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IBI Group Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1547)

DISCLOSEABLE TRANSACTION ACQUISITION OF LISTED SECURITIES IN HSBC HOLDINGS PLC

THE ACQUISITION

The Board wishes to announce that on 22 September 2020, the Company, through its wholly-owned subsidiary, acquired on the open market a total of 17,600 shares of HSBC Holdings Plc (“**HSBC**”) at an aggregate consideration of approximately HKD502,000 (exclusive of transaction costs) at an average price of approximately HK\$28.55 per HSBC Share.

As the Acquisition were made through the open market, the Company is not aware of the identities of the sellers of the HSBC Shares. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the sellers of HSBC Shares and their respective ultimate beneficial owners are Independent Third Parties.

THE LISTING RULES IMPLICATIONS

Each of the acquisitions of the HSBC Shares by the Group, on a standalone basis, does not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

One or more than one of the applicable percentage ratios for the Acquisition, when aggregated as a whole, is more than 5% and below 25%. As such, the Acquisition, when aggregated as a whole, constitute a discloseable transaction of the Company, and are therefore subject to the notification and announcement requirements but exempt from the Shareholders’ approval requirement pursuant to Chapter 14 of the Listing Rules.

THE ACQUISITION

The Board wishes to announce that during the period from 26 March 2020 to 22 September 2020 (both dates inclusive), the Company, through its wholly-owned subsidiaries, acquired on the open market a total of 258,400 HSBC Shares at an aggregate consideration of approximately HK\$10,547,000 (exclusive of transaction costs) with average price of approximately HK\$40.82 per HSBC Share.

As the Acquisition were made through the open market, the Company is not aware of the identities of the sellers of the HSBC Shares. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the sellers of HSBC Shares and their respective ultimate beneficial owners are Independent Third Parties.

Assets acquired

Prior to the Acquisition, the Company did not hold any HSBC Shares. Upon settlement of the Acquisition, the Group will hold an aggregate of 258,400 HSBC Shares, representing approximately 0.0004291% of the total issued share capital of HSBC.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The principal activities of the Group are as a building contractor focusing on providing renovation services for property projects in the private sector in Hong Kong and Macau.

Having considered the available cash of the Company and, the level of retained earnings within the Group, the Company is looking for investments in high quality blue chip companies that provide a solid and regular dividend yield in order to boost the Group's income stream. HSBC is a high quality blue chip banking organisation with a long history of paying dividends to its shareholders and, has clearly shown its ability to survive periods of challenging economic times.

The current share price of HSBC is historically low as a result of the current COVID-19 pandemic which provides the Group with a buying opportunity. In addition to the regular income that may be achieved from the receipt of dividends declared by HSBC, the Group expects to benefit from capital gains once the share price of the HSBC Shares recovers. The Company considers that the Acquisition are prudent and conservative, and will enhance the returns on investment for the Company and ultimately benefit the Shareholders as a whole.

As the Acquisition were made at market price, the Directors are of the view that the Acquisition were fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON HSBC

HSBC is a company incorporated in England and listed on the Main Board of the Stock Exchange (stock code: 5). The principal business of HSBC is the provision of comprehensive range of banking and related financial services through an international network in the Asia Pacific region, Europe, the Americas, the Middle East and Africa.

The following audited financial information is extracted from the annual report of HSBC for the year ended 31 December 2019:

| | Year Ended 31 December | |
|-------------------|------------------------|---------------------|
| | 2019 | 2018 |
| | <i>USD' million</i> | <i>USD' million</i> |
| Revenue | 56,098 | 53,780 |
| Profit before tax | 13,347 | 19,890 |
| Profit after tax | 7,383 | 13,727 |
| Net assets | <u>192,668</u> | <u>194,249</u> |

LISTING RULES IMPLICATIONS

Since 26 March 2020 and prior to the date of this announcement, the Company, through its wholly-owned subsidiaries has acquired 240,800 HSBC Shares on the open market through the Stock Exchange for an aggregate consideration of approximately HK\$10,045,000.

Each of the acquisition of the HSBC Shares by the Group, on a standalone basis, does not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As certain applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition, when aggregated with the previous transactions which were conducted in the past 12 month, exceed 5% but are less than 25%, the Acquisition constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and are therefore subject to the reporting and announcement requirements of the Listing Rules, but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the same following meanings as set out below:

| | |
|---------------|--|
| “Acquisition” | the acquisition by the Group through a series of transactions on the open market through the Stock Exchange of an aggregate of 258,400 HSBC Shares conducted on during the period from 26 March 2020 to 22 September 2020 at an aggregate consideration of approximately HK\$10,547,000 (exclusive of transaction costs) |
| “Board” | the board of Directors of the Company |

| | |
|-----------------------------|---|
| “Company” | IBI Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange |
| “Director(s)” | the director(s) of the Company |
| “discloseable transaction” | as defined in the Listing Rules |
| “Group” | the Company and its subsidiaries |
| “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 |
| “HSBC” | HSBC Holdings Plc, a company incorporated in England whose shares are listed on the main board of the Stock Exchange (stock code: 5) |
| “HSBC Shares” | ordinary shares of HSBC of US\$0.5 each in the share capital of HSBC |
| “Independent Third Parties” | third parties independent of the Company and its connected persons |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange |
| “percentage ratios” | as defined in Rule 14.07 of the Listing Rules |
| “Shareholder(s)” | shareholder(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “%” | per cent |

By Order of the Board
IBI Group Holdings Limited
Neil David Howard
Chairman

Hong Kong, 22 September 2020

As at the date of this announcement, the executive Directors are Mr. Neil David Howard and Mr. Steven Paul Smithers; and the independent non-executive Directors are Mr. Richard Gareth Williams, Mr. Robert Peter Andrews and Mr. David John Kennedy.