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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)

POSITIVE PROFIT ALERT

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

The Company is scheduled to report its interim results for the six months ended 30 June 2022 (the “**Reporting Period**”) in August 2022. Ahead of this interim results announcement (and prior to the finalisation of the unaudited consolidated financial statements for the Reporting Period), the Board of Directors of the Company wishes to inform shareholders and potential investors that the Group expects to record a net profit attributable to shareholders of the Company between HK\$250 million and HK\$270 million for the Reporting Period, which represents a period-on-period growth of 42.9% and 54.3% respectively as compared to a net profit attributable to shareholders of the Company of HK\$175 million for the six months ended 30 June 2021. The significant increase in profit was primarily attributable to the increase in the Group’s revenue of approximately 20% period-on-period as a result of strong revenue growth in aerospace & medical and industrial & others end-markets, expansion of operating profit margin mainly due to economies of scale, price adjustment in certain products and weakening in Renminbi against Hong Kong Dollars during the Reporting Period, a one-off gain after tax on the disposal of a Germany plant’s land, building and machinery of approximately HK\$13 million, and partially offset by a one-off impairment provision charge after tax of approximately HK\$71 million against net book value of building, machinery, equipment and inventories, etc. damaged in the fire incident of the Group’s Nantong plant in June 2022 (property loss resulting from the fire incident would be reduced by any compensation from the insurer under the insurance policy).

The information contained in this announcement is solely based on a preliminary assessment by the management of the Company with reference to the information currently available to the Company and based on the unaudited consolidated management accounts of the Group for the Reporting Period, which is yet to be finalised and has not yet been reviewed by the Company’s auditors or the audit committee of the Company.

The interim results announcement of the Company for the six months ended 30 June 2022 is expected to be published in August 2022.

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

Hong Kong, 12 July 2022

As of 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.