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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in IPE Group Limited, you should at once hand this circular and the enclosed form of proxy to the purchaser or the transferee or to the licensed securities dealer, or to the bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSED GRANT OF SHARE OPTIONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM of IPE Group Limited to be held at Room, 7/F., Office Building in Guangzhou Xin Hao Precision Technology Company Limited, No. 8, Zhuxian Road, Yue Hu Cun, Zengcheng, Guangzhou, Guangdong Province, The PRC on Friday, 29 April 2022 at 11:00 a.m., at which, among other things, the above proposal will be considered, is set out on pages 19 to 20 of this circular. A form of proxy for use at the EGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Company (www.ipegroup.com).

Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting (i.e. before 11:00 a.m. on Wednesday, 27 April 2022) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

References to time and dates in this circular are to Hong Kong time and dates.

* *for identification purposes only*

PRECAUTIONARY MEASURES FOR THE EGM

The following precautionary measures will be taken with a view to prevent and control the spread of the novel coronavirus (COVID-19) at the EGM, including:

- Every attendee will be required to submit a completed and signed health declaration form prior to being admitted to the EGM venue
- Mandatory screening of body temperature
- Mandatory wearing of a surgical face mask
- No refreshments or souvenirs to be provided
- Limiting attendance in person at the EGM venue
- Appropriate distancing and spacing in line with the guidance from the local authorities will be maintained and as such, the Company may further limit the number of attendees at the EGM venue as necessary to avoid over-crowding

Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.

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DEFINITIONS

In this circular, the following expressions have the following meanings, unless the context otherwise requires:

“2011 Share Option Scheme”	the share option scheme adopted by the Company on 17 May 2011 which has expired on 17 May 2021
“2022 Grant”	the grant of an aggregate of 50,000,000 share options to certain Directors and employees of the Group to subscribe for the Shares on 17 March 2022 (inclusive of the Share Options conditionally granted to Mr. Zeng), details of which are set out in the announcement of the Company dated 17 March 2022
“2022 Share Option Scheme”	the share option scheme adopted by the Company on 14 January 2022
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“business day(s)”	a day (other than a Saturday, Sunday or public holiday and a day on which a tropical cyclone warning signal No.8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are generally open in Hong Kong for banking business
“close associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Company”	IPE Group Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Date of Grant”	17 March 2022, subject to the Independent Shareholders’ approval of the Proposed Grant to Mr. Zeng at the EGM

DEFINITIONS

“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Room, 7/F., Office Building in Guangzhou Xin Hao Precision Technology Company Limited, No. 8, Zhuxian Road, Yue Hu Cun, Zengcheng, Guangzhou, Guangdong Province, The PRC on Friday, 29 April 2022 at 11:00 a.m., to consider and, if appropriate, to approve the resolution contained in the notice of the meeting which is set out on pages 19 to 20 of this circular, or any adjournment thereof
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than those who are required to abstain from or voting in favour of (as the case may be) the resolution at the EGM approving the transactions contemplated thereunder
“Latest Practicable Date”	31 March 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Zeng”	Mr. Zeng Guangsheng, the chairman of the Board, an executive Director and chief executive officer of the Company
“PRC”	the People’s Republic of China
“Proposed Grant to Mr. Zeng”	the conditional grant of Share Options to subscribe for an aggregate of 35,000,000 Shares under the 2022 Share Option Scheme to Mr. Zeng
“Remuneration Committee”	the remuneration committee of the Board
“RMB”	Renminbi, the lawful currency of the People’s Republic of China

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company or if there has been a subsequent subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, share(s) forming part of the ordinary share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Share Option(s)”	share option(s) under the 2022 Share Option Scheme conditionally granted to Mr. Zeng on 17 March 2022, entitling him to subscribe for an aggregate of 35,000,000 Shares
“Share Option Schemes”	collectively, the 2011 Share Option Scheme and 2022 Share Option Scheme
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the same meaning ascribed thereto under the Listing Rules
“%”	per cent



IPE GROUP LIMITED

國際精密集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 929)

Executive Directors:

Mr. ZENG Guangsheng
(Chairman and Chief Executive Officer)
Mr. NG Hoi Ping

Registered office:

89 Nexus Way
Camana Bay
Grand Cayman, KY1-9009
Cayman Islands

Non-executive Directors:

Ms. ZENG Jing
Mr. CHEN Kuangguo

Principal place of business

in Hong Kong:
Unit 5-6, 23/F, Enterprise Square Three
39 Wang Chiu Road, Kowloon Bay
Kowloon
Hong Kong

Independent non-executive Directors:

Mr. YANG Rusheng
Mr. CHEUNG, Chun Yue Anthony
Mr. MEI Weiyi

7 April 2022

To the Shareholders

Dear Sir or Madam,

**PROPOSED GRANT OF SHARE OPTIONS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 17 March 2022 in relation to, among others, the Proposed Grant to Mr. Zeng.

The purpose of this circular is to provide you with (i) further information in respect of the Proposed Grant to Mr. Zeng; and (ii) the notice of the EGM.

* *for identification purposes only*

LETTER FROM THE BOARD

2. PROPOSED GRANT OF SHARE OPTIONS

On 17 March 2022, the Board (including all the independent non-executive Directors but excluding Mr. Zeng who had abstained from voting on the Board resolutions to approve the Proposed Grant to Mr. Zeng) resolved to conditionally grant the Share Options to Mr. Zeng to subscribe for a total of 35,000,000 Shares. Details of the share options proposed to be granted to Mr. Zeng is set out below:

Name of Grantee	Position in the Company	Number of Options proposed to be granted	Approximate percentage of the Shares (that fall to be issued upon exercise of the Options) out of the issued share capital as at the Date of Grant	Approximate percentage of the Shares (that fall to be issued upon exercise of the Options) out of the issued share capital as at the Latest Practicable Date
Mr. Zeng	Chairman of the Board, executive Director and chief executive officer of the Company	35,000,000	3.33%	3.33%

Details of the Proposed Grant to Mr. Zeng are set out below:

- Number of Share Options offered : 35,000,000 (representing approximately 3.33% of the issued share capital of the Company as at the Date of Grant)
- Exercise price of the Share Options : HK\$0.9 per Share, which is the highest of:
- (i) the closing price of HK\$0.87 per Share as stated in the Stock Exchange's daily quotations sheet on the Date of Grant;
 - (ii) the average closing price of HK\$0.81 per Share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the Date of Grant; and
 - (iii) the nominal value of HK\$0.1 per Share.

LETTER FROM THE BOARD

- Date of grant of Share Options : 17 March 2022, subject to the Independent Shareholders' approval on the grant of Share Options at the EGM
- Consideration for Share Options : HK\$1.00 to be paid by Mr. Zeng upon acceptance of the grant of the Share Options
- Vesting schedule : The Share Options shall be vested in Mr. Zeng after six months from the date of grant, being 17 September 2022 ("**Vesting Date**")
- Validity period of the Share Options : Four years from the Vesting Date, being from 17 September 2022 to 17 September 2026 (both days inclusive)
- Performance target : No performance target is to be achieved
- Rights of Shares to be issued upon exercise of the Share Options : The Shares to be allotted upon the exercise of the Share Options shall be subject to all the provisions of the memorandum of association and articles of association of the Company for the time being in force and shall rank pari passu in all respects with the existing fully paid Shares in issue on the date on which those Shares are allotted on exercise of the Share Options.

The Share Options themselves, however, do not carry any right to vote in general meeting of the Company, or any right to dividend, transfer or any other rights, including those arising on the liquidation of the Company.

There is no trustee under the 2022 Share Option Scheme.

LETTER FROM THE BOARD

Share options previously granted to Mr. Zeng prior to the grant of the Share Options

Mr. Zeng has been previously granted share options under the Share Option Schemes. The details of the previous grant of such share options to him is as follows:

Date of grant	Exercise price	Validity period of the share options	Aggregate number of Shares subject to the share options previously granted	Approximate percentage of issued Shares upon exercise in full of the share options previously granted to the total number of issued Shares as at the Latest Practicable Date
5 June 2017	HK\$2.02 per Share	From 5 June 2017 to 31 August 2022 (both days inclusive)	22,000,000 (<i>Note 1</i>)	2.09%
3 April 2020	HK\$0.9 per Share	From 3 April 2020 to 28 February 2026 (both days inclusive)	20,000,000 (<i>Note 2</i>)	1.90%

Notes:

1. All these share options granted on 5 June 2017 were fully vested and exercisable at any time during the exercise period from 1 September 2018 to 31 August 2022, both days inclusive.
2. All these share options granted on 3 April 2020 were fully vested and exercisable at any time during the exercise period from 1 March 2021 to 28 February 2026, both days inclusive.

LETTER FROM THE BOARD

3. LISTING RULES IMPLICATIONS

Pursuant to rule 17.03(4) of the Listing Rules, where any grant of options to a participant would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the shares in issue, such grant of options must be separately approved by Shareholders of the listed issuer in general meeting with such participant and his close associates (or his associates if the participant is a connected person) abstaining from voting.

Rule 17.04(1) of the Listing Rules also requires that each grant of options to a Director, chief executive or substantial Shareholder of the listed issuer, or any of their respective associates, must be approved by the independent non-executive Directors of the listed issuer (excluding independent non-executive Director who is the grantee of the options).

On 17 March 2022, the Remuneration Committee approved the grant of Share Options to Mr. Zeng. According to the above provisions, such grant of Shares Options to Mr. Zeng as detailed above has been approved by all the independent non-executive Directors.

In addition, as the total number of Shares issued and to be issued upon exercise of the Share Options granted to Mr. Zeng would in a 12-month period exceed 1% of the Shares in issue, the grant of Share Options to and acceptance thereof by Mr. Zeng is conditional upon the approval by the Independent Shareholders in the EGM with Mr. Zeng and his associate(s) (as ascribed thereto under rule 1.01 of the Listing Rules), if any, abstaining from voting on the relevant resolution(s) at the EGM. As at the Latest Practicable Date, Mr. Zeng held 50,000,000 Shares, representing approximately 4.75% of the total issued Shares.

LETTER FROM THE BOARD

4. EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY UPON EXERCISE OF THE SHARE OPTIONS

The shareholding structure of the Company (a) as at the Latest Practicable Date; (b) immediately upon exercise of all Share Options by Mr. Zeng (only those proposed to be granted to them at the EGM, but not other outstanding share options granted under the Share Option Schemes); and (c) immediately upon exercise of all the Share Options and other outstanding share options granted under the Share Option Schemes are as follows:

	As at the Latest Practicable Date		Immediately upon exercise of all the Share Options		Immediately upon exercise of all the Share Options and outstanding share options granted under the Share Option Schemes	
	<i>Number of Shares held directly or indirectly</i>	<i>Approximate percentage of the issued share capital of the Company</i> (Note 4)	<i>Number of Shares held directly or indirectly</i>	<i>Approximate percentage of the issued share capital of the Company</i> (Note 4 & 5)	<i>Number of Shares held directly or indirectly</i> (Note 4 & 6)	<i>Approximate percentage of the issued share capital of the Company</i>
Baoan Technology Company Limited (Note 1)	564,771,250	53.67%	564,771,250	51.94%	564,771,250	47.14%
Mr. Chui Siu On (Note 2)	123,295,725	11.72%	123,295,725	11.34%	123,295,725	10.29%
Mr. Zeng	50,000,000	4.75%	85,000,000	7.82%	127,000,000	10.60%
Mr. Ng Hoi Ping (Note 3)	-	-	-	-	25,000,000	2.09%
Ms. Zeng Jing (Note 3)	-	-	-	-	18,000,000	1.50%
Mr. Chen Kuangguo (Note 3)	-	-	-	-	5,000,000	0.42%
Public shareholders	314,187,160	29.86%	314,187,160	28.90%	334,887,160	27.95%
Total	1,052,254,135	100%	1,087,254,135	100%	1,197,954,135 (Note 7)	100%

Notes:

- Baoan Technology Company Limited is wholly owned by China Baoan Group Co., Ltd., a company listed on the Shenzhen Stock Exchange.
- Out of the 123,295,725 Shares, 109,206,975 Shares were held by Tottenham Limited, a controlled corporation of Mr. Chui Siu On, 125,000 Shares were held by Mr. Chui Siu On's wife, Ms. Leung Wing Yi, and the remaining 13,963,750 Shares were held by Mr. Chui Siu On personally.
- Mr. Ng Hoi Ping, Ms. Zeng Ting and Mr. Chen Kuangguo are Directors of the Company.
- The percentages may not add up to the total due to rounding.

LETTER FROM THE BOARD

5. On the presumption that (i) the issued share capital of the Company remained at 1,052,254,135 Shares immediately before the full exercise of Share Options; and (ii) the aggregate shareholding interests held by the Shareholders as set out in the above table remained unchanged immediately after the full exercise of Share Options.
6. On the presumption that (i) the issued share capital of the Company remained at 1,052,254,135 Shares immediately before the full exercise of Share Options and outstanding share options under the Share Option Schemes; and (ii) the aggregate shareholding interests held by the Shareholders as set out in the above table remained unchanged immediately after the full exercise of Share Options and outstanding share options under the Share Option Schemes.
7. Such figure represents the sum of (i) the number of Shares issued as at the Latest Practicable Date (i.e. 1,052,254,135 Shares); and (ii) the total number of Shares which may fall to be issued upon the exercise of all outstanding share options under the Share Option Schemes, which includes the share options granted before and under 2022 Grant (i.e. 145,700,000 Shares).

As at the Latest Practicable Date, the shareholding of the public shareholders was approximately 29.86% of the total issued share capital of the Company. Immediately upon full exercise of the Share Options, the shareholding of the public shareholders would change to approximately 28.90% of the total issued share capital of the Company. Immediately upon exercise of all the options and outstanding share options granted under the Share Options Scheme, the shareholding of the public shareholders would change to approximately 27.95% of the total issued share capital of the Company. The Board is of the view that the dilution effect resulting from the exercise of options is insignificant.

5. REASONS FOR AND BENEFITS OF THE PROPOSED GRANT TO MR. ZENG

As shown from the grant of share options in June 2017 and April 2020, it has been the Group's usual practice of granting share options for the purpose of providing incentive for the grantees' persistent dedication and efforts in the development of the Group's business and creating value for the Group and the Shareholders in the long run. The Proposed Grant to Mr. Zeng is a continuation of the aforesaid past practice of the Company. As proposed by the controlling shareholder of the Company and as approved by the Board, for the purpose of providing incentive (i) to the management and employees of the Group, and (ii) in particular to Mr. Zeng for him to provide contribution as a core member of the management team of the Group to bring about better development of the Group, which in turn will benefit the controlling shareholder of the Company and the Shareholders as a whole, the Board proposed to grant share options to Mr. Zeng and certain senior management members and employees of the Group as incentive on 17 March 2022.

Mr. Zeng's contribution and potential contribution to the Group

The purpose of the Proposed Grant to Mr. Zeng is to grant incentive and rewards to recognise the significant efforts and contribution of Mr. Zeng in the development and transformation of the Group's business. The Board considers that the above purpose can be achieved by granting the Share Options as it demonstrates to Mr. Zeng that their efforts and contributions to the Group are valued and will be rewarded.

LETTER FROM THE BOARD

In determining the number of Share Options proposed to be granted to Mr. Zeng, the Remuneration Committee considered factors such as time commitment and responsibilities of the Directors and desirability of performance-based remuneration. Furthermore, the remuneration policies for the executive Directors are that: (i) the amount of remuneration payable to the executive Directors will be determined on a case-by-case basis depending on the experience, responsibility, workload and the time devoted to the Group by the relevant Director; and (ii) the executive Directors may be granted, at the discretion of the Board, share options of the Company, as part of the remuneration package.

The Board and the Remuneration Committee is of the view that the role and responsibility of Mr. Zeng are directly affecting and will continue to affect the performance of the Group, that performance-based remuneration is desired and the Proposed Grant to Mr. Zeng is appropriate. For some time prior to Mr. Zeng being conditionally granted by the Board (which was subsequently approved by the relevant Shareholders) certain share options in April 2020, the business of the Group had not been performing satisfactorily. Upon the grant and vesting of such share options, the Group's business performance has since significantly improved under the leadership of Mr. Zeng who has been the chairman of the Board and chief executive officer of the Company. In particular, the revenue and net profit of the Group for the year ended 31 December 2021 increased by approximately 29.9% and 212.5% from the previous financial year. This favourably suggests that effectiveness of performance-based remuneration would lead to positive impact on the Group's financial results.

Given the significant contribution of Mr. Zeng in the past and in view of the potential rewards that can be brought to the Group going forward, although the grant of Share Options to Mr. Zeng has exceeded the individual limit as stipulated under the 2022 Share Option Scheme, the Board and Remuneration Committee considered that it is justifiable to (i) reward Mr. Zeng for his past contribution, and (ii) provide more incentive to Mr. Zeng to continue promoting the development and realizing the great potentials of the Group by granting Share Options.

LETTER FROM THE BOARD

Furthermore, it is acknowledged that Mr. Zeng has also been conditionally granted by the Board (which was subsequently approved by the relevant Shareholders) certain share options in June 2017 (the “**2017 Options**”). The exercise price of the 2017 Options is HK\$2.02, which represent a premium of approximately 132.2% over the closing price of a Share of HK\$0.87 on 17 March 2022 (being the date of grant of the Share Options to Mr. Zeng). The Board considered that it may be a long-term target for the share price of the Group to achieve such significant growth so as to make the 2017 Options “in the money”, and as such the 2017 Options with an exercise price of a premium of over 130% may not provide the necessary motivation and incentive to Mr. Zeng to enhance the performance and the share price of the Group and benefit the Shareholders in the short to medium term. The current Share Options granted to Mr. Zeng, with a more reasonable premium of (i) approximately 3.4% over the closing price of a Share on the Date of Grant, and (ii) approximately 11% over the average closing price of a Share for the five trading days preceding the Date of Grant, would serve to incentivize Mr. Zeng to improve the performance of the Group in the short to medium term, which is also expected to benefit the Shareholders as a whole through enhancement of the share price of the Company.

According to the 2022 Share Option Scheme, it states that unless otherwise determined by the Board and specified in the offer letter at the time of the offer of the share option, there are neither any performance targets that need to be achieved by the grantee before a share option can be exercised nor any minimum period for which a share option must be held before the share option can be exercised. Under the Proposed Grant to Mr. Zeng, no performance target has been set as condition to the exercise of the Share Options.

LETTER FROM THE BOARD

It has been the Company's intention to grant share options as an incentive to the management and employees, and the results of such incentive are generally measured by way of enhancement of the share value and returns to the Shareholders. As such, similar to the practice for the grant of options by the Company in the past, it has been the practice of the Company to grant share options to the management and employees without any performance targets required to be fulfilled or achieved. In particular, no performance target was set in respect of the share options granted to Mr. Zeng on 5 June 2017 and 3 April 2020. Subsequent to the grant of those share options to Mr. Zeng, the Group's financial performance has demonstrated significant improvement from 2019 to 2021. The revenue of the Group had increased from approximately HK\$812.2 million for 2019 to approximately HK\$1,030.8 million for 2021, representing an increase of approximately 26.9%, while the net profit had increased from approximately HK\$41.1 million for 2019 to approximately HK\$90.7 million, representing an increase of approximately 120.7%. The improvement of the Group's financial performance subsequent to the grant of options to Mr. Zeng in 2017 and 2020 demonstrates that granting options without setting performance target can still provide sufficient incentive to the management of the Group (in particular Mr. Zeng) to strive for improvement of the Group's fundamentals and performance and conducive to enhancing the return to the Shareholders in the long run.

In addition, notwithstanding the absence of performance target under the Proposed Grant to Mr. Zeng, it can still serve to align the interests of Mr. Zeng with the interests of the Company and the Shareholders as a whole. The Board considers that the economic benefits of the Share Options depend upon the increase in share price of the Company to be driven by improving performance of the Group at which time all the Shareholders also stand to benefit. The grant of the Share Options can effectively incentivise Mr. Zeng to devote himself, together with other Directors who have been granted Share Options, to increase profitability of the Group, thereby raising share price and share value for the Company and the Shareholders, and enabling him to enjoy potential unlimited upside when the share price of the Company goes up, which will then benefit the Shareholders as a whole.

Proposed Grant to Mr. Zeng being the preferred way of providing incentive

The Board and the Remuneration Committee considered the Proposed Grant to Mr. Zeng would be the preferred way of providing incentives to the grantee for the reasons set out below.

LETTER FROM THE BOARD

It would be beneficial to the Company and the Shareholders as a whole as there will be no cash burden to the Group, while providing incentive to Mr. Zeng to enhance the financial performance of the Group. Furthermore, the long vesting and exercise period of the Share Options would allow the Proposed Grant to Mr. Zeng to be an effective incentive as this may ensure continual and persistent devotions and leadership from Mr. Zeng, thereby aligning (and thus securing) the long-term interests of the Group with that of Mr. Zeng. It is an appropriate and desirable method to reward and encourage the ongoing valuable performance of Mr. Zeng in achieving the goals and business growth of the Group.

The economic benefits of share options depend upon the increase in Share price to be driven by improving the overall management business synergies and operational performances of the Group where all Shareholders also stand to benefit. A grant of share options therefore provides an incentive for the Directors and eligible employees to devote themselves to increasing profitability of the Group, thereby raising price of the Shares and creating value for the Group and the Shareholders.

The Proposed Grant to Mr. Zeng can also allow the Company to demonstrate its ability to attract and retain or otherwise maintain ongoing business relationship with the eligible participants whose contributions are, will or expected to be beneficial to the development of the Group, thereby attracting interests from prospective investors.

Based on the aforesaid reasons, the Board and the Remuneration Committee is of the view that the Proposed Grant to Mr. Zeng is an appropriate way to incentivise and encourage the ongoing service of Mr. Zeng in achieving improvement of the Group's financial position and performance, which is fair and reasonable and in the interests of the Company and Shareholders as a whole.

6. INFORMATION ON SHARE OPTIONS GRANTED UNDER THE COMPANY'S SHARE OPTION SCHEMES

Pursuant to the 2022 Share Option Scheme, the Company can grant options to the grantees to subscribe for up to 105,225,413 Shares, representing 10% of the issued share capital of the Company as at the date of adoption of the 2022 Share Option Scheme. Immediately upon completion of the Proposed Grant to Mr. Zeng and the grant of options to other grantees on 17 March 2022 (details of which are set out in the announcement of the Company dated 17 March 2022), the number of options which can further be granted pursuant to the 2022 Share Option Scheme is 55,225,413.

LETTER FROM THE BOARD

As at the Latest Practicable Date, save for the Proposed Grant to Mr. Zeng, the Company did not have any intention to grant options to Mr. Zeng in the coming 12 months under the 2022 Share Option Scheme.

The following table sets out the number of outstanding options granted to the directors, chief executive, employees and supplier of the Company, and the corresponding date of grant, vesting period, exercise period and exercise price of the outstanding share options. As at the Latest Practicable Date, there was no outstanding options granted to substantial shareholders of the Company.

Name or category of grantee	Number of outstanding share options as at the Latest Practicable Date	Date of grant of share options	Vesting period of share options	Exercise period of share options	Exercise price of share option (HK\$ per share)
Directors					
Mr. Zeng Guangsheng	22,000,000	5/6/2017	5/6/2017 to 31/8/2018	01/09/2018 to 31/08/2022	2.02
	20,000,000	3/4/2020	3/4/2020 to 28/2/2021	01/03/2021 to 28/02/2026	0.9
	35,000,000	17/3/2022	17/3/2022 to 16/9/2022	17/9/2022 to 17/9/2026	0.9
Mr. Ng Hoi Ping	10,000,000	5/6/2017	5/6/2017 to 31/8/2018	01/09/2018 to 31/08/2022	2.02
	10,000,000	3/4/2020	3/4/2020 to 28/2/2021	01/03/2021 to 28/02/2026	0.9
	5,000,000	17/3/2022	17/3/2022 to 16/9/2022	17/9/2022 to 17/9/2026	0.9
Ms. Zeng Jing	8,000,000	5/6/2017	5/6/2017 to 31/8/2018	01/09/2018 to 31/08/2022	2.02
	5,000,000	3/4/2020	3/4/2020 to 28/2/2021	01/03/2021 to 28/02/2026	0.9
	5,000,000	17/3/2022	17/3/2022 to 16/9/2022	17/9/2022 to 17/9/2026	0.9

LETTER FROM THE BOARD

Name or category of grantee	Number of outstanding share options as at the	Date of grant of share options	Vesting period of share options	Exercise period of share options	Exercise price of share option (HK\$ per share)
	Latest Practicable Date				
Mr. Chen Kuangguo	5,000,000	3/4/2020	3/4/2020 to 28/2/2021	01/03/2021 to 28/02/2026	0.9
Subtotal	<u>125,000,000</u>				
Chief executive					
Tam Yiu Chung	1,000,000	3/4/2020	3/4/2020 to 28/2/2021	01/03/2021 to 28/02/2026	0.9
	700,000	17/3/2022	17/3/2022 to 16/9/2022	17/9/2022 to 17/9/2026	0.9
Ho Yu Hoi, Mark	1,000,000	3/4/2020	3/4/2020 to 28/2/2021	01/03/2021 to 28/02/2026	0.9
Lau Siu Chung	2,000,000	3/4/2020	3/4/2020 to 28/2/2021	01/03/2021 to 28/02/2026	0.9
	1,000,000	17/3/2022	17/3/2022 to 16/9/2022	17/9/2022 to 17/9/2026	0.9
Subtotal	<u>5,700,000</u>				
Employees in aggregate					
	7,000,000	3/4/2020	3/4/2020 to 28/2/2021	01/03/2021 to 28/02/2026	0.9
	2,700,000	10/5/2021	01/05/2021 to 31/03/2022	01/04/2022 to 28/02/2026	0.9
	3,300,000	17/3/2022	17/3/2022 to 16/9/2022	17/9/2022 to 17/9/2026	0.9
Subtotal	<u>13,000,000</u>				

LETTER FROM THE BOARD

Name or category of grantee	Number of outstanding share options as at the Latest Practicable Date	Date of grant of share options	Vesting period of share options	Exercise period of share options	Exercise price of share option (HK\$ per share)
A supplier	2,000,000	3/4/2020	3/4/2020 to 28/2/2021	01/03/2021 to 28/02/2026	0.9
Subtotal	<u>2,000,000</u>				
Total	<u><u>145,700,000</u></u>				

7. EGM AND PROXY ARRANGEMENT

A notice convening the EGM to be held at Room, 7/F., Office Building in Guangzhou Xin Hao Precision Technology Company Limited, No. 8, Zhuxian Road, Yue Hu Cun, Zengcheng, Guangzhou, Guangdong Province, The PRC on Friday, 29 April 2022 at 11:00 a.m. is set out on pages 19 to 20 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish and in such event, the form of proxy will be deemed to be revoked.

8. VOTING BY POLL

In accordance with Rule 13.39(4) of the Listing Rules and the articles of association of the Company, the resolution set out in the notice of the EGM will be voted on by poll at the EGM. An announcement on the poll results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

9. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 26 April 2022 to Friday, 29 April 2022, both days inclusive, for determining the identity of the Shareholders who are entitled to attend and vote at the EGM. No transfer of Shares will be registered during this period. Shareholders whose names appear on the register of members of the Company on Monday, 25 April 2022 are entitled to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 25 April 2022.

10. RESPONSIBILITY STATEMENTS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement herein or this circular misleading.

11. RECOMMENDATION

The Board (including the independent non-executive Directors but excluding Mr. Zeng who had abstained from voting on the Board resolutions to approve the Proposed Grant to Mr. Zeng) believes that the Proposed Grant to Mr. Zeng is fair and reasonable and in the interests of the Company and the Shareholders as a whole and therefore recommends the Shareholders (including the Independent Shareholders) to vote in favour of the resolution to be proposed at the EGM.

Yours faithfully,
On behalf of the Board
IPE Group Limited
Zeng Guangsheng
Chairman

NOTICE OF THE EGM



IPE GROUP LIMITED
國際精密集團有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 929)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting of IPE Group Limited (the “**Company**”) will be held at Room, 7/F., Office Building in Guangzhou Xin Hao Precision Technology Company Limited, No. 8, Zhuxian Road, Yue Hu Cun, Zengcheng, Guangzhou, Guangdong Province, The PRC, on Friday, 29 April 2022 at 11:00 a.m. (the “**EGM**”) for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT** the grant of share options (the “**Share Options**”) to Mr. Zeng Guangsheng under the share option scheme adopted by the Company on 14 January 2022 (the “**Share Option Scheme**”) to subscribe for 35,000,000 shares in the share capital of the Company (the “**Share(s)**”) at the exercise price of HK\$0.9 per Share and on the terms and conditions set out in the circular to the shareholders of the Company dated 7 April 2022 (the “**Circular**”) be and is hereby approved and that any one director of the Company (the “**Director(s)**”) be and is hereby authorised to do all such acts and/or execute all such documents as may be necessary or expedient in order to give effect to the foregoing.”

By order of the Board
IPE Group Limited
Zeng Guangsheng
Chairman

Hong Kong, 7 April 2022

Registered office:
89 Nexus Way
Camana Bay
Grand Cayman KY1-9009
Cayman Islands

Principal place of business
in Hong Kong:
Unit 5–6, 23/F, Enterprise Square Three
39 Wang Chiu Road, Kowloon Bay
Kowloon
Hong Kong

* *for identification purposes only*

NOTICE OF THE EGM

Notes:

1. All resolution at the EGM will be taken by poll pursuant to the Listing Rules and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or, if he is the holder of two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members.
4. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney or other person duly authorized, and must be deposited with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the EGM (i.e. before 11:00 a.m. on Wednesday, 27 April 2022) or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. For the purpose of determining the identity of the shareholders entitled to attend and vote at the EGM to be held on Friday, 29 April 2022, the register of members of the Company will be closed from Tuesday, 26 April 2022 to Friday, 29 April 2022 (both days inclusive), during which period no transfer of shares will be registered. All transfers accompanied by the relevant certificates must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 25 April 2022.
6. As the date of this notice, the executive Directors are Mr. ZENG Guangsheng and Mr. NG Hoi Ping; the non-executive Directors are Ms. ZENG Jing and Mr. CHEN Kuangguo; and the independent non-executive Directors are Mr. YANG Rusheng, Mr. Cheung, Chun Yue Anthony and Mr. Mei Weiyi.