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IPE GROUP LIMITED

IPE集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 929)

PROFIT WARNING

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

The Board wishes to inform the shareholders of the Company and potential investors that the Group expects to record a loss for the six months ended 30 June 2009 as compared to a profit for the six months ended 30 June 2008.

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 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 Group expects to record a loss for the six months ended 30 June 2009 as compared to a profit for the six months ended 30 June 2008. The loss is primarily due to the sharp drop in customer demand in the first quarter of 2009 as a result of the global financial crisis.

The Board has noted a reversal in the downward trend of customer orders in the second quarter of 2009. The Company is optimistic about the continual revival of its sales in the foreseeable future. To cope with this difficult year, the Group has streamlined its production processes and tightened its cost control so as to strengthen its competitive position.

As the Company is in the process of finalizing its interim results for the six months ended 30 June 2009, the information in this announcement is based on a 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 interim results for the six months ended 30 June 2009 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, 29 July 2009

As at the date of this announcement, the Board comprises Mr. CHUI Siu On (Chairman), Mr. HO Yu Hoi, Mr. LAI Man Kit, Mr. LI Chi Hang, Mr. WONG Kwok Keung and Mr. LAU Siu Chung (the above 6 being executive directors); Mr. NG Kin Nam and Mr. WAN Tak Wing, Gary (the above 2 being non-executive directors); and Dr. CHENG Ngok, Mr. CHOI Hon Ting, Derek and Mr. WU Karl Kwok (the above 3 being independent non-executive directors).