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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)

**DISPOSAL OF PARTIAL SHAREHOLDING
BY THE CONTROLLING SHAREHOLDER
AND
PROPOSED CHANGE IN SHAREHOLDING STRUCTURE
OF THE CONTROLLING SHAREHOLDER
AND
PROPOSED RESIGNATION OF DIRECTOR**

Tottenham, the controlling shareholder of the Company, has notified the Company that it disposed of 88,415,000 Shares (representing approximately 12.07% of the Company's issued share capital) to independent third parties not connected with the Company and its connected persons (within the meaning of the Listing Rules) on 12 October 2009. Tottenham remains as the controlling shareholder of the Company immediately after the Disposal of IPE Shares.

Tottenham has further notified the Company that the net proceeds from the Disposal of IPE Shares will be distributed by it to its shareholders who, other than Mr. Ng Kin Nam, will apply such proceeds to acquire all the shareholding in Tottenham owned by Mr. Ng Kin Nam. Mr. Ng Kin Nam has indicated to the Company that he will resign as a non-executive director of the Company and a director of Tottenham immediately after the Disposal of IPE Shares and the Change of Shareholding in Tottenham. A further announcement will be made by the Company in accordance with the Listing Rules when the said resignation takes place.

This announcement is made by IPE Group Limited (the “**Company**”) 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**”).

DISPOSAL OF PARTIAL SHAREHOLDING BY THE CONTROLLING SHAREHOLDER

The board (the “**Board**”) of directors of the Company (the “**Directors**”) has been notified by Tottenham Limited (“**Tottenham**”), the controlling shareholder of the Company, that it disposed (the “**Disposal of IPE Shares**”) of 88,415,000 shares of HK\$0.10 each in the capital of the Company (the “**Shares**”), representing approximately 12.07% of the Company’s issued share capital, to independent third parties not connected with the Company and its connected persons (within the meaning of the Listing Rules) on 12 October 2009. Immediately before the Disposal of IPE Shares, Tottenham was interested in 353,660,000 Shares, representing approximately 48.26% of the Company’s issued share capital. To the best of the Directors’ knowledge, immediately after the Disposal of IPE Shares, Tottenham remains as the controlling shareholder of the Company holding 265,245,000 Shares, representing approximately 36.20% of the Company’s issued share capital, and each of the said independent third parties is not a substantial shareholder (as defined in the Listing Rules) of the Company.

PROPOSED CHANGE IN SHAREHOLDING STRUCTURE OF THE CONTROLLING SHAREHOLDER

The Board has also been informed by Tottenham that it will distribute the net proceeds from the Disposal of IPE Shares, in proportion to the respective shareholding percentages in Tottenham, to its shareholders who, other than Mr. Ng Kin Nam (who is a non-executive Director), will apply such proceeds to acquire all the shareholding in Tottenham owned by Mr. Ng Kin Nam (the “**Change of Shareholding in Tottenham**”). According to the records of the Company, Tottenham is a company incorporated in the British Virgin Islands and its entire issued share capital is owned as to approximately 51.3% by Mr. Chui Siu On (the Chairman of the Board), 25% by Mr. Ng Kin Nam (a non-executive Director), 13.9% by Mr. Ho Yu Hoi (an executive Director), 6% by Mr. Lai Man Kit (an executive Director) and 3.8% by Mr. Li Chi Hang (an executive Director). Immediately after the Change of Shareholding in Tottenham, the entire issued share capital of Tottenham will be owned as to approximately 68.4% by Mr. Chui Siu On, 18.5% by Mr. Ho Yu Hoi, 8% by Mr. Lai Man Kit and 5.1% by Mr. Li Chi Hang.

PROPOSED RESIGNATION OF DIRECTOR

Mr. Ng Kin Nam has indicated to the Company that he will resign as a non-executive director of the Company and a director of Tottenham immediately after the Disposal of IPE Shares and the Change of Shareholding in Tottenham. A further announcement will be made by the Company in accordance with the Listing Rules when the said resignation takes place.

By order of the Board
IPE Group Limited
Chui Siu On
Chairman

Hong Kong, 14 October 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, Mr. Lau Siu Chung and Mr. Yuen Chi Ho (the above 7 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).