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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 a stockbroker or other registered dealer in securities, a 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, together with the enclosed form of proxy, 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

IPE集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 929)

**PROPOSED INCREASE OF AUTHORIZED SHARE CAPITAL
AND
PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES
AND
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS
AND
NOTICE OF THE ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of IPE Group Limited to be held at Garden Room A-B, 2/F, Hotel Nikko Hong Kong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Tuesday, 18 May 2010 at 12:00 noon is set out on pages 19 to 22 of this circular. A form of proxy for use at the annual 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 annual 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, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 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 annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

16 April 2010

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DEFINITIONS

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

“Annual General Meeting”	an annual general meeting of the Company to be held at Garden Room A-B, 2/F, Hotel Nikko Hong Kong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Tuesday, 18 May 2010 at 12:00 noon, to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 19 to 22 of this circular, or any adjournment thereof;
“Board”	the board of Directors;
“Buyback Mandate”	as defined in paragraph 3(a) of the Letter from the Board;
“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;
“Current Articles of Association”	the articles of association of the Company currently in force;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuance Mandate”	as defined in paragraph 3(b) of the Letter from the Board;
“Latest Practicable Date”	13 April 2010, 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;
“RMB”	Renminbi, the lawful currency of the People’s Republic of China;

DEFINITIONS

“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“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;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong;
“%”	per cent.

LETTER FROM THE BOARD



IPE GROUP LIMITED

IPE集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 929)

Executive Directors:

Mr. Chui Siu On (*Chairman, Chief Executive Officer
and Managing Director*)

Mr. Ho Yu Hoi

Mr. Lai Man Kit

Mr. Li Chi Hang

Mr. Wong Kwok Keung

Mr. Lau Siu Chung

Mr. Yuen Chi Ho

Independent Non-executive Directors:

Dr. Cheng Ngok

Mr. Choi Hon Ting, Derek

Mr. Wu Karl Kwok

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal Place of Business
in Hong Kong:*

Block E1, 11th Floor

Hoi Bun Industrial Building

No. 6 Wing Yip Street

Kwun Tong, Kowloon

Hong Kong

16 April 2010

To the Shareholders

Dear Sir/Madam,

**PROPOSED INCREASE OF AUTHORIZED SHARE CAPITAL
AND
PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES
AND
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS
AND
NOTICE OF THE ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the increase of authorized share capital; (ii) the granting of the Buyback Mandate to the Directors; (iii) the granting of the Issuance Mandate to the Directors; (iv) the extension of the Issuance Mandate by adding to it the nominal amount of the issued Shares repurchased by the Company under the Buyback Mandate; and (v) the re-election of the retiring Directors.

LETTER FROM THE BOARD

2. PROPOSED INCREASE OF AUTHORIZED SHARE CAPITAL

As at the Latest Practicable Date, the authorized share capital of the Company was HK\$120,000,000 divided into 1,200,000,000 Shares. In order to provide the Company with flexibility to accommodate future expansion in the share capital of the Company, the Company proposes to seek the approval of Shareholders of increasing its authorized share capital from HK\$120,000,000 to HK\$150,000,000 by creation of an additional 300,000,000 unissued Shares. The Directors wish to state that they have no present intention to issue any additional new Shares.

3. PROPOSED GRANTING OF THE BUYBACK AND ISSUANCE MANDATES

At the annual general meeting of the Company held on 2 June 2009, general mandates were granted to the Directors to exercise the powers of the Company to repurchase Shares and to issue new Shares respectively. Such mandates, to the extent not utilized by the date of the Annual General Meeting, will lapse at the conclusion of the Annual General Meeting.

Ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to purchase Shares on the Stock Exchange of an aggregate nominal amount not exceeding 10% of the total nominal amount of the Company's issued share capital as at the date of passing of such resolution (i.e. an aggregate nominal amount of Shares not exceeding HK\$9,159,937.50 (equivalent to 91,599,375 Shares) on the basis that the issued share capital of the Company remains unchanged as at the date of the Annual General Meeting) (the "**Buyback Mandate**");
- (b) to allot, issue or deal with new Shares of an aggregate nominal amount not exceeding 20% of the total nominal amount of the Company's issued share capital as at the date of passing of such resolution (i.e. an aggregate nominal amount of Shares not exceeding to HK\$18,319,875 (equivalent to 183,198,750 Shares) on the basis that the issued share capital of the Company remains unchanged as at the date of the Annual General Meeting) (the "**Issuance Mandate**"); and
- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of Shares repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

The Buyback Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in the proposed ordinary resolutions contained in items 9 and 10 of the notice of the Annual General Meeting as set out on pages

LETTER FROM THE BOARD

19 to 22 of this circular. With reference to the Buyback Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any new Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Buyback Mandate. The explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in Appendix I to this circular.

4. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Article 87 of the Current Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation, provided that every Director (including those appointed for a specific term or holding office as Chairman of the Board or Managing Director of the Company) shall be subject to retirement by rotation at least once every three years. The Directors to retire by rotation shall be those who have been longest in office since their last re-election and so that as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. A retiring Director shall be eligible for re-election at the relevant annual general meeting.

Pursuant to Article 86(3) of the Current Articles of Association, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the first general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting provided that any Director who so retires shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation at such meeting pursuant to Article 87 of the Current Articles of Association.

According to Article 87 of the Current Articles of Association, Mr. Li Chi Hang, Mr. Choi Hon Ting, Derek and Mr. Wu Karl Kwok shall retire by rotation at the Annual General Meeting whereas according to Article 86(3) of the Current Articles of Association, Mr. Lau Siu Chung and Mr. Yuen Chi Ho, who were appointed by the Board as an additional director of the Company on 8 June 2009 and 1 October 2009 respectively, shall hold office until the Annual General Meeting. All of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting. Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. The requisite details of all the above retiring Directors are set out in Appendix II to this circular.

LETTER FROM THE BOARD

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

Notice of the Annual General Meeting is set out on pages 19 to 22 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the increase of authorized share capital, the granting of the Buyback Mandate and the Issuance Mandate, the extension of the Issuance Mandate by the addition thereto of the nominal amount of Shares repurchased pursuant to the Buyback Mandate and the re-election of the retiring Directors.

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 Annual General Meeting. An announcement on the poll vote results will be made by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the Annual 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 Annual 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, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 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 Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish and in such event, your proxy form shall be deemed to be revoked.

6. RECOMMENDATION

The Directors consider that the increase of authorized share capital, the granting of the Buyback Mandate, the granting/extension of the Issuance Mandate and the re-election of the retiring Directors are in the best interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

7. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory Statement on the Buyback Mandate) and Appendix II (Details of the Retiring Directors Proposed to be Re-elected at the Annual General Meeting) to this circular.

Yours faithfully,
On behalf of the Board
Chui Siu On
Chairman

The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Buyback Mandate.

1. REASONS FOR BUYBACK OF SHARES

The Directors believe that the granting of the Buyback Mandate is in the interests of the Company and the Shareholders.

Repurchases of Shares may, depending on market conditions and funding arrangements at the time, result in an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Buyback Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 915,993,750 Shares.

Subject to the passing of the ordinary resolution set out in item 9 of the notice of the Annual General Meeting in respect of the granting of the Buyback Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, i.e. 915,993,750 Shares, the Directors would be authorized under the Buyback Mandate to repurchase, during the period in which the Buyback Mandate remains in force, an aggregate nominal amount of Shares not exceeding HK\$9,159,937.50 (equivalent to 91,599,375 Shares), representing 10% of the aggregate nominal amount of the Shares in issue as at the date of the Annual General Meeting.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

The Company is empowered by its Memorandum and Articles of Association to repurchase Shares. The laws of the Cayman Islands provide that a purchase of shares may be made (to the extent of the par value of such shares) out of profits or the proceeds of a fresh issue of shares made for such purpose or, out of capital, provided that the Company is able to pay its debts as they fall due in the ordinary course of business and the purchase is authorized by its Articles of Association. Any premium payable on a purchase may be made out of profits, the Company's share premium account or out of capital, provided that the Company is able to pay its debts as they fall due in the ordinary course of business and the purchase is authorized by its Articles of Association.

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2009) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Buyback Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time befitting the Company.

5. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Buyback Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

The shareholding structure of the Company as at the Latest Practicable Date and the shareholding structure of the Company upon full exercise of the Buyback Mandate are set out below:

	As at the Latest Practicable Date		Immediately upon full exercise of the Buyback Mandate	
	Number of issued Shares held	Percentage of the total issued share capital of the Company	Number of issued Shares held <i>(Note 2)</i>	Percentage of the total issued share capital of the Company <i>(Note 2)</i>
Aggregate interests held by the controlling Shareholder and the three Directors <i>(Note 1)</i>	346,167,500	37.79%	346,167,500	41.99%
Public Shareholders	<u>569,826,250</u>	<u>62.21%</u>	<u>478,226,875</u>	<u>58.01%</u>
	<u><u>915,993,750</u></u>	<u><u>100.00%</u></u>	<u><u>824,394,375</u></u>	<u><u>100.00%</u></u>

Notes:

- (1) Tottenhill Limited, the controlling Shareholder of the Company, held 331,556,250 Shares, representing approximately 36.20% of the total issued share capital of the Company. The entire issued share capital of Tottenhill Limited was owned as to 68.4% by Mr. Chui Siu On, 18.5% by Mr. Ho Yu Hoi, 8.0% by Mr. Lai Man Kit and 5.1% by Mr. Li Chi Hang. All the shareholders of Tottenhill Limited were the Directors of the Company.

Other than through Tottenhill Limited, Mr. Chui Siu On, Director of the Company, was also interested in 7,681,250 Shares, representing approximately 0.83% of the total issued share capital of the Company. Out of these Shares, 125,000 Shares were owned by Mr. Chui's spouse, Ms. Leung Wing Yi. The remaining 7,556,250 Shares were owned by Mr. Chui personally.

Mr. Ho Yu Hoi, Director of the Company, was interested in 5,680,000 Shares, representing approximately 0.62% of the total issued share capital of the Company. Mr. Ho owned these Shares personally.

Mr. Lai Man Kit, Director of the Company, was interested in 1,250,000 Shares, representing approximately 0.14% of the total issued share capital of the Company. These shares were jointly held by Mr. Lai Man Kit and his spouse, Ms. Kwong Yin No, Irene.

- (2) On the presumption that (i) the issued share capital of the Company remained at 915,993,750 Shares immediately before the full exercise of the Buyback Mandate; and (ii) the aggregate shareholding interests held by the controlling Shareholder and the three Directors as set out in the above table remained unchanged immediately after the full exercise of the Buyback Mandate.

In the event that the Directors exercise in full the power to repurchase Shares under the Buyback Mandate, the aggregate shareholding interest of the controlling Shareholder and the three Directors would, based on their current shareholding, be increased to approximately 41.99% of the total issued share capital of the Company. In the opinion of the Directors, such an increase of shareholding may give rise to an obligation for the controlling Shareholder and the three Directors to make a mandatory offer under the Takeover Code. The Directors do not have any present intention to exercise the proposed Buyback Mandate to such an extent as would give rise to such an obligation.

6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make any repurchases of Shares pursuant to the Buyback Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

APPENDIX I EXPLANATORY STATEMENT ON THE BUYBACK MANDATE
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7. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange during each of the following months were as follows:

Month	Highest HK\$	Lowest HK\$
2009		
April	0.420	0.288
May	0.512	0.336
June	0.488	0.396
July	0.560	0.412
August	0.568	0.472
September	0.544	0.444
October	0.480	0.444
November	0.496	0.456
December	0.650	0.470
2010		
January	0.890	0.590
February	0.820	0.660
March	0.770	0.700
April (<i>up to the Latest Practicable Date</i>)	0.860	0.750

8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the previous 6 months (whether on the Stock Exchange or otherwise).

Pursuant to the Listing Rules, the details of the Directors, who will retire and offer themselves for re-election at the Annual General Meeting according to the Current Articles of Association, are provided below.

(1) Mr. Li Chi Hang, aged 39

Position & experience

Mr. Li Chi Hang (“**Mr. Li**”) is an executive director and a member of the executive committee of the Company and a director of certain subsidiaries of the Company. Besides, he is a director and shareholder of Tottenhill Limited, the controlling shareholder of the Company. Mr. Li joined the Group in 1992 and is currently responsible for the Group’s product development and new projects implementation. He has over 21 years of experience in the field of machine augmentation and manufacturing automation.

Mr. Li has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Mr. Li entered into a director’s service contract with the Company for a term of three years commencing on 1 January 2008. He is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Current Articles of Association.

Interests in shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Li was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

Save as disclosed in the above section headed “Position & experience”, as far as the Directors are aware, Mr. Li does not have any relationships with other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules) of the Company.

Director’s emoluments

Pursuant to the director’s service contract entered into between Mr. Li and the Company, he is entitled to receive the following emoluments:

- (i) a fixed director’s fee of HK\$200,000 per annum payable in 12 equal monthly installments;

- (ii) a fixed salary of HK\$219,000 plus RMB120,000 per annum payable in 12 equal monthly installments; and
- (iii) in respect of every financial year of the Company, a discretionary bonus calculated as a percentage of the audited consolidated profit of the Group attributable to Shareholders (after tax but before extraordinary items and such bonus), which percentage shall be determined by the Board, but in any event, the aggregate amount payable in each financial year to all executive Directors shall not exceed 15% of such profit, provided that Mr. Li shall not be eligible to be considered for such a discretionary bonus if he has left the employment of the Company or has served to the Company or has been served by the Company of any notice to terminate his employment at the date when the Company's annual discretionary bonuses are declared.

Apart from the aforesaid, Mr. Li is also eligible to participate in the Company's share option scheme. The emoluments of Mr. Li are determined by the Board by reference to his performance, experience, time commitment and responsibilities as well as the prevailing market conditions.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Mr. Li to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Li that need to be brought to the attention of the Shareholders.

(2) Mr. Lau Siu Chung, aged 45

Position & experience

Mr. Lau Siu Chung ("Mr. Lau") joined the Group in 1997 and has been appointed as an executive Director on 8 June 2009. He is also a member of the executive committee of the Company and the Sales and Marketing Director of the Group and is responsible for the planning and implementation of sales strategies and in charge of the sales and marketing activities of the Group. Mr. Lau has over 13 years of experience in marketing and sales of precision components and industrial equipments.

Mr. Lau has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Pursuant to the letter of appointment issued by the Company to Mr. Lau, his term of office is three years commencing from 8 June 2009. He is also subject to retirement and re-election at the annual general meeting of the Company in accordance with the Current Articles of Association.

Interests in shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Lau held 5,288,462 share options granted by the Company, which entitled him to subscribe for 5,288,462 Shares. Save as disclosed, Mr. Lau was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

As far as the Directors are aware, Mr. Lau does not have any relationships with other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules) of the Company.

Director's emoluments

Pursuant to the letter of appointment issued by the Company to Mr. Lau, he is entitled to receive the following emoluments:

- (i) a fixed director's fee of HK\$360,000 per annum payable in 12 equal monthly installments;
- (ii) a fixed salary of HK\$516,000 per annum payable in 12 equal monthly installments; and
- (iii) in respect of every financial year of the Company, a discretionary bonus calculated as a percentage of the audited consolidated profit of the Group attributable to Shareholders (after tax but before extraordinary items and such bonus), which percentage shall be determined by the Board, but in any event, the aggregate amount payable in each financial year to all executive Directors shall not exceed 15% of such profit, provided that Mr. Lau shall not be eligible to be considered for such a discretionary bonus if he has left the employment of the Company or has served to the Company or has been served by the Company of any notice to terminate his employment at the date when the Company's annual discretionary bonuses are declared.

Apart from the aforesaid, Mr. Lau is also eligible to participate in the Company's share option scheme. The emoluments of Mr. Lau are determined by the Board by reference to his performance, experience, time commitment and responsibilities as well as the prevailing market conditions.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Mr. Lau to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Lau that need to be brought to the attention of the Shareholders.

(3) Mr. Yuen Chi Ho, aged 42

Position & experience

Mr. Yuen Chi Ho ("Mr. Yuen") joined the Group in February 2009 and has been appointed as an executive Director on 1 October 2009. He is also a member of the executive committee and the Chief Financial Officer of the Company. Mr. Yuen is responsible for the overall financial management of the Group. Mr. Yuen is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group, Mr. Yuen had worked for several listed companies in Hong Kong as an executive director or as a financial controller. He has over 19 years of experience in audit, accounting and financial management.

Mr. Yuen has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Pursuant to the letter of appointment issued by the Company to Mr. Yuen, his term of office is three years commencing from 1 October 2009. He is also subject to retirement and re-election at the annual general meeting of the Company in accordance with the Current Articles of Association.

Interests in shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Yuen held 4,019,231 share options granted by the Company, which entitled him to subscribe for 4,019,231 Shares. Save as disclosed, Mr. Yuen was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

As far as the Directors are aware, Mr. Yuen does not have any relationships with other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules) of the Company.

Director's emoluments

Pursuant to the letter of appointment issued by the Company to Mr. Yuen, he is entitled to receive the following emoluments:

- (i) a fixed director's fee of HK\$360,000 per annum payable in 12 equal monthly installments;
- (ii) a fixed salary of HK\$720,000 per annum payable in 12 equal monthly installments; and
- (iii) in respect of every financial year of the Company, a discretionary bonus calculated as a percentage of the audited consolidated profit of the Group attributable to Shareholders (after tax but before extraordinary items and such bonus), which percentage shall be determined by the Board, but in any event, the aggregate amount payable in each financial year to all executive Directors shall not exceed 15% of such profit, provided that Mr. Yuen shall not be eligible to be considered for such a discretionary bonus if he has left the employment of the Company or has served to the Company or has been served by the Company of any notice to terminate his employment at the date when the Company's annual discretionary bonuses are declared.

Apart from the aforesaid, Mr. Yuen is also eligible to participate in the Company's share option scheme. The emoluments of Mr. Yuen are determined by the Board by reference to his performance, experience, time commitment and responsibilities as well as the prevailing market conditions.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Mr. Yuen to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Yuen that need to be brought to the attention of the Shareholders.

(4) Mr. Choi Hon Ting, Derek, aged 41*Position & experience*

Mr. Choi Hon Ting, Derek (“**Mr. Choi**”) is an independent non-executive director and a member of both the audit committee and remuneration committee of the Company. He joined the Group in 2004. Mr. Choi graduated from Purdue University in the US with a Bachelor degree in Engineering in Food Processing in 1991. Since his graduation, he has been working as project manager, deputy general manager and executive director of Balama Prima Engineering Company Limited, the businesses of which included highway construction, underground construction and environmental engineering. He was a director of C&C Technology Inc. (a company listed on the Toronto Stock Exchange). Mr. Choi was also a former chairman, vice-chairman and executive secretary of the China Hong Kong Society for Trenchless Technology. Mr. Choi was elected as an executive sub-committee member of The International Society for Trenchless Technology in 2004.

Mr. Choi has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Pursuant to the letter of appointment issued by the Company to Mr. Choi, his term of office is about one year up to the Annual General Meeting. He is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Current Articles of Association.

Interests in shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Choi held 1,057,692 share options granted by the Company, which entitled him to subscribe for 1,057,692 Shares. Save as disclosed, Mr. Choi was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

As far as the Directors are aware, Mr. Choi does not have any relationships with other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules) of the Company.

Director's emoluments

Pursuant to the letter of appointment issued by the Company to Mr. Choi, he is entitled to receive a fixed director's fee of HK\$100,000 per annum which is determined by the Board by reference to his time commitment and responsibilities with the Company as well as the prevailing market conditions. Apart from the aforesaid, Mr. Choi is also eligible to participate in the Company's share option scheme. However, Mr. Choi is not eligible to participate in any bonus schemes or other benefits of the kind available to executive Directors.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Mr. Choi to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Choi that need to be brought to the attention of the Shareholders.

(5) Mr. Wu Karl Kwok, aged 46*Position & experience*

Mr. Wu Karl Kwok ("**Mr. Wu**") is an independent non-executive director and a member of both the audit committee and remuneration committee of the Company. He joined the Group in 2004. Mr. Wu holds a Bachelor of Arts degree in Business Administration from the University of Washington and is a Certified Public Accountant (USA). He has over 22 years of international working experience in accounting, financial planning and control, business development, logistic, project management and contract administration in various industries. Mr. Wu currently works in an international trust company. Prior to that, he had been a financial controller and company secretary of UDL Holdings Limited, a company listed on the Main Board of the Stock Exchange, and the chief financial officer and company secretary of Innovis Holdings Limited (currently known as Sino Haijing Holdings Limited), a company listed on the Growth Enterprise Market of the Stock Exchange. Mr. Wu also used to be a project director of a private engineering and construction company in Hong Kong and served there for 7 years. Before that, he worked for a private trading company, an international architectural and interior consultancy firm and a manufacturing company for a total of 9 years principally responsible for financial controlling and business development.

Mr. Wu has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Pursuant to the letter of appointment issued by the Company to Mr. Wu, his term of office is about one year up to the Annual General Meeting. He is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Current Articles of Association.

Interests in shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Wu held 1,057,692 share options granted by the Company, which entitled him to subscribe for 1,057,692 Shares. Save as disclosed, Mr. Wu was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

As far as the Directors are aware, Mr. Wu does not have any relationships with other Directors, senior management, substantial Shareholders (as defined in the Listing Rules), or controlling Shareholders (as defined in the Listing Rules) of the Company.

Director's emoluments

Pursuant to the letter of appointment issued by the Company to Mr. Wu, he is entitled to receive a fixed director's fee of HK\$100,000 per annum which is determined by the Board by reference to his time commitment and responsibilities with the Company as well as the prevailing market conditions. Apart from the aforesaid, Mr. Wu is also eligible to participate in the Company's share option scheme. However, Mr. Wu is not eligible to participate in any bonus schemes or other benefits of the kind available to executive Directors.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Mr. Wu to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Wu that need to be brought to the attention of the Shareholders.

NOTICE OF THE ANNUAL GENERAL MEETING



IPE GROUP LIMITED

IPE集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 929)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of IPE Group Limited (the “**Company**”) will be held at Garden Room A-B, 2/F, Hotel Nikko Hong Kong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Tuesday, 18 May 2010 at 12:00 noon for the following purposes:

1. To consider and receive the audited consolidated financial statements of the Company and the reports of the directors and of the auditors for the year ended 31 December 2009;
2. To re-elect Mr. Li Chi Hang as an executive director of the Company;
3. To re-elect Mr. Lau Siu Chung as an executive director of the Company;
4. To re-elect Mr. Yuen Chi Ho as an executive director of the Company;
5. To re-elect Mr. Choi Hon Ting, Derek as an independent non-executive director of the Company;
6. To re-elect Mr. Wu Karl Kwok as an independent non-executive director of the Company;
7. To authorize the board of directors of the Company to fix the respective directors’ remuneration;
8. To re-appoint Ernst & Young as auditors of the Company and to authorize the board of directors of the Company to fix auditors’ remuneration;
9. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;

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- (b) the total nominal amount of shares of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and
 - (c) for the purposes of this resolution, "Relevant Period" means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company's shareholders in general meetings; and
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held.";
10. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

"THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorized and unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under the share option scheme of the Company; and

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- (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company,

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meetings; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; and

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”;

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

“**THAT** conditional upon the passing of the resolutions set out in items 9 and 10 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 10 of the Notice be and is hereby extended by the addition to the aggregate nominal amount of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors pursuant to such general mandate of an amount representing the aggregate nominal amount of the shares purchased by the Company pursuant to the general mandate referred to in the resolution

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set out in item 9 of the Notice, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution.”; and

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

“**THAT** the authorized share capital of the Company be increased from HK\$120,000,000 to HK\$150,000,000 by creation of an additional 300,000,000 unissued ordinary shares of HK\$0.1 each, such new shares ranking *pari passu* in all respects with the existing shares of the Company.”.

On behalf of the Board
Chui Siu On
Chairman

Hong Kong, 16 April 2010

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, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 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 meeting 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 and, in such event, the form of proxy shall be deemed to be revoked.
- (c) In relation to the ordinary resolutions nos. 9, 10 and 11 of this notice, the directors wish to state that they have no immediate plan to repurchase any existing shares or issue any new shares of the Company.