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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 annual results for the year ended 31 December 2022 (the “**Financial Year**”) in March 2023. Ahead of this annual results announcement (and prior to the finalisation of the audited consolidated financial statements for the Financial Year), the Board (the “**Board**”) of Directors (the “**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\$550 million and HK\$600 million for the Financial Year, which represents a significant year-on-year growth between 43.6% and 56.7% as compared to a net profit attributable to shareholders of the Company of HK\$383 million for the year ended 31 December 2021. The significant increase in net profit was primarily attributable to the year on year growth in the Group’s revenue of approximately 15% as a result of strong revenue growth in aerospace & medical end-markets and a good revenue growth in industrial & others end-markets, which is sufficient to offset the revenue drop in passenger car end-market. Expansion of operating profit margin was mainly due to economies of scale, weakening in Renminbi against Hong Kong Dollars, and a one-off gain after tax on the disposal of a Germany plant’s land, building and machinery of HK\$13 million, which was partially offset by a one-off impairment provision charge after tax of approximately HK\$73 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 Financial Year, 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 annual results announcement of the Company for the Financial Year is expected to be published in March 2023.

By order of the Board
Impro Precision Industries Limited
LU Ruibo
Chairman

Hong Kong, 9 January 2023

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.