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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

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the net profit of the Group for the year ended 31 December 2011 is expected to decrease significantly as compared to 2010.

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(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that the net profit of the Group for the year ended 31 December 2011 is expected to decrease significantly as compared to 2010. The unfavourable business environment that existed for the first half of 2011, namely, rising labour and raw material costs, and the slowdown in the global economic recovery, continued to persist in the second half of 2011 when concerns about the Euro and the European economic situation intensified. In addition, the supply chain of the hard disk drive industry was disrupted by the impact of the tsunami in Japan in the first half of 2011 and was again disrupted by the impact of severe floods in Thailand in the second half of the year. Our factory in Thailand, which is mainly engaged in the production of hard disk drive components, was flooded and production had to be halted temporarily. As a result, the Group’s sales of the hard disk drives components were particularly affected.

* for identification purposes only

As the Company is still in the process of finalizing its final results for the year ended 31 December 2011, the information divulged in this announcement is only based on preliminary assessment by the Company's management according to the management accounts of the Group. Further details of the Group's performance will be disclosed when the Group's final results for the year ended 31 December 2011 are announced.

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
Chui Siu On
Chairman

Hong Kong, 20 January 2012

As at the date of this announcement, the Board comprises 7 executive directors, namely, Mr. Chui Siu On (Chairman), Mr. Ho Yu Hoi, Mr. Lai Man Kit, Mr. Li Chi Hang, Mr. Wong Kwok Keung, Mr. Lau Siu Chung and Mr. Yuen Chi Ho; and 4 independent non-executive directors, namely, Dr. Cheng Ngok, Mr. Choi Hon Ting, Derek, Mr. Wu Karl Kwok and Mr. Nguyen, Van Tu Peter.