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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)

BAOAN TECHNOLOGY COMPANY LIMITED

(incorporated in Hong Kong with limited liability)

JOINT ANNOUNCEMENT

- (1) CLOSE OF THE UNCONDITIONAL MANDATORY CASH OFFERS BY GF SECURITIES (HONG KONG) BROKERAGE LIMITED FOR AND ON BEHALF OF BAOAN TECHNOLOGY COMPANY LIMITED FOR ALL THE ISSUED SHARES IN IPE GROUP LIMITED (OTHER THAN THOSE SHARES ALREADY OWNED BY BAOAN TECHNOLOGY COMPANY LIMITED AND PARTIES ACTING IN CONCERT WITH IT) AND FOR THE CANCELLATION OF ALL THE OUTSTANDING OPTIONS OF IPE GROUP LIMITED;**
- (2) RESULTS OF THE OFFERS;**
- (3) PUBLIC FLOAT; AND**
- (4) RESIGNATION OF DIRECTOR AND CANCELLATION OF RELATED RESOLUTION AT ANNUAL GENERAL MEETING**

Financial adviser to the Offeror



GF Capital (Hong Kong) Limited

* For identification purposes only

CLOSE OF THE OFFERS

The Offers made by GF Securities for and on behalf of the Offeror closed at 4:00 p.m. on Tuesday, 9 May 2017 and were not revised or extended by the Offeror.

RESULTS OF THE OFFERS

As at 4:00 p.m. on Tuesday, 9 May 2017, being the latest time and date for acceptance of the Offers as set out in the Composite Document, the Offeror had received (i) valid acceptances in respect of a total of 2,303,750 Offer Shares under the Share Offer, representing approximately 0.22% of the total number of Shares in issue as at the date of this joint announcement; and (ii) valid acceptances in respect of a total of 44,300,000 Options under the Option Offer, representing 100% of the total number of outstanding Options.

SHAREHOLDING STRUCTURE OF THE COMPANY

Taking into account (i) the Offeror's acquisition of the Sale Shares from the Vendors pursuant to the terms of the S&P Agreements (being 157,587,500 Shares, representing approximately 14.98% of the total number of Shares in issue); and (ii) 2,303,750 Offer Shares received from valid acceptances under the Share Offer (subject to the due registration of the transfer of these Offer Shares), the Offeror and parties acting in concert with it held an aggregate of 533,531,250 Shares, representing approximately 50.70% of the total number of Shares in issue and of the voting rights which may be exercised at general meetings of the Company as at the date of this joint announcement.

SETTLEMENT OF THE OFFERS

Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty in respect of the acceptances of the Share Offer) payable for the Offer Shares tendered under the Share Offer and the cash consideration payable for the Options tendered under the Option Offer have been, or will be despatched to the accepting Independent Shareholders or the Optionholders (as the case may be) by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days following the date of receipt by the Registrar of all the duly completed acceptance of the Offers and the relevant documents of title of the Offer Shares or the Options (as the case may be) in respect of such acceptance to render the acceptance under the Offers complete and valid. The latest date for the despatching of remittances for the cash consideration due in respect of valid acceptances received under the Offers is Thursday, 18 May 2017.

PUBLIC FLOAT

Immediately after the close of the Offers, subject to the due registration of the transfer of the Offer Shares acquired under the Share Offer to the Offeror (in respect of which valid acceptances were received), 270,778,539 Shares are held by the public (as defined in the Listing Rules), representing approximately 25.73% of the total number of Shares in issue as at the date of this joint announcement. Accordingly, as at the date of this joint announcement, the Company continues to satisfy the minimum public float requirement as set out under Rule 8.08(1)(a) of the Listing Rules.

RESIGNATION OF DIRECTOR AND CANCELLATION OF RELATED RESOLUTION AT ANNUAL GENERAL MEETING

Mr. Hung, Randy King Kuen has tendered his resignation as an independent non-executive Director, and ceased to be a member of the nomination committee of the Board with effect from 9 May 2017.

Reference is made to the Notice of AGM dated 7 April 2017 for convening the AGM to be held on 15 May 2017 at 12:00 noon in which resolution would be proposed at the AGM for the re-election of Mr. Hung as an independent non-executive Director. Since Mr. Hung has resigned before the AGM, the proposed resolution for re-election of Mr. Hung as an independent non-executive Director shall be cancelled and will not be considered at the AGM.

Reference is made to the composite offer and response document dated 18 April 2017 (the “**Composite Document**”) jointly issued by Baoan Technology Company Limited (the “**Offeror**”) and IPE Group Limited (the “**Company**”) in respect of the unconditional mandatory cash offers by GF Securities for and on behalf of the Offeror for all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it) and for the cancellation of all the outstanding Options. Capitalised terms used herein shall have the same meanings as those defined in the Composite Document, unless the context herein requires otherwise.

CLOSE OF THE OFFERS

The Offers made by GF Securities for and on behalf of the Offeror closed at 4:00 p.m. on Tuesday, 9 May 2017 (the “**Closing Date**”) and were not revised or extended by the Offeror.

RESULTS OF THE OFFERS

As at 4:00 p.m. (being the latest time for acceptance of the Offers) on the Closing Date, the Offeror had received (i) valid acceptances in respect of a total of 2,303,750 Offer Shares under the Share Offer, representing approximately 0.22% of the total number of Shares in issue as at the date of this joint announcement; and (ii) valid acceptances in respect of a total of 44,300,000 Options under the Option Offer, representing 100% of the total number of outstanding Options.

SHAREHOLDING STRUCTURE OF THE COMPANY

Immediately following the S&P Completion and before the commencement of the Offer Period, the Offeror and parties acting in concert with it were interested in 531,227,500 Shares, representing approximately 50.48% of the then total number of Shares in issue.

Immediately after the close of the Offers, taking into account the valid acceptances in respect of a total of 2,303,750 Offer Shares under the Share Offer, representing approximately 0.22% of the total number of Shares in issue as at the date of this joint announcement, the Offeror and parties acting in concert with it held an aggregate of 533,531,250 Shares, representing approximately 50.70% of the total number of Shares in issue as at the date of this joint announcement.

Save for the Sale Shares and the valid acceptances under the Offers as disclosed in this joint announcement, none of the Offeror or parties acting in concert with it (i) had dealt for value in any Shares or options of the Company or any derivatives in respect of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company; or (ii) had acquired or agreed to acquire any Shares or rights over the Shares during the Offer Period and up to the date of this joint announcement. Further, neither the Offeror nor any person acting in concert with it has borrowed or lent any Shares or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period and up to the date of this joint announcement.

Set out below is the shareholding structure of the Company (i) immediately after the S&P Completion and before the commencement of the Offer Period; and (ii) immediately after the close of the Offers (subject to the due registration of the transfer of the Offer Shares acquired under the Share Offer to the Offeror) and as at the date of this joint announcement:

	Immediately after the S&P Completion and before the commencement of the Offer Period		Immediately after the close of the Offers and as at the date of this joint announcement	
	<i>Approximate Number of Shares</i>	<i>Approximate percentage (%)</i>	<i>Approximate Number of Shares</i>	<i>Approximate percentage (%)</i>
Mr. Chui (<i>Notes 1 and 2</i>)	182,668,225	17.36	182,668,225	17.36
Mr. Ho and his concert parties (<i>Note 2</i>)	25,838,740	2.46	25,838,740	2.46
Mr. Li and his concert parties (<i>Note 2</i>)	10,088,535	0.96	10,088,535	0.96
Mr. Chui Siu Hung and his concert parties (<i>Note 3</i>)	2,000,961	0.19	2,000,961	0.19
Mr. Yuen Chi Ho and his concert parties (<i>Note 2</i>)	11,520,000	1.09	11,520,000	1.09
Mr. Lau Siu Chung and his concert parties (<i>Note 2</i>)	7,785,000	0.74	7,785,000	0.74
Ms. Chiu Tak Chun and her concert parties (<i>Note 2</i>)	4,073,077	0.39	4,073,077	0.39
Dr. Cheng Ngok and his concert parties (<i>Note 2</i>)	528,846	0.05	528,846	0.05
Mr. Lei and his concert parties (<i>Note 4</i>)	3,440,962	0.33	3,440,962	0.33
The Offeror and parties acting in concert with it	531,227,500	50.48	533,531,250	50.70
Public Shareholders (<i>Note 5</i>)	<u>273,082,289</u>	<u>25.95</u>	<u>270,778,539</u>	<u>25.73</u>
Total	<u>1,052,254,135</u>	<u>100.00</u>	<u>1,052,254,135</u>	<u>100.00</u>

Notes:

1. These 182,668,225 Shares are held as to (i) 167,966,975 Shares by Tottenhill Limited, the entire issued share capital of which is owned by Mr. Chui; (ii) 14,576,250 Shares by Mr. Chui personally; and (iii) 125,000 Shares by Ms. Leung Wing Yi, the spouse of Mr. Chui.
2. Each of them is a Director.
3. Mr. Chui Siu Hung is a class (3) associate connected with the Company within the meaning of the Takeovers Code.
4. Mr. Lei is a director of the subsidiaries of the Company.
5. Public Shareholders include Mr. Chui Chi Kuen, Ms. Zhu, Ms. Zhang, Mr. Jiang, Ms. Wu, Mr. Ou, Mr. Liu, Mr. Xu and Mr. Ou Zhifeng who are the Vendors and are staff members of the Group and each of them has confirmed that he is not acting in concert with the Offeror and parties acting in concert with it.

SETTLEMENT OF THE OFFERS

Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty in respect of the acceptances of the Share Offer) payable for the Offer Shares tendered under the Share Offer and the cash consideration payable for the Options tendered under the Option Offer have been, or will be despatched to the accepting Independent Shareholders or the Optionholders (as the case may be) by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days following the date of receipt by the Registrar of all the duly completed acceptance of the Offers and the relevant documents of title of the Offer Shares or the Options (as the case may be) in respect of such acceptance to render the acceptance under the Offers complete and valid. The latest date for the despatching of remittances for the cash consideration due in respect of valid acceptances received under the Offers is Thursday, 18 May 2017.

PUBLIC FLOAT

Immediately after the close of the Offers and as at the date of this joint announcement, subject to the due registration of the transfer of the Offer Shares acquired under the Share Offer to the Offeror (in respect of which valid acceptances were received), 270,778,539 Shares are held by the public (as defined in the Listing Rules), representing approximately 25.73% of the total number of Shares in issue as at the date of this joint announcement. Accordingly, as at the date of this joint announcement, the Company continues to satisfy the minimum public float requirement as set out under Rule 8.08(1)(a) of the Listing Rules.

RESIGNATION OF DIRECTOR AND CANCELLATION OF RELATED RESOLUTION AT ANNUAL GENERAL MEETING

The Company announces that Mr. Hung, Randy King Kuen (“**Mr. Hung**”) has tendered his resignation as an independent non-executive Director, and ceased to be a member of the nomination committee of the Board with effect from 9 May 2017.

Mr. Hung has informed the Board that he resigned due to his intention to spend more time on his personal affairs and has confirmed that he has no disagreement with the Board, nor is there any matter in relation to his resignation that should be brought to the attention of the Shareholders.

The Board would like to express its gratitude to Mr. Hung for his contribution towards the Company during his tenure of service.

Reference is made to the notice (the “**Notice of AGM**”) of annual general meeting (the “**AGM**”) dated 7 April 2017 for convening the AGM to be held on 15 May 2017 at 12:00 noon in which resolution would be proposed at the AGM for the re-election of Mr. Hung as an independent non-executive Director. Since Mr. Hung has resigned before the AGM, the proposed resolution for re-election of Mr. Hung as an independent non-executive Director shall be cancelled and will not be considered at the AGM.

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

By order of the board of directors
of the Offeror
Zeng Guangsheng
Director

Hong Kong, 9 May 2017

As at the date of this joint announcement, the Board comprises eight executive Directors, namely, Mr. Chui Siu On (Chairman), Mr. Ho Yu Hoi, Mr. Li Chi Hang, Mr. Lau Siu Chung, Mr. Yuen Chi Ho, Ms. Chiu Tak Chun, Mr. Zeng Guangsheng and Mr. Wu Kai Ping; and three independent non-executive Directors, namely, Dr. Cheng Ngok, Mr. Choi Hon Ting, Derek and Mr. Wu Karl Kwok.

The Directors and Mr. Hung, Randy King Kuen jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Zeng Guangsheng. The directors of China Baoan Group are Mr. Chen Zhengli, Mr. Chen Taiquan, Mr. Chen Ping, Mr. Guo Chaohui, Mr. Chen Kuangguo, Mr. Zeng Guangsheng, Ms. Yang Lu, Mr. Liang Faxian and Ms. Li Yao.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group or any parties acting in concert with it) and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Group or any parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.