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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)

- (I) CHANGE OF DIRECTORS;
(II) CHANGE OF AUTHORISED REPRESENTATIVE AND AGENT
FOR THE SERVICE OF PROCESS IN HONG KONG;
(III) CHANGE OF CHIEF EXECUTIVE OFFICER; AND
(IV) CHANGE OF COMPOSITION OF BOARD COMMITTEES.**

CHANGE OF DIRECTORS AND CHANGE OF AUTHORISED REPRESENTATIVE AND AGENT FOR THE SERVICE OF PROCESS IN HONG KONG

The Board hereby announces the following changes in the Company with effect from 29 October 2018:

- (1) Mr. Chui has resigned as an executive Director and the Chief Executive Officer of the Company and ceased to act as a member of each of the Executive Committee, Remuneration Committee and Nomination Committee of the Company;
- (2) Dr. Cheng has resigned as an independent non-executive Director and ceased to act as the Chairman of both the Audit Committee and Remuneration Committee and a member of the Nomination Committee of the Company;
- (3) Mr. Mei has been appointed as an independent non-executive Director, and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company; and
- (4) Mr. Zeng, the Chairman of the Board and an executive Director, has been appointed as the Authorised Representative and the agent for the service of process in Hong Kong in place of Mr. Chui.

* For identification purposes only

CHANGE OF CHIEF EXECUTIVE OFFICER

Following the resignation of Mr. Chui, Mr. Zeng, the Chairman of the Board and an executive Director, has been appointed as the Chief Executive Officer of the Company with effect from 29 October 2018.

The board (the “**Board**”) of directors (the “**Directors**”) of IPE Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that the following changes in the Company:

CHANGE OF DIRECTORS

Mr. Chui Siu On (崔少安)

Mr. Chui Siu On (“**Mr. Chui**”) has resigned as an executive Director and the Chief Executive Officer of the Company with effect from 29 October 2018 as he wishes to focus on his other business engagements. Mr. Chui has also ceased to act as a member of each of the Executive Committee, Remuneration Committee and Nomination Committee of the Company with effect from 29 October 2018. In view of his previous contribution to the Group, Mr. Chui is engaged as a consultant of the Company.

Mr. Chui has confirmed to the Board that he has no disagreement with the Board and there is no other matter in respect of his resignation that needs to be brought to the attention of the shareholders of the Company (the “**Shareholders**”).

Dr. Cheng Ngok (鄭岳)

Dr. Cheng Ngok (“**Dr. Cheng**”) has resigned as an independent non-executive Director with effect from 29 October 2018 as he wishes to focus on his other business engagements. Dr. Cheng has also ceased to act as the Chairman of both the Audit Committee and Remuneration Committee and a member of the Nomination Committee of the Company with effect from 29 October 2018.

Dr. Cheng has confirmed to the Board that he has no disagreement with the Board and there is no other matter in respect of his resignation that needs to be brought to the attention of the Shareholders.

The Board would like to express its sincere gratitude to Mr. Chui and Dr. Cheng for their valuable contributions to the Board during their tenure of services.

Mr. Mei Weiyi (梅唯一)

Mr. Mei Weiyi (“**Mr. Mei**”) has been appointed as an independent non-executive Director, and a member of each of the Audit Committee, Nomination Committee and Remuneration Committee of the Company with effect from 29 October 2018.

Particulars relating to Mr. Mei are set out below:

Mr. Mei, aged 45, graduated from the University of Alberta, Canada, majoring in business administration (MBA) in mathematical finance. He previously served as the general manager of the Equity Investment Department of China Re Asset Management Company Ltd., the investment director of the asset management headquarters of China Investment Securities Co. Ltd., the senior investment manager of the asset management department of Haitong Securities, and a funds management officer and derivatives trader at the Canadian Wheat Board, etc. He is currently a non-executive director of Huadian Fuxin Energy Corporation Limited (a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), stock code: 816), the deputy general manager and an executive director of China Re Asset Management (Hong Kong) Company Ltd.

Pursuant to his letter of appointment, the initial term of the appointment of Mr. Mei as an independent non-executive Director is one year. In accordance with the articles of association (the “**Articles**”) of the Company, Mr. Mei will be subject to re-election at the first general meeting of the Company after his appointment. Pursuant to the terms of the letter of appointment, Mr. Mei is entitled to a director’s emoluments of HK\$150,000 per annum. The terms of remuneration of Mr. Mei have been reviewed and recommended by the Remuneration Committee with reference to the prevailing market rate and his proposed duties and responsibilities in the Company, and the terms were approved by the Board.

Mr. Mei confirmed that he meets the independence criteria as set out in Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). As at the date of this announcement and save as disclosed above, Mr. Mei (i) has not held other positions in the Group; (ii) does not have any relationship with any Director, senior management, substantial Shareholder or controlling Shareholder; (iii) has not held any other directorships in listed public companies in the past three years; and (iv) does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (“**SFO**”). To the best of knowledge, information and belief of the Directors and having made all reasonable enquiries, there is no other matter with respect to the appointment of Mr. Mei that needs to be brought to the attention of the Shareholders and there is no information relating to Mr. Mei that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

The Board would like to take this opportunity to welcome Mr. Mei to join the Board.

CHANGE OF AUTHORISED REPRESENTATIVE AND AGENT FOR THE SERVICE OF PROCESS IN HONG KONG

The Board further announces that with effect from 29 October 2018, Mr. Zeng Guangsheng (“**Mr. Zeng**”), the Chairman of the Board and an executive Director, has been appointed as an authorised representative (“**Authorised Representative**”) of the Company pursuant to Rule 3.05 of the Listing Rules and an agent for the service of process in Hong Kong in place of Mr. Chui.

CHANGE OF CHIEF EXECUTIVE OFFICER

Following the resignation of Mr. Chui, Mr. Zeng, the Chairman of the Board and an executive Director, has been appointed as the Chief Executive Officer of the Company with effect from 29 October 2018.

Particulars of Mr. Zeng are set out below:

Mr. Zeng Guangsheng (曾廣勝)

Mr. Zeng, aged 52, is the Chairman of the Board, an executive Director and the Chairman of both of the Executive Committee and Nomination Committee and a member of the Remuneration Committee of the Company. He joined the Group in 2016. Mr. Zeng obtained a doctorate degree in economics from Nankai University (南開大學) in 2004. He is currently an executive director and chief investment officer of China Baoan Group Co., Ltd. (中國寶安集團股份有限公司) (together with its subsidiaries, the “**Baoan Group**”), the chairman of the board of directors of China Baoan Group Assets Management Co., Ltd. (中國寶安集團資產管理有限公司) and the director of Baoan Technology Company Limited (寶安科技有限公司). Mr. Zeng had served various positions at the managerial level in various subsidiaries of the Baoan Group. Pursuant to the director’s service agreement entered into between the Company and Mr. Zeng, his term of office will continue until it is terminated by either party serving at least six months’ notice in advance. In accordance with the Articles, Mr. Zeng will be subject to rotation and re-election at the annual general meeting of the Company. The emolument of Mr. Zeng remains the same notwithstanding his assumption of the role of the Chief Executive Officer of the Company until the Remuneration Committee makes further review and recommendation in accordance with the prevailing market rate and his duties and responsibilities in the Group.

As at the date of this announcement and save as disclosed above, Mr. Zeng (i) has not held other positions in the Group; (ii) does not have any relationship with any Director, senior management, substantial Shareholder or controlling Shareholder; (iii) has not held any other directorships in listed public companies in the past three years; and (iv) does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

To the best of knowledge, information and belief of the Directors and having made all reasonable enquiries, there is no other matter with respect to the appointment of Mr. Zeng as the Chief Executive Officer of the Company that needs to be brought to the attention of the Shareholders and there is no information relating to Mr. Zeng that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Upon the appointment of Mr. Zeng as the Chief Executive Officer of the Company, Mr. Zeng will perform both the roles of Chairman and Chief Executive Officer of the Company. This arrangement constitutes a deviation from code provision A.2.1 of the Corporate Governance Code contained in Appendix 14 of the Listing Rules, which requires that the roles of Chairman and Chief Executive Officer of the Company should be separated and should not be performed by the same individual. The Board believes that by assuming both roles, Mr. Zeng will be able to provide the Group with strong and consistent leadership, allowing for more effective and efficient business planning and decisions as well as execution of long-term business strategies of the Group. The structure is therefore beneficial to the Group. The Board believes that the current structure of vesting the roles of Chairman and Chief Executive Officer in the same individual will not impair the balance of power and authority between the Board and the management.

CHANGE OF COMPOSITION OF BOARD COMMITTEES

In addition to the above changes, with effect from 29 October 2018, Mr. Yang Rusheng has been appointed as the Chairman of the Audit Committee of the Company; and Mr. Cheung, Chun Yue Anthony has been appointed as the Chairman of the Remuneration Committee of the Company.

Upon the aforesaid changes taking effect from 29 October 2018, the composition of the Board committees of the Company is as follows:

Executive Committee	Audit Committee	Remuneration Committee	Nomination Committee
Mr. Zeng Guangsheng (<i>Chairman and Chief Executive Officer</i>)	Mr. Yang Rusheng (<i>Chairman</i>)	Mr. Cheung, Chun Yue Anthony (<i>Chairman</i>)	Mr. Zeng Guangsheng (<i>Chairman</i>)
Mr. Lau Siu Chung	Mr. Cheung, Chun Yue Anthony	Mr. Zeng Guangsheng	Mr. Yang Rusheng
Ms. Chiu Tak Chun	Mr. Mei Weiyi	Mr. Yang Rusheng	Mr. Cheung, Chun Yue Anthony
Mr. Ng Hoi Ping		Mr. Mei Weiyi	Mr. Mei Weiyi

IMPLICATIONS ON EXISTING LOAN FACILITIES

The resignation of Mr. Chui may not be in line with certain provisions under a number of existing loan facilities of the Company involving an aggregate outstanding amount of HK\$83 million as at 30 September 2018 (the “**Loan Facilities**”), which require that Mr. Chui shall remain as the Chief Executive Officer of the Company and/or be actively involved in the management and business of the Company or the Group.

In this regard, the Group has applied for waivers to the lenders under the Loan Facilities from strict compliance with the provisions involving the role of Mr. Chui in the Group as disclosed above or approvals for the deletion of such provisions from the Loan Facilities. The Company understands that such lenders are now in the process of seeking internal approvals for the waivers, which may or may not be granted.

Based on the unaudited consolidated financial statements of the Group for the nine months ended 30 September 2018, the cash and bank balances of the Group as at 30 September 2018 were approximately HK\$839 million. In the event that the waivers or approvals for the deletion of provisions are not granted by the lenders under the Loan Facilities and immediate repayment of loan by the Company is demanded, the Board is of the view that the Group would have sufficient financial resources to repay its indebtedness.

Further announcement will be made by the Company on the status of the waiver applications as and when appropriate.

By Order of the Board
IPE Group Limited
Zeng Guangsheng
Chairman

Hong Kong, 29 October 2018

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Zeng Guangsheng (Chairman and Chief Executive Officer), Mr. Lau Siu Chung, Ms. Chiu Tak Chun and Mr. Ng Hoi Ping; one non-executive Director, namely, Ms. Zeng Jing; and three independent non-executive Directors, namely, Mr. Yang Rusheng, Mr. Cheung, Chun Yue Anthony and Mr. Mei Weiyi.