, Guangzhou, Guangdong Province, the PRC and 99/1 Mu Phaholyothin Road, Sanubtueb, Wangnoi, Ayutthaya 13170, Thailand respectively.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are production of computer numerical control ("**CNC**") lathes and manufacturing and sale of high precision metal components products. There were no significant changes in the nature of the Group's principal activities during the year.

At 31 December 2025, the directors of the Company consider the immediate parent of the Group to be Baoan Technology Company Limited, a company incorporated in Hong Kong while the ultimate controlling party of the Group to be China Baoan Group Co., Ltd., a company incorporated in the PRC.

### 2. PRINCIPAL ACCOUNTING POLICIES

#### (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Principal accounting policies adopted by the Group are disclosed in note 1 to the consolidated financial statements.

The HKICPA has issued certain amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

**(b) Basis of preparation of the consolidated financial statements**

These consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries and the Group's interest in an associate.

These consolidated financial statements are presented in Hong Kong Dollar ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

The measurement basis used in the preparation of the consolidated financial statements is the historical cost except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- investment properties; and
- other investments.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 2 to the consolidated financial statements.

**(c) Changes in accounting policies**

The Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA to these consolidated financial statements for the current accounting period:

*Amendments to HKAS 21: Lack of Exchangeability*

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

### 3 REVENUE AND SEGMENT REPORTING

#### (a) Revenue

The principal activities of the Group are production of CNC lathes and manufacturing and sale of precision components products. The Group does not offer any discounts or rebates to customers and does not permit sales return except for where the products are damaged or defective. Further details of reportable segments regarding the Group's principal activities are disclosed in note 3(b).

#### *Disaggregation of revenue*

Disaggregation of revenue from contracts with customers by major products is as follows:

	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Sales of automotive components	<b>471,507</b>	444,860
Sales of hydraulic equipment components	<b>529,840</b>	485,904
Sales of electronic equipment components	<b>26,338</b>	27,244
Sales of CNC lathes	<b>31,904</b>	24,797
Others	<b>27,445</b>	27,201
	<hr/>	<hr/>
Total	<b><u>1,087,034</u></b>	<u>1,010,006</u>

The amount of revenue recognised for the year ended 31 December 2025 that was included in the contract liabilities at the beginning of the year is HK\$7,604,000 (2024: Nil).

The Group's customer base is diversified and does not have any individual customer (2024: Nil) with whom transactions have exceeded 10% of the Group's revenue.

**(b) Segment reporting**

*(i) Segment results*

The Group manages its businesses by divisions, which organised by the geographical locations of the customers. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following six reportable segments. No operating segments have been aggregated to form the following reportable segments.

- (a) Thailand;
- (b) Malaysia;
- (c) Mainland China, Macau and Hong Kong;
- (d) North America;
- (e) Europe; and
- (f) Other countries.

**Segment results, assets and liabilities**

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

The measure used for reporting segment profit is gross profit. The Group's senior executive management is provided with segment information concerning segment revenue, gross profit and assets. Segment liabilities are not reported to the Group's senior executive management regularly.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below.

	2025							
	Thailand	Malaysia	Mainland China, Macau and Hong Kong	North America	Europe	Other countries	Elimination	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Revenue from external customers recognised by:</b>								
– point in time	4,340	26,338	645,920	182,900	142,887	52,745	-	1,055,130
– over time	-	-	31,904	-	-	-	-	31,904
	4,340	26,338	677,824	182,900	142,887	52,745	-	1,087,034
Inter-segment revenue	13,921	-	-	-	-	-	(13,921)	-
<b>Reportable segment revenue</b>	<b>18,261</b>	<b>26,338</b>	<b>677,824</b>	<b>182,900</b>	<b>142,887</b>	<b>52,745</b>	<b>(13,921)</b>	<b>1,087,034</b>
<b>Reportable segment profit</b>								
Gross profit	1,253	7,606	195,751	52,820	41,265	15,232	-	313,927
	2024							
	Thailand	Malaysia	Mainland China, Macau and Hong Kong	North America	Europe	Other countries	Elimination	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Revenue from external customers recognised by:</b>								
– point in time	12,438	26,977	575,397	190,865	151,055	28,477	-	985,209
– over time	-	-	24,797	-	-	-	-	24,797
	12,438	26,977	600,194	190,865	151,055	28,477	-	1,010,006
Inter-segment revenue	9,256	-	-	-	-	-	(9,256)	-
<b>Reportable segment revenue</b>	<b>21,694</b>	<b>26,977</b>	<b>600,194</b>	<b>190,865</b>	<b>151,055</b>	<b>28,477</b>	<b>(9,256)</b>	<b>1,010,006</b>
<b>Reportable segment profit</b>								
Gross profit	3,518	7,631	169,780	53,991	42,730	8,055	-	285,705

(ii) *Geographic information*

The geographical location of customers is based on the location at which the goods delivered, and the Group's revenue from external customers were disclosed in note 3(b)(i).

The following table sets out information about the geographical location of the Group's investment properties, property, plant and equipment, intangible assets, goodwill, interest in an associate and deposits for purchase of property, plant and equipment (“**specified non-current assets**”). The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of investment properties and property, plant and equipment, the location of the operation to which they are allocated, in the case of intangible assets and goodwill, and the location of operations, in the case of interest in an associate.

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Mainland China	<b>1,027,356</b>	1,019,451
Hong Kong	<b>53,257</b>	55,816
Thailand	<b>52,644</b>	25,309
	<b><u>1,133,257</u></b>	<u>1,100,576</u>

**4 OTHER INCOME**

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Government grants	<b>9,834</b>	9,418
Interest income	<b>3,973</b>	8,433
Net gain on disposal of FVPL	<b>405</b>	–
Dividend income	<b>2,224</b>	2,686
Rental income from investment properties	<b>9,132</b>	8,238
Reversal of provision for surcharge on land use right	–	6,238
Others	<b>4,647</b>	5,628
	<b><u>30,215</u></b>	<u>40,641</u>

## 5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>(a) Finance costs</b>		
Interest on bank and other loans	8,213	13,768
Financial arrangement fees	255	1,675
Interest on lease liabilities	83	129
	<u>8,551</u>	<u>15,572</u>
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>(b) Staff costs</b>		
Salaries, wages and other benefits	285,946	251,602
Contributions to defined contribution retirement plan	36,331	26,830
	<u>322,277</u>	<u>278,432</u>
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>(c) Other items</b>		
Cost of inventories	773,107	724,301
Depreciation		
– owned property, plant and equipment	88,824	92,156
– right-of-use assets	890	908
Amortisation of intangible assets (included in administrative expenses)	10,559	10,526
Amortisation of leasehold land	2,497	2,168
Lease payments not included in the measurement of lease liabilities	625	451
Research and development costs	80,372	80,641
Auditor's remuneration		
– audit services	1,525	1,555
– other services	25	25
Loss on disposal of other property, plant and equipment	349	262
Direct operating expenses arising from investment properties that generated rental income	36	14
Net exchange loss	<u>11,031</u>	<u>3,740</u>

## 6 INCOME TAX

Taxation in the consolidated statement of profit or loss represents:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Current tax</b>		
<i>Hong Kong Profits Tax</i>		
Provision for current income tax	–	810
(Over) Under-provision in prior years	<u>(254)</u>	<u>1,746</u>
	<u>(254)</u>	<u>2,556</u>
<i>PRC corporate income tax</i>		
Provision for current income tax	<b>10,971</b>	9,397
Under (Over)-provision in prior years	<u>165</u>	<u>(1,412)</u>
	<u>11,136</u>	<u>7,985</u>
<i>Thailand's income tax</i>		
Provision for current income tax	<u>308</u>	<u>488</u>
	<b>11,190</b>	11,029
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<u>(5,045)</u>	<u>(2,673)</u>
	<u><b>6,145</b></u>	<u>8,356</u>

## 7 EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$11,388,000 (2024: HK\$10,597,000) and the weighted average of 1,052,254,000 ordinary shares (2024: 1,052,254,000 ordinary shares) in issue during the year.

### (b) Diluted earnings per share

Diluted earnings per share for years ended 31 December 2025 and 2024 were the same as the basic earnings per share.

At 31 December 2025, 102,900,000 (2024: 104,100,000) share options were excluded from the diluted weighted average number of ordinary shares calculation because their effect would have been anti-dilutive. The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices of the Company's shares for the period during which the options were outstanding.

## 8 DIVIDENDS

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Attributable to the current year:		
Proposed final dividend – HK2.8 cents per share (2024: Nil)	<u><b>29,463</b></u>	<u>–</u>

## 9 INVESTMENT PROPERTIES AND OTHER PROPERTY, PLANT AND EQUIPMENT

	Ownership interests in leasehold land held for own use carried at cost HK\$'000	Other properties leased for own use carried at cost HK\$'000	Freehold land and buildings HK\$'000	Leasehold improvement HK\$'000	Plant and machinery HK\$'000	Furniture and fixtures HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Investment properties HK\$'000	Total HK\$'000
<b>Cost or valuation:</b>										
At 1 January 2024	82,110	11,992	804,741	17,369	1,560,089	129,633	16,669	35,343	130,189	2,788,135
<b>Representing</b>										
Cost	82,110	11,992	804,741	17,369	1,560,089	129,633	16,669	35,343	-	2,657,946
Valuation-2024	-	-	-	-	-	-	-	-	130,189	130,189
	82,110	11,992	804,741	17,369	1,560,089	129,633	16,669	35,343	130,189	2,788,135
Additions	-	-	13,333	-	54,144	18,250	52	104,375	-	190,154
Transfer from construction in progress	-	-	106,758	3,241	10,569	3,866	-	(124,434)	-	-
Disposals	-	(6,711)	(127)	-	(58,298)	(2,777)	(532)	-	-	(68,445)
Fair value adjustment	-	-	-	-	-	-	-	-	(732)	(732)
Contract modification	-	205	-	-	-	-	-	-	-	205
Exchange adjustment	(3,566)	(429)	(25,982)	(526)	(51,354)	(4,830)	(466)	(917)	(3,483)	(91,553)
At 31 December 2024	78,544	5,057	898,723	20,084	1,515,150	144,142	15,723	14,367	125,974	2,817,764
<b>Representing</b>										
Cost	78,544	5,057	898,723	20,084	1,515,150	144,142	15,723	14,367	-	2,691,790
Valuation-2024	-	-	-	-	-	-	-	-	125,974	125,974
	78,544	5,057	898,723	20,084	1,515,150	144,142	15,723	14,367	125,974	2,817,764
Additions	-	-	10,820	5,391	30,099	16,192	458	28,871	-	91,831
Transfer from construction in progress	-	-	18,018	-	20,161	-	-	(38,179)	-	-
Disposals	-	-	(5,321)	-	(18,920)	(1,632)	(757)	-	-	(26,630)
Exchange adjustment	4,746	249	42,547	903	77,102	7,659	685	1,200	5,003	140,094
At 31 December 2025	83,290	5,306	964,787	26,378	1,623,592	166,361	16,109	6,259	130,977	3,023,059
<b>Representing</b>										
Cost	83,290	5,306	964,787	26,378	1,623,592	166,361	16,109	6,259	-	2,892,082
Valuation-2025	-	-	-	-	-	-	-	-	130,977	130,977
	83,290	5,306	964,787	26,378	1,623,592	166,361	16,109	6,259	130,977	3,023,059
<b>Accumulated depreciation:</b>										
At 1 January 2024	(11,806)	(7,022)	(412,723)	(17,369)	(1,309,594)	(92,319)	(12,922)	-	-	(1,863,755)
Charge for the year	(2,168)	(908)	(20,758)	(472)	(57,221)	(12,621)	(1,084)	-	-	(95,232)
Written back on disposals	-	4,584	93	-	55,117	2,051	256	-	-	62,101
Exchange adjustment	1,321	271	13,056	466	33,658	3,329	362	-	-	52,463
At 31 December 2024	(12,653)	(3,075)	(420,332)	(17,375)	(1,278,040)	(99,560)	(13,388)	-	-	(1,844,423)
Charge for the year	(2,497)	(890)	(25,487)	(1,178)	(44,740)	(16,609)	(810)	-	-	(92,211)
Written back on disposals	-	-	3,709	-	12,910	1,205	283	-	-	18,107
Exchange adjustment	(1,865)	(175)	(22,109)	(660)	(65,279)	(5,425)	(589)	-	-	(96,102)
At 31 December 2025	(17,015)	(4,140)	(464,219)	(19,213)	(1,375,149)	(120,389)	(14,504)	-	-	(2,014,629)
<b>Net book value:</b>										
At 31 December 2025	66,275	1,166	500,568	7,165	248,443	45,972	1,605	6,259	130,977	1,008,430
At 31 December 2024	65,891	1,982	478,391	2,709	237,110	44,582	2,335	14,367	125,974	973,341

## 10 INTANGIBLE ASSETS

	<b>Computer Software</b> <i>HK\$'000</i>	<b>Patents</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
<b>Cost:</b>			
At 1 January 2024	747	71,225	71,972
Exchange adjustment	(27)	(2,544)	(2,571)
	<u>720</u>	<u>68,681</u>	<u>69,401</u>
At 31 December 2024 and 1 January 2025	720	68,681	69,401
Addition	445	–	445
Exchange adjustment	57	3,417	3,474
	<u>57</u>	<u>3,417</u>	<u>3,474</u>
<b>At 31 December 2025</b>	<u>1,222</u>	<u>72,098</u>	<u>73,320</u>
<b>Accumulated amortisation:</b>			
At 1 January 2024	–	(3,610)	(3,610)
Charge for the year	(99)	(10,427)	(10,526)
Exchange adjustment	2	357	359
	<u>2</u>	<u>357</u>	<u>359</u>
At 31 December 2024 and 1 January 2025	(97)	(13,680)	(13,777)
Charge for the year	(129)	(10,430)	(10,559)
Exchange adjustment	(8)	(909)	(917)
	<u>(8)</u>	<u>(909)</u>	<u>(917)</u>
<b>At 31 December 2025</b>	<u>(234)</u>	<u>(25,019)</u>	<u>(25,253)</u>
<b>Net book value:</b>			
<b>At 31 December 2025</b>	<u>988</u>	<u>47,079</u>	<u>48,067</u>
At 31 December 2024	<u>623</u>	<u>55,001</u>	<u>55,624</u>

## 11 GOODWILL

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost and carrying amount		
At 1 January	<b>66,733</b>	69,206
Exchange adjustment	<b>3,292</b>	(2,473)
	<u>          </u>	<u>          </u>
At 31 December	<b>70,025</b>	66,733
	<u>          </u>	<u>          </u>

### Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to country of operation and operating segment as follows:

	<b>2025</b> <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Jiangsu Kemai Hydraulic Control System Company Limited	<b>10,569</b>	10,072
Yutai Hydraulic Technology (Shanghai) Company Limited and Wuhu Inno Hydraulic Technology Co., Ltd.	<b>59,456</b>	56,661
	<u>          </u>	<u>          </u>
	<b>70,025</b>	66,733
	<u>          </u>	<u>          </u>

## 12 INVENTORIES

	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Raw materials	<b>88,804</b>	97,580
Consumables	<b>35,328</b>	16,321
Work in progress	<b>76,317</b>	70,298
Finished goods	<b>169,891</b>	134,722
	<b><u>370,340</u></b>	<u>318,921</u>

The analysis of the amount of inventories recognised as an income or expense and included in profit or loss is as follows:

	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Carrying amount of inventories sold	<b>769,876</b>	737,924
Write-down (Reversal of write-down) of inventories	<b>3,231</b>	(13,623)
Cost of inventories	<b><u>773,107</u></b>	<u>724,301</u>

### 13 TRADE AND OTHER RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade debtors, net of loss allowance	<b>338,698</b>	310,370
Bills receivables	<b>98,491</b>	59,898
Other debtors, net of loss allowance	<b>34,245</b>	20,907
Contract assets	<b>41,527</b>	25,204
	<hr/>	<hr/>
Financial assets measured at amortised cost	<b>512,961</b>	416,379
Deposits and prepayments	<b>31,612</b>	16,370
Prepayment for purchasing property, plant and equipment	<b>572</b>	1,864
Deductible input value added taxes	<b>35,181</b>	21,310
	<hr/>	<hr/>
	<b>580,326</b>	455,923
	<hr/> <hr/>	<hr/> <hr/>

All of trade and other receivables are expected to be recovered or recognised as expense within one year. The Group does not hold any collaterals over the trade and other receivables as at 31 December 2025 (2024: Nil).

#### Ageing analysis

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade debtors and bills receivables), based on the invoice date and net of loss allowance, is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 1 month	<b>170,674</b>	175,321
1 to 2 months	<b>99,123</b>	71,405
2 to 3 months	<b>68,935</b>	51,043
3 to 4 months	<b>45,363</b>	35,049
4 to 12 months	<b>53,094</b>	37,450
	<hr/>	<hr/>
	<b>437,189</b>	370,268
	<hr/> <hr/>	<hr/> <hr/>

Trade debtors are due within 60 to 120 days from the date of billing.

## 14 TRADE AND OTHER PAYABLES

	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Trade payables	<b>149,996</b>	105,160
Interest payables	–	162
Other payables	<b>34,701</b>	15,423
Other tax payables	<b>8,323</b>	6,023
Payable for purchasing property, plant and equipment	<b>36,640</b>	25,537
Accruals	<b>12,246</b>	5,520
Accrued staff cost	<b>26,819</b>	26,334
Dividend payables to non-controlling interests	<b>1,391</b>	–
	<b>270,116</b>	184,159
Portion classified as non-current:		
Other payables	<b>(3,294)</b>	(2,306)
Current portion	<b>266,822</b>	181,853

As of the end of the reporting period, the ageing analysis of trade payables based on the invoice date, is as follows:

	<b>2025</b>	2024
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Within 1 month	<b>88,203</b>	64,756
1 to 2 months	<b>29,695</b>	21,781
2 to 3 months	<b>16,795</b>	6,312
Over 3 months	<b>15,303</b>	12,311
	<b>149,996</b>	105,160

The trade payables are non-interest bearing and are normally settled on terms ranging from 30 to 90 days.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

Since the beginning of 2025, the United States has implemented a series of tariff policies targeted at Chinese companies, impacting global market changes and disrupting the entire supply chain. Faced with such impact, the Group has adjusted its business strategy accordingly. On one hand, to maintain normal supply to US orders, the Group completed the transfer of production lines supplying US orders to its production facilities in Thailand in the first half of 2025, thereby reducing the impact of US tariff policies on the Group's European and American orders. On the other hand, the Group is developing new markets and new areas to reduce its market share in the US and mitigate the risk of business dependence on the European and American markets. As shown in the geographical distribution of sales, the Group's market share in North America in 2025 was 16.8%, representing a decrease of 2.1% as compared to last year, while the market share in China has risen to 62.4%, representing an increase of 3.0% as compared to last year.

In addition to escaping US government policies targeting Chinese companies, the Company aimed to secure future business growth and improve profitability. In the fourth quarter of the year, the Group has already set up two new businesses: liquid cooling, and key components for humanoid robots. In the liquid cooling business, leveraging its years of experience in high-precision metal components, the Company collaborates with the approved suppliers of end customers to provide key components, thus entering the liquid cooling equipment supply chain. In the humanoid robot business, the Company's key components for humanoid robots which have been independently developed over many years, such as harmonic reducers, have also entered the domestic customer market this year. For future business development, the Company will continue to invest more resources to develop these two new businesses.

Looking back at the businesses in 2025, the domestic real estate market remained sluggish, with no clear signs of recovery, resulting in no rebound in domestic demand for large hydraulic equipment components for industrial use. The Group made persistent efforts to expand its customer base across different end-users and achieved some breakthroughs during the year, particularly in agricultural machinery, where customer demand increased. Driven by launch of new products, the hydraulic equipment components segment recorded a sales of HK\$529,840,000 for the year, representing an increase of HK\$43,936,000 or 9.0% as compared to last year, marking two consecutive years of growth. This represents 48.8% of the Group's revenue, making it the largest contributor to the Group's revenue.

Although new energy vehicles are expanding rapidly in the automotive market, encroaching on the market share of traditional vehicles and severely impacting traditional automotive projects, the Group has managed to maintain its market share in the face of such a challenging market environment. Building on its strong reputation among the top global clients over the years, coupled with its ability to quickly respond to customer needs, the Group has successfully expanded into the Central and Eastern European markets. As a result, in this highly competitive market, the Group achieved a 6.0% increase this year, with sales revenue rising from HK\$444,860,000 in last year to HK\$471,507,000. This achievement is a testament to the team's hard work.

As for the electronic equipment components business, the annual sales reached HK\$26,338,000, which was basically the same as last year. With the demand for AI computing power, it is believed that the orders for electronic equipment components will remain at a certain level in the short term. The Group is committed to the development of new businesses and will decide on the allocation of resources for this business depending on the profit and customer demand.

Regarding the Group's recent new business segments, the high-end CNC lathe business, facing fierce competition in the domestic market, primarily targeted overseas customers during the year and recorded a sales of HK\$31,904,000, representing an increase of HK\$7,107,000 as compared to last year.

Based on the combined performance of all segments, total sales revenue in 2025 amounted to HK\$1,087,034,000, representing an increase of HK\$77,028,000 or 7.6% as compared to HK\$1,010,006,000 for last year. The following table shows the sales of each of the Group's business segments.

	2025		2024		Change	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
<b>Major business categories</b>						
Hydraulic equipment						
components	<b>529,840</b>	<b>48.8</b>	485,904	48.1	43,936	9.0
Automotive components	<b>471,507</b>	<b>43.4</b>	444,860	44.0	26,647	6.0
Electronic equipment						
components	<b>26,338</b>	<b>2.4</b>	27,244	2.7	(906)	(3.3)
CNC lathes	<b>31,904</b>	<b>2.9</b>	24,797	2.5	7,107	28.7
Others	<b>27,445</b>	<b>2.5</b>	27,201	2.7	244	0.9
Total	<b><u>1,087,034</u></b>	<b><u>100</u></b>	<b><u>1,010,006</u></b>	<b><u>100</u></b>	<b><u>77,028</u></b>	<b><u>7.6</u></b>

Driven by the increase in sales, our gross profit for the year amounted to HK\$313,927,000, representing an increase of HK\$28,222,000 or 9.9% as compared to HK\$285,705,000 for last year. Despite the Company's active implementation of cost reduction and efficiency improvement measures and their promotion to new businesses amid intense competition and the impact of US tariff policies, the gross profit margin remained at a level similar to last year. It is believed that as new businesses ramp up and gradually reach maturity, the overall gross profit margin has the potential to increase.

The Group's net profit after tax for the year ended 31 December 2025 amounted to HK\$33,973,000, representing an increase of HK\$3,862,000 or 12.8% as compared to HK\$30,111,000 for last year; and the earnings per share was HK1.08 cents, representing an increase of 6.9% as compared to last year.

## **FINANCIAL REVIEW**

In 2025, the Group recorded a revenue of HK\$1,087,034,000 for the year, representing an increase of HK\$77,028,000 or 7.6% as compared to HK\$1,010,006,000 for last year. The growth was mainly attributable to the sales growth of the hydraulic equipment components and automotive components businesses, which increased by HK\$43,936,000 and HK\$26,647,000 respectively.

With the increase in total sales, gross profit for the year amounted to HK\$313,927,000, representing an increase of HK\$28,222,000 or 9.9% as compared to HK\$285,705,000 for last year; and the gross profit margin in 2025 was 28.9%, remained basically the same as last year.

Other income for the year amounted to HK\$30,215,000, representing a decrease of HK\$10,426,000 as compared to HK\$40,641,000 for last year. This was mainly due to the Group's use of idle funds to repay loans and reduce expenses on higher-interest bank loans; and consequently, interest income decreased by HK\$4,460,000 from HK\$8,433,000 last year to HK\$3,973,000.

In 2025, the Group's distribution costs amounted to HK\$32,800,000, representing a decrease of HK\$4,736,000 or 12.6% as compared to last year. With the increase in total sales, such expenses only accounted for 3.0% of total sales (last year: 3.7%), demonstrating successful control over the expenses and expenditures of sales activities.

In 2025, administrative expenses and other expenses amounted to HK\$187,778,000, representing an increase of HK\$15,614,000 as compared to HK\$172,164,000 for last year. The reasons for the change were mainly attributable to two non-recurring expenditures: firstly, compensation payments for staff redundancy amounted to HK\$4,340,000 for the closure of the Taicang Company and other subsidiaries during the year, representing an increase of HK\$4,287,000; and secondly, business taxes and surcharges increased from HK\$13,480,000 to HK\$16,349,000, representing an increase of HK\$2,869,000. Depreciation and amortization expenses also increased by HK\$3,251,000 as compared to last year, mainly due to new fixed asset investments. Under the Group's strategy of shifting its business focus, the volume of business in Thailand increased, while the proportion of domestic sales also increased, which also drove the growth in demand for asset investment.

In 2025, finance costs amounted to HK\$8,551,000, representing a decrease of HK\$7,021,000 or 45.1% as compared to last year. The Company used idle funds to reduce the total amount of loans, and utilized internal cash flow to lower high-interest loans.

Due to the successful completion of the previous year's acquisition, the profit attributable to owners of the Group for the year ended 31 December 2025 amounted to HK\$11,388,000, representing an increase of HK\$791,000 as compared to HK\$10,597,000 for last year.

## **CHARGES ON THE GROUP'S ASSETS**

As at 31 December 2025, the Group had total bank borrowings of HK\$191,985,000 (31 December 2024: HK\$291,764,000), which were secured by pledged deposit, corporate guarantees given by the Company and certain of its subsidiaries, as well as equity interests and real estates of its subsidiary. The decrease in total loans was mainly due to the reduction of high-interest loans for lower finance costs. Specifically, the Group pledged deposits of HK\$Nil (31 December 2024: HK\$19,173,000) to secure daily working capital and pledged deposits of HK\$1,558,000 (31 December 2024: HK\$1,485,000) to secure letters of guarantee. The Group pledged the equity interest of a subsidiary to obtain funds for the previous year's acquisition, and deposits of HK\$17,041,000 (31 December 2024: HK\$14,075,000) have been restricted only for loan settlement purpose. At last, the Company pledged the real estates in Jiangsu held by a subsidiary to obtain funds for the construction of a new plant.

Except for above pledges and restricted deposits, the Group had no charge on any of its assets for its banking facilities as at 31 December 2025.

## LIQUIDITY, FINANCIAL RESOURCES AND FINANCIAL RATIOS

As at 31 December 2025, based on the 1,052,254,135 ordinary shares (31 December 2024: 1,052,254,135 ordinary shares) in issue, cash (including restricted cash) per share of the Group amounted to HK\$0.43 as compared to HK\$0.52 last year. The net asset value per share for 2025 amounted to HK\$1.97, representing an increase of HK\$0.12 or 6.5% as compared to HK\$1.85 last year.

In the statement of cash flows, in 2025, net cash inflow from operating activities amounted to HK\$100,481,000, representing an increase of HK\$30,571,000 as compared to HK\$69,910,000 last year.

Regarding investing activities, the total expenditure for the purchase of other properties, plant and equipment during the year was HK\$91,831,000. Besides the need to upgrade production equipment, the purchase of new models of equipment also helped improve production efficiency and product quality. Major expenditures during the year included: 1) paying the remaining balance of HK\$1,504,000 for the new Jiangsu Kemai plant; investing HK\$3,082,000 in a solar photovoltaic project to reduce electricity costs and build a green factory; and purchasing smart storage cabinets to improve automation and production efficiency with an amount of HK\$1,633,000; 2) the Group also internalized its database and simultaneously upgraded its software to enhance data security and reduce data operating costs; 3) in terms of the new project of liquid cooling components, the Company added new equipment to meet customer orders, with related expenditures amounted to HK\$3,656,000; 4) in addition, due to the transfer of production lines supplying US orders to the Group's production facilities in Thailand, the Group expanded its production capacity in Thailand with an investment of approximately HK\$20,296,000 in new plant and machinery. Including other projects, total investment in property, plant and equipment amounted to HK\$91,831,000, representing a decrease of HK\$72,786,000 as compared to last year. During the year, the disposal of some obsolete equipment generated HK\$8,174,000 in cash, representing an increase of HK\$2,092,000 as compared to last year. In summary, net cash outflow for investing activities in 2025 was HK\$74,131,000, representing a decrease of HK\$241,350,000 as compared to HK\$315,481,000 last year. Besides the decrease in expenditures on the acquisition of property, plant and equipment, another major reason for the significant decrease in cash outflow for investing activities was the payment of approximately HK\$168,065,000 for outstanding payments for the acquisition of subsidiaries last year.

Regarding financing activities, in order to reduce finance costs, the Company used the funds on hand to repay higher-interest bank loans. In 2025, the amount of bank loans settled was HK\$167,396,000 as compared to HK\$64,795,000 last year. Meanwhile, the interest paid during 2025 was HK\$8,150,000, representing a significant reduction of HK\$5,936,000 in interest paid as compared to last year with the settlement of bank loans. The net cash outflow for financing activities in 2025 was HK\$119,182,000 as compared to net cash inflow of HK\$101,555,000 last year.

As at 31 December 2025, the Group's net cash (cash and bank balances less total bank and other loans) was HK\$242,846,000, representing an increase of HK\$19,450,000 as compared to HK\$223,396,000 as at 31 December 2024.

## **CURRENCY EXPOSURE AND MANAGEMENT**

The Group is exposed to fluctuations in foreign exchange rates. Since most of the Group's revenue is denominated in US dollars, whereas most of the Group's expenses, such as major raw materials and machinery costs and production expenses, are denominated in Japanese yen, Renminbi, Thai Baht and Hong Kong dollars, fluctuations in exchange rates can materially affect the Group. In particular, the appreciation of Renminbi will adversely affect the Group's profitability. The management of the Group continuously evaluates the foreign exchange risks of the Group and takes measures when necessary to reduce the risks.

## **HUMAN RESOURCES**

The Company has always been concerned about the health, development and other issues of its employees to secure their daily needs and enhance their sense of belonging. During the year, there were no major accidents, fines or complaints, and the Company provided a safe production environment. In addition, during the year, the Guangzhou production base carried out large-scale firefighting emergency drills in conjunction with firefighting, safety inspection, public security, health and other authorities, as well as the neighbouring enterprises, to improve the employees' capabilities of emergency rescue and escape. Before the arrival of New Year's Day and the Spring Festival, the Company launched operation safety training and conducted a safety inspection for the entire plant to rectify any potential safety hazards and to safeguard the lives and safety of our employees. Also, the Company has delivered a satisfying performance in localization of the talent ladder construction under the strategic policies for long-term development, to protect the Company's development needs. By utilization of industry exhibitions, industry associations or research institutes and other communication platforms, the Company is able to recruit talents in different fields through multiple channels.

Meanwhile, the Company has a share option scheme in place as an encouragement and awards to selected participants for their contributions to the Company. The Company has set up a mandatory provident fund and local retirement benefit scheme for our staff.

By applying independently developed robots, the Company has improved the automated production processes and reduced the need for basic personnel. As at 31 December 2025, the Company had a total of 2,117 employees, representing a decrease of 56 employees as compared to 2,173 employees as at 31 December 2024.

## **SIGNIFICANT INVESTMENTS**

As of 31 December 2025, the Group did not hold any significant investments (including any investment in an investee company) with a value of 5% or more of the Group's total assets.

The Board confirmed that the Group's transactions in financial assets during the year ended 31 December 2025, on a standalone basis and aggregate basis, did not constitute notifiable transactions under Chapter 14 of the Listing Rules.

## **PROSPECT**

Against the backdrop of the deep application of artificial intelligence (AI) technology, the Group, as a leader in the field of ultra-high precision manufacturing, is actively responding to the national strategic plan for the AI industry. With its 30 years of profound experience in material selection, advanced and world-class equipment and quality control system, and processing technology that meets the highest European standards, the Group is accelerating its development of liquid cooling and humanoid robot businesses.

In line with the trend of liquid cooling technology becoming the mainstream heat dissipation solution in the AI industry, the Group has keenly captured market demand and, relying on its leading manufacturing system and R&D standards in the field of ultra-high precision manufacturing, is committed to the development of new liquid cooling products and breakthroughs in core technology bottlenecks. Last year, the Group actively invested resources to fully expand the liquid cooling product market and achieved mass production of core components, launching universal quick disconnect (UQD) couplings and high-precision structural components for liquid cooling systems, with an aim to establish the Group's leading position in the field of liquid cooling heat dissipation.

The Group entered into the robotics industry in 2013. In 2015, the Group's first industrial robot based on its self-developed harmonic reducer was put into operation on the Company's production line. After nearly 10 years of technological accumulation and development, the Group has applied for and obtained a number of patents in the robotics field; and is one of the few humanoid robot companies in China with 4+1+1, i.e. possessing completely independent intellectual property rights for harmonic reducers, integrated servo rotary joints (in 2024, the Group was the first in China to launch ultra-thin integrated servo joints), linear actuators, dexterous hands, legged humanoid bodies and wheeled humanoid bodies, which can provide customers with one-stop comprehensive solutions.

Looking ahead, the Company will continue its effort in technological and product development, focus on the liquid cooling industry, and facilitate the technological iteration of humanoid robots and the commercialization of products, thereby empowering the rapid development of the AI industry with high-quality products.

Finally, I would like to express my gratitude, on behalf of the Board of Directors, to all employees for their contributions and efforts to the Group over the past years.

## **SUPPLEMENTARY INFORMATION**

### **Purchase, Redemption or Sale of Listed Securities of the Company**

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities (including sale of treasury shares, if any) listed on the Stock Exchange. As of 31 December 2025, the Company did not hold any treasury shares.

### **Final Dividend**

After Board's assessment of the Company's financial health and cashflow position, the Board recommended the payment of a final dividend of HK2.8 cents per share for the year ended 31 December 2025 (2024: Nil) (the "**Final Dividend**"). Subject to the approval of the Company's shareholders at the Annual General Meeting, the Final Dividend will be paid in cash on 30 June 2026.

### **Annual General Meeting of the Company (the "AGM")**

The forthcoming AGM will be held on 5 June 2026. A notice convening the AGM will be published on the Company's website and the website of the Hong Kong Stock Exchange or dispatched to the Shareholders (if requested) in accordance with the requirements of the Listing Rules in due course.

Corporate communications will be available electronically on both the websites of the Company ([www.ipegroup.com](http://www.ipegroup.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Actionable Corporate Communications will be sent to Shareholders individually via the email address provided by them or in printed form (if no functional email addresses are provided).

If the shareholders of the Company (the “**Shareholders**”) want to change the means of receipt and language of corporate communications, they may send an email to [ipegroup.ecom@computershare.com.hk](mailto:ipegroup.ecom@computershare.com.hk) specifying their name, address and request to receive the corporate communications in printed form. Any instructions to receive future communications in printed form will remain valid for one year from the receipt date of the Shareholder’s instruction.

### **Closure of Register of Members and Record Date for Attending and Voting at AGM**

For the purpose of determining the entitlement of the shareholders of the Company (the “**Shareholders**”) to attend and vote at the AGM to be held on 5 June 2026, the Register of Members of the Company will be closed from 2 June 2026 to 5 June 2026 (both days inclusive), during that period no transfer of shares will be effected and the record date will be 5 June 2026. In order to qualify for the right to attend and vote at the AGM, all transfers documents accompanied by the relevant share certificates must be lodged with the Company’s Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 1 June 2026 for registration of transfer.

### **Closure of Register of Members and Record Date for the Final Dividend**

For the purpose of determining the entitlement to the Final Dividend, the Register of Members of the Company will be closed from 11 June 2026 to 15 June 2026, both days inclusive, during that period no transfer of shares will be effected and the record date will be 15 June 2026. In order to qualify for the entitlement to the Final Dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 10 June 2026 for registration of transfer.

## Corporate Governance

The Company is committed to maintaining a high standard of corporate governance with a view to enhancing the management of the Company as well as preserving the interests of the Shareholders as a whole. The Company has adopted the principles and code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Part 2 of the Appendix C1 to the Listing Rules as the basis of the Company’s corporate governance practices and the Board is of the view that the Company has met the CG Code during the year ended 31 December 2025 except the deviations for the followings:

- (a) The code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Zeng Guangsheng (“**Mr. Zeng**”) has assumed the roles of both Chairman of the Board and Chief Executive Officer of the Company since 29 October 2018. The Board believes that by assuming both roles, Mr. Zeng will be able to provide the Group with strong and consistent leadership, allowing for more effective and efficient business planning and decisions as well as execution of long-term business strategies of the Group. The Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company on the grounds that (i) Mr. Zeng and other directors are aware of and undertake to fulfill their fiduciary duties as directors, which require that they act in the best interests of the Company; (ii) there is a check-and-balance mechanism within the Board which comprises executive directors and three independent non-executive directors of high caliber and diverse experience. Major decisions shall be approved by the majority of the Board members after thorough discussions and deliberations at the Board and senior management levels. Therefore, the Board considers that the deviation from the code provision C.2.1 of the CG Code is appropriate in such circumstances and beneficial to the Group.
- (b) The code provision C.1.6 of the CG Code (which has been renumbered as code provision C.1.5 with effect from 1 July 2025) stipulates that independent non-executive director and other non-executive director should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Mr. Chen Kuangguo, a non-executive Director; and Mr. Yang Rusheng, an independent non-executive Director, were unable to attend the annual general meeting of the Company held on 16 May 2025 due to other engagement.

## **Audit Committee**

The Audit Committee of the Company (the “**Audit Committee**”), currently comprising three independent non-executive Directors, namely Mr. Yang Rusheng (Chairman of the Audit Committee), Mr. Cheung Chun Yue, Anthony and Mr. Zhu Jianbiao, has reviewed the accounting principles and practices adopted by the Group and discussed risk management, internal control and financial reporting processes including the review of the Company’s annual results for the year ended 31 December 2025 with senior management of the Group and external auditor with no disagreement with the Audit Committee.

## **Events after the Reporting Period**

The Group had no material events for disclosure subsequent to 31 December 2025 and up to the date of this announcement.

## **Scope of Work of Forvis Mazars CPA Limited**

The figures in respect of the Company’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this announcement have been agreed by the Company’s auditor, Forvis Mazars CPA Limited (“**Forvis Mazars**”), to the amounts set out in the Company’s draft consolidated financial statements for the year ended 31 December 2025. The work performed by Forvis Mazars in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Forvis Mazars on this announcement.

## **Publication of the Annual Results Announcement and the Annual Report**

This annual results announcement is published on the websites of the Company ([www.ipegroup.com](http://www.ipegroup.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The annual report of the Company for the year ended 31 December 2025 containing all relevant information required under the Listing Rules will be dispatched to the Shareholders (if requested) and published on the afore-mentioned websites in due course.

## **Board of Directors**

As at the date of this announcement, the Board comprises the following Directors

### *Executive Directors*

Mr. Zeng Guangsheng

*(Chairman and Chief Executive Officer)*

Mr. Ng Hoi Ping

### *Non-executive Directors*

Ms. Zeng Jing

Mr. Chen Kuangguo

### *Independent Non-executive Directors*

Mr. Yang Rusheng

Mr. Cheung Chun Yue, Anthony

Mr. Zhu Jianbiao

By order of the Board  
**IPe Group Limited**  
**Zeng Guangsheng**  
*Chairman*

Hong Kong, 27 March 2026