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If you have sold or transferred all your shares in IPE Group Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale 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 ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an extraordinary general meeting of IPE Group Limited to be held at Conference 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, 14 January 2022 at 11:00 a.m. is set out on pages 20 to 22 of this circular. A form of proxy for use at the extraordinary general meeting is also enclosed with this circular. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.ipegroup.com) respectively.

Whether or not you are able to attend the extraordinary general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar 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 but in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting (i.e. not later than 11:00 a.m. on Tuesday, 11 January 2022) or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the extraordinary general meeting or any adjournment thereof if they so wish.

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

* for identification purpose only

RESPONSIBILITY STATEMENT

This circular, for which the directors of the Company 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 material 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.

DEFINITIONS

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

“Articles of Association”	the articles of association of the Company, as amended from time to time;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors of the Company;
“Business Day”	a day (other than Saturday and days on which a tropical cyclone warning 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 open in Hong Kong for general banking business;
“Company”	IPE Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange;
“Director(s)”	director(s) of the Company;
“Eligible Employee(s)”	employee(s) (whether full time or part time employee(s), including any executive director but not any non-executive director) of the Company or its Subsidiaries;
“Existing Share Option Scheme”	the existing share option scheme of the Company which was adopted by the Company on 17 May 2011;
“Extraordinary General Meeting”	an extraordinary general meeting of the Company to be held at Conference 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, 14 January 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 20 to 22 of this circular, or any adjournment thereof;

DEFINITIONS

“Grantee(s)”	Participant(s) who accepted the Offer in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	16 December 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the Extraordinary General Meeting, a summary of the principal terms of which is set out in the Appendix to this circular;
“Offer”	the offer of the grant of an Option made in accordance with the New Share Option Scheme;
“Option(s)”	option(s) to subscribe for Shares granted pursuant to the New Share Option Scheme;
“Participant(s)”	any person belonging to any of the following classes of persons: (a) an Eligible Employee; and (b) a non-executive director (including independent non-executive directors) of the Company or any of its Subsidiaries;

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.1 each in the 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 equity share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in the provisions of the New Share Option Scheme, subject to adjustment in accordance with the New Share Option Scheme;
“Subsidiary(ies)”	company(ies) which is/are for the time being subsidiary(ies) (within the meaning of Section 2 of the Companies Ordinance) of the Company, whether incorporated in Hong Kong or elsewhere;
“Trading Day(s)”	day(s) on which the Stock Exchange is open for the trading of securities; and
“%”	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

Non-executive Directors:

Ms. Zeng Jing
Mr. Chen Kuangguo

Independent Non-executive Directors:

Mr. Yang Rusheng
Mr. Cheung, Chun Yue Anthony
Mr. Mei Weiyi

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
Hong Kong

23 December 2021

To the Shareholders

Dear Sir/Madam,

**PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide Shareholders with information in respect of the resolution to be proposed at the Extraordinary General Meeting for the adoption of the New Share Option Scheme.

* for identification purpose only

2. PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

The Existing Share Option Scheme

The Company adopted the Existing Share Option Scheme pursuant to the resolution passed by the Shareholders at the annual general meeting held on 17 May 2011. The Existing Share Option Scheme has expired on the tenth anniversary of its adoption (i.e. 17 May 2021). For details, please refer to the circular of the Company dated 8 April 2011 and the announcement of the Company dated 17 May 2011.

Upon the expiry of the Existing Share Option Scheme, no further share options will be granted under the Existing Share Option Scheme but the provisions thereof shall remain in full force and effect to the extent necessary to give effect to the exercise of any share options granted thereunder (if any) prior to such expiry or otherwise as may be required in accordance with the provisions of the Existing Share Option Scheme, and all share options granted thereunder (if any) during the effective period of the Existing Share Option Scheme may continue to be exercisable subject to and in accordance with the terms of the grant.

The New Share Option Scheme

At the Extraordinary General Meeting, an ordinary resolution will be proposed for the Company to approve the adoption of the New Share Option Scheme in substitution of the Existing Share Option Scheme pursuant to which the Participants may be granted Options to subscribe for Shares upon and subject to the terms and conditions of the rules of the New Share Option Scheme as incentives or rewards for their contribution or potential contribution to the Group.

The terms of the New Share Option Scheme provide that in granting Options under the New Share Option Scheme, the Board may offer to grant any Options subject to such terms and conditions in relation to the minimum period of the Options to be held and/or the performance criteria to be satisfied before such Options can be exercised and/or any other terms as the Board may determine in its absolute discretion. The Board will also have discretion in determining the Subscription Price in respect of any Option. The Directors are of the view that the flexibility given to the Directors to impose the minimum period for which the Options have to be held and performance targets and other conditions that have to be achieved before the Options can be exercised, will place the Group in a better position to attract and retain human resources that are valuable to the growth and development of the Group as a whole.

LETTER FROM THE BOARD

A summary of the terms of the New Share Option Scheme, which is proposed to be approved and adopted by the Company at the Extraordinary General Meeting, is set out in the Appendix to this circular. A copy of the rules of the New Share Option Scheme is available for inspection at the Company's principal place of business in Hong Kong at Unit 5-6, 23/F Enterprise Square Three, 39 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong during normal business hours from the date hereof up to and including the date of the Extraordinary General Meeting.

Value of the Options

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date as a number of variables which are crucial for the calculation of the value of the Options have not been determined. Such variables include the exercise price, exercise period, any lock up period and other conditions, if any, that an Option is subject to. Accordingly, the Directors believe that any calculation of value of the Options as at the Latest Practicable Date based on a large number of speculative assumptions would not be meaningful and may be misleading to the Shareholders.

Assuming that the adoption of the New Share Option Scheme is approved at the Extraordinary General Meeting and the issued share capital of the Company remains at 1,052,254,135 Shares as at the date of Extraordinary General Meeting, the Company can grant Options to Participants to subscribe for up to approximately 105,225,413 Shares, representing 10% of the issued share capital of the Company as at the date of Extraordinary General Meeting.

Eligible Participants under the Share Option Scheme

The Share Option Scheme intends to cover the Participants, which include:

- (i) any Eligible Employee; and
- (ii) any non-executive director (including independent non-executive directors) of the Company or any of its Subsidiaries.

LETTER FROM THE BOARD

The terms of the New Share Option Scheme provide that in granting Options under the New Share Option Scheme, the Board may offer to grant any Options subject to such terms and conditions in relation to the minimum period of the Options to be held and/or the performance targets to be achieved before such Options can be exercised and/or any other terms as the Board may determine in its absolute discretion. The Board will also determine the Subscription Price in respect of any Option. By setting vesting periods, performance targets and a subscription price, the relevant Grantee will have to work towards meeting these standards set by the Board for the purpose of contributing to the success of the Group. The purpose of the New Share Option Scheme is to provide incentives or rewards to the Participants thereunder for their contribution to the Group. With the above terms and conditions, the Grantees will be incentivized to strive for the best interests of the Group, thereby achieving the purpose of the New Share Option Scheme.

The eligibility of the Participants to the grant of any Option shall be determined by the Board from time to time and on a case-by-case basis subject to the Board's opinion as to, among others, the Participant's contribution or potential contribution to the development and growth of the Group. The Board will also take into account the following factors when assessing the grant of Options to the Participants:

- (a) individual performance;
- (b) responsibilities;
- (c) commitment to the Group (including, but not limited to, the duration of the Participant's employment with the Group and working hours); and/or
- (d) value to the Group, taking into account, among others, the Participant's work experience, professional qualifications and industry-specific knowledge or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between him and the Group, external business connections, and repute and credibility).

Conditions of the adoption of the Share Option Scheme

The New Share Option Scheme is conditional upon (i) the passing of an ordinary resolution at the Extraordinary General Meeting approving the adoption of the New Share Option Scheme and the allotment and issuance of the Shares, which may be allotted and issued upon the exercise of the Option(s); and (ii) the Listing Committee of the Stock Exchange granting the approval of the New Share Option Scheme for the listing of, and permission to deal in, any new Shares which may be granted under the New Share Option Scheme, being 10% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution.

LETTER FROM THE BOARD

General

An application will be made to the Stock Exchange for approval of the listing of and permission to deal in, the shares of the Company which may be issued and allotted pursuant to the New Share Option Scheme.

The New Share Option Scheme will become effective upon the fulfilment of the conditions set out above. The New Share Option Scheme constitutes a share option scheme governed by Chapter 17 of the Listing Rules, and the adoption of the New Share Option Scheme is subject to the approval of the Shareholders at the Extraordinary General Meeting by an ordinary resolution. To the extent that the Directors are aware having made all reasonable enquiries, none of the Shareholders is required to abstain from voting on the said resolution.

As at the Latest Practicable Date, the Company did not have any intention to grant Options to the Participants in the coming 12 months under the New Share Option Scheme.

3. EXTRAORDINARY GENERAL MEETING AND PROXY ARRANGEMENT

Notice of the Extraordinary General Meeting is set out on pages 20 to 22 of this circular. At the Extraordinary General Meeting, resolution will be proposed to approve, inter alia, the adoption of the New Share Option Scheme.

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the proposed resolutions will be put to vote by way of poll at the Extraordinary General Meeting. An announcement on the poll vote results will be made by the Company after the Extraordinary General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the Extraordinary General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.ipegroup.com). Whether or not you are able to attend the Extraordinary General Meeting, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority, to the Company's Branch Share Registrar 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 but in any event not less than 48 hours before the time appointed for holding the Extraordinary General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Extraordinary General Meeting if you so wish and, in such event, your proxy form shall be deemed to be revoked.

LETTER FROM THE BOARD

4. RECOMMENDATION

The Directors consider that the adoption of the New Share Option Scheme is in the best interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend Shareholders to vote in favour of the resolution to be proposed at the Extraordinary General Meeting.

5. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix (Summary of Principal Terms of the New Share Option Scheme) to this circular.

For and on behalf of the Board
IPE Group Limited
Zeng Guangsheng
Chairman

The following is a summary of the principal terms of the New Share Option Scheme to be approved at the Extraordinary General Meeting. It does not form part of, nor is it intended to be part of, the rules of the New Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the New Share Option Scheme required to be included in the New Share Option Scheme in accordance with the Listing Rules.

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to provide incentives or rewards to the Participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

2. PARTICIPANTS

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of Participants, to take up Options to subscribe for Shares:

- (a) any Eligible Employee; and
- (b) any non-executive director (including independent non-executive directors) of the Company or any of its Subsidiaries.

The basis of eligibility of any of the above classes of Participants to the grant of any Options shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group.

3. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 3.1 The total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the relevant class of the Shares in issue as at the date of the passing of the ordinary resolution to adopt the New Share Option Scheme (the “**General Scheme Limit**”). Options lapsed in accordance with the terms of this Scheme will not be counted for the purpose of calculating the 10% limit.

- 3.2 Subject to sub-paragraph 3.1 above and without prejudice to sub-paragraph 3.3 below, the Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company under the limit as “refreshed” must not exceed 10% of the Shares in issue as at the date of approval of such limit and for the purpose of calculating the limit as “refreshed”. Options previously granted under the New Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the terms of New Share Option Scheme or exercised options) will not be counted.
- 3.3 Subject to sub-paragraph 3.1 above and without prejudice to sub-paragraph 3.2 above, the Company may seek separate Shareholders’ approval in general meeting to grant Options beyond the General Scheme Limit or, if applicable, the limit referred to in sub-paragraph 3.2. The Company shall send a circular to the Shareholders containing such information as required under the Listing Rules.

4. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

The total number of Shares issued and which may fall to be issued upon exercise of the Options granted under the New Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding Options) to each Participant in any 12-month period must not exceed 1% of the issued share capital of the Company for the time being (the “**Individual Limit**”). Any further grant of Options to a Participant in excess of the Individual Limit (including exercised, cancelled and outstanding Options) in any 12-month period up to and including the date of such further grant must be subject to the separate Shareholders’ approval in general meeting of the Company with such Participant and his close associates abstaining from voting. If the grantee is a connected person of the Company, his associates shall abstain from voting. The Company shall send a circular to the Shareholders containing a generic description of the specified Participants who may be granted such Options, the number and terms of Options to be granted, the purpose of granting Options to the specified Participants with an explanation as to how the terms of the Options serve such purpose and such other information as required under the Listing Rules. The number and terms (including the Subscription Price) of the Options to be granted to such Participant must be fixed before Shareholders’ approval and the date of the meeting of the Board for proposing such further grant of Option should be taken as the date of Offer for the purpose of calculating the Subscription Price.

5. GRANT OF OPTIONS TO CONNECTED PERSONS

5.1 Any grant of Options under the New Share Option Scheme to a Director, chief executive (other than a proposed Director or a proposed chief executive of the Company) or substantial Shareholder of the Company or any of their respective associates must be approved by independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Options).

5.2 Where any grant of Options to a substantial Shareholder or an independent non-executive Director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000,

such further grant of Options must be approved by the Shareholders in a general meeting. The grantees, his associates and all core connected persons of the Company must abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the relevant circular. Any change in the terms of the Options granted to a substantial Shareholder or an independent non-executive Director of the Company, or any of their respective associates must be approved by the Shareholders in general meeting.

For the purpose of seeking Shareholders' approval in general meeting under subparagraphs 3.2 and 3.3, paragraph 4 and sub-paragraph 5.2 above, the Company must send a circular to the Shareholders containing the information required under the Listing Rules.

6. TIME OF ACCEPTANCE AND EXERCISE OF AN OPTION

An Offer may be accepted by a Participant within 28 days from the Offer Date. A consideration of HK\$1 is payable on acceptance of the Offer. An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Directors to each Grantee, which period may commence on the day on which the Offer is made but shall end in any event not later than 10 years from the Offer Date subject to the provisions for early termination thereof (the "Option Period").

Unless the Directors otherwise determined and stated in the Offer to a Participant, there is no minimum period for which an Option granted under the New Share Option Scheme must be held before it can be exercised.

7. PERFORMANCE TARGETS

Unless the Directors otherwise determined and stated in the Offer to a Participant, a Participant is not required to achieve any performance targets before any Option granted under the New Share Option Scheme can be exercised.

8. SUBSCRIPTION PRICE FOR SHARES

The Subscription Price in respect of any particular Option shall be such price as determined by the Board in its absolute discretion at the time of the making of the Offer (which shall be stated in the letter containing the Offer) but in any case the Subscription Price shall not be lower than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Trading Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Trading Days immediately preceding the Offer Date; and (iii) the nominal value of a Share. Without prejudice to the generality of the foregoing, the Board may grant Options in respect of which the Subscription Price is fixed at different prices for different periods during the Option Period provided that the Subscription Price for each of the different periods shall not be less than the Subscription Price determined in the manner set out herein.

9. LIFE OF THE NEW SHARE OPTION SCHEME

Subject to paragraph 16, the New Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the New Share Option Scheme is conditionally adopted by the Company at a general meeting of the Shareholders.

10. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the articles of association of the Company for the time being in force and will rank pari passu in all respects with the fully paid Shares in issue as from the day when the name of the Grantee is registered on the register of members of the Company and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date when the name of the Grantee is registered on the register of members of the Company other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date when the name of the Grantee is registered on the register of members of the Company, provided always that when the date of exercise of the Option falls on a day upon which the register of members of the Company is closed then the exercise of the Option shall become effective on the first Business Day on which the register of members of the Company is re-opened. A Share allotted upon the exercise of an Option shall not carry voting rights until the completion of the registration of the Grantee as the holder thereof.

No dividends will be payable and no voting rights will be exercisable in relation to an Option that has not been exercised (including those arising on a liquidation of the Company). The Shares issued on the exercise of an Option will rank equally in all respects with the Shares in issue on the date of allotment. They will not rank for any rights (which include, among other things, voting rights and dividend rights) attaching to the Shares by reference to a date preceding the date of allotment.

11. TRANSFERABILITY OF OPTIONS

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.

12. RIGHTS ATTACHING TO OPTIONS

12.1 Rights on ceasing employment

If the Grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death or termination of employment on one or more of the grounds referred to in sub-paragraph 12.3 below before exercising his or her Option in full, the Option (to the extent not already exercised) will lapse on the date of cessation and will not be exercisable unless the Directors otherwise determine in which event the Grantee may exercise the Option (to the extent not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation, which will be taken to be the last day on which the Grantee was at work with the Group whether salary is paid in lieu of notice or not.

12.2 Rights on death

If the Grantee of an Option ceases to be a Participant by reason of death before exercising the Option in full (provided that none of the events which would be a ground for termination of his or her employment under sub-paragraph 12.3 below arises prior to his or her death), the legal personal representative(s) of this Grantee shall be entitled within a period of 12 months from the date of death (or such longer period as the Board may determine) to exercise the Option (to the extent which has become exercisable and not already exercised).

12.3 Rights on dismissal

If the Grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee by reason that he or she has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the Eligible Employee's service contract with the Company or the relevant Subsidiary, his or her Option will lapse automatically on the date the Grantee ceases to be an Eligible Employee.

12.4 Rights on breach of contract

If the Directors at their absolute discretion determine that the Grantee (other than an Eligible Employee) or his or her associate has committed any breach of any contract entered into between the Grantee or his or her associate on the one part and the Group on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his or her creditors generally, the Directors shall determine that the outstanding Options granted to the Grantee shall lapse. In such event, his or her Options will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

12.5 Rights on a general offer

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders of the Company. If such offer becomes or is declared unconditional, a Grantee shall be entitled to exercise his or her Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in exercise of his or her Option at any time before the close of such offer (or any revised offer). Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes.

12.6 Rights on winding-up

In the event of an effective resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee (or where permitted under sub-paragraph 12.2, his or her legal personal representative(s)) may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time no later than two Business Days prior to the date on which such resolution is to be passed, exercise his or her Option (to the extent which has become exercisable and not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Share Option Scheme and shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his or her Option, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the Shares in issue on the date prior to the date of the passing of the resolution to wind-up the Company. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date of the commencement of the winding-up of the Company.

12.7 Rights on compromise or arrangement between the Company and its creditors

In the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its Shareholders (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its Shareholders or creditors to consider such a scheme or arrangement, and thereupon any Grantee (or his or her legal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the court be entitled to exercise his or her Option (to the extent which has become exercisable and not already exercised), but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. The Company may thereafter require such Grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his or her Option so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date the proposed compromise or arrangement becomes effective.

13. LAPSE OF OPTION

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) the expiry of the periods or dates referred to in paragraphs 6 and 12; and
- (b) the date on which a breach of the provision of restriction on transfer and assignment of an Option referred to in paragraph 11 is committed.

14. REORGANIZATION OF CAPITAL STRUCTURE

In the event of a capitalization issue of profits or reserves, rights issue, consolidation, subdivision or reduction of capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made in:

- (a) the number of Shares subject to the Options so far as unexercised; and/or
- (b) the Subscription Price; and/or

- (c) the method of exercise of the Option; and/or
- (d) the maximum number of Shares referred to in paragraphs 3 and 4,

as an independent financial adviser or the auditors of the Company shall certify in writing to the Board to be in their opinion fair and reasonable, provided that any adjustments shall be made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such adjustments shall remain the same as that to which he was entitled before such adjustments and no such adjustments shall be made the effect of which would be to enable any Share to be issued at less than its nominal value and no such adjustments will be required in circumstances where there is an issue of Shares or other securities of the Group as consideration in a transaction. In addition, in respect of any such adjustments as provided in this paragraph 14, other than any made on a capitalization issue, the independent financial adviser or auditors of the Company must confirm in writing to the Directors that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

15. CANCELLATION OF OPTIONS

Any cancellation of Options granted but not exercised shall require approval of the Board. Cancelled Options may be re-issued after such cancellation has been approved, provided that re-issued Options shall only be granted in compliance with the terms of the New Share Option Scheme and the Listing Rules. Where the Company cancels Options and issues new ones to the same Grantee, the issue of such new Options may only be made under a scheme with available unissued Options (excluding the cancelled Options) within the limit approved by Shareholders as mentioned in paragraph 3. For the avoidance of doubt, Options which have been exercised shall not be included as cancelled Options.

16. TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company may by resolution in general meeting at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but the provisions of the New Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

17. ALTERATION OF THE NEW SHARE OPTION SCHEME

17.1 The New Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (a) the terms and conditions of the New Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of Grantees of the Options except with the prior approval of the Shareholders in general meeting;
- (b) any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme; and
- (c) any change to the authority of the Directors in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.

17.2 The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.



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 IS HEREBY GIVEN that an extraordinary general meeting of IPE Group Limited (the “**Company**”) will be held at Conference 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, 14 January 2022 at 11:00 a.m. (the “**Extraordinary General Meeting**”) for the following purpose:

1. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (i) subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the shares to be issued pursuant to the exercise of any options granted under the new share option scheme of the Company (a copy of which marked “A” is produced to the meeting and for the purposes of identification signed by the Chairman thereof) (the “**New Share Option Scheme**”, the principal terms of which are set out in the Appendix to the Company’s circular dated 23 December 2021), the New Share Option Scheme be and is hereby approved and adopted and the directors of the Company be and is hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including but without limitation:
 - (a) to administer the New Share Option Scheme under which options will be granted to participants eligible under the New Share Option Scheme to subscribe for shares of the Company;
 - (b) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment;

* for identification purpose only

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

- (c) to issue and allot from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the New Share Option Scheme provided always that the total number of shares subject to the New Share Option Scheme, when aggregated with any shares subject to any other share option schemes, shall not exceed 10% of the relevant class of the issued share capital of the Company as at the date of passing this resolution, but the Company may seek approval of its shareholders in general meeting for refreshing the 10% limit under the New Share Option Scheme and the maximum number of shares which may be issued upon exercise of all outstanding options granted under the New Share Option Scheme and any other share option schemes of the Company in issue shall not exceed 30% of the relevant class of the issued share capital of the Company from time to time; and
- (d) to make applications at the appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued shares of the Company may for the time being be listed, for listing of and permission to deal in any shares which may hereafter from time to time be issued and allotted pursuant to the exercise of the options under the New Share Option Scheme; and
- (e) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”

For and on behalf of the Board
IPE Group Limited
Zeng Guangsheng
Chairman

23 December 2021

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notes:

- (a) Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
 - (b) In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Company's Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the meeting (i.e. not later than 11:00 a.m. on Tuesday, 11 January 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 meeting or any adjournment thereof and, in such event, the form of proxy shall be deemed to be revoked.
 - (c) The register of members of the Company will be closed from 11 January 2022 (Tuesday) to 14 January 2022 (Friday) (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the above meeting, unregistered holders of shares of the Company should ensure that all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 10 January 2022.
 - (d) Taking account of the recent development of the epidemic caused by novel coronavirus pneumonia (COVID-19), the Company will implement the following prevention and control measures at the Extraordinary General Meeting against the epidemic to protect the Shareholders from the risk of infection:
 - (1) Compulsory body temperature check will be conducted for every shareholder of the Company or proxy at the entrance of venue. Any person with a body temperature of over 37.5 degree celsius will not be admitted to the venue;
 - (2) Every Shareholder or proxy is required to wear surgical facial mask throughout the Extraordinary General Meeting; and
 - (3) No refreshment will be served.
- Furthermore, the Company wishes to advise the shareholders of the Company, particularly shareholders of the Company who are subject to quarantine in relation to COVID-19, that they may appoint any person or the chairman of the Extraordinary General Meeting as a proxy to vote on the resolution, instead of attending the Extraordinary General Meeting in person.
- (e) References to time and dates in this notice are to Hong Kong time and dates.