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IBI Group Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1547)

VOLUNTARY ANNOUNCEMENT IN RELATION TO THE ACQUISITION OF LAND IN JAPAN

This announcement is made by the Company on a voluntary basis to keep its shareholders and potential investors informed of the latest business development of the Group.

THE ACQUISITION

The Board wishes to announce that on 13 October 2021, the Purchaser has entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has agreed to acquire and the Vendor has agreed to sell the Land at the Consideration of JPY151,450,000 (equivalent to approximately HK\$10,641,000).

Sale and Purchase Agreement

The principal terms of the Sale and Purchase Agreement are as follows:

Date	13 October 2021
Parties	(a) A Japanese company running hotel accommodation business in Japan as the Vendor; and (b) IBI Investment Holdings Limited, an indirectly wholly-owned subsidiary of the Company, as the Purchaser.
Information on the Land	The Land refers to the piece of land situated at Kutchan-cho, Abuta-gun, Hokkaido, Japan. The total land area of the Land is approximately 771 square meters.

- Consideration and payment terms
- The Consideration for the Acquisition is JPY151,450,000 (equivalent to approximately HK\$10,641,000) which shall be paid by the Purchaser to the Vendor in cash as follows:
- (a) an initial deposit of JPY15,145,000, representing 10% of the Consideration shall be paid upon signing of the Sale and Purchase Agreement and;
 - (b) the remaining balance of the Consideration in the sum of JPY136,305,000 shall be paid on or before the Completion Date of the Acquisition.

The Consideration was determined after arm's length negotiations and on normal commercial terms taking into account the prevailing market value of land of comparable size in the nearby area, the current market conditions and the location and size of the Land. The Directors considered that the Consideration is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. The Consideration will be funded by the internal resources of the Group.

REASONS FOR AND BENEFITS OF THE ACQUISITION

As disclosed in the annual report of the Company for the year ended 31 March 2021, the strategic investments division of the Group was established to make efficient use of its available capital, to expand the Group's reach geographically and, to enter new market sectors. The Group is looking in detail at a wide range of investment opportunities including property development and businesses in the field of building technology and management. It is considered that the Land has investment development potential and will expand the Group's reach into Japan's property development market. The Board is of the view that the terms of the Sale and Purchase Agreement and the Acquisition are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Information of the parties to the Acquisition

The Vendor is a company established under the laws of Japan which is principally engaged in the hotel accommodation business in Japan. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

The principal activities of the Group are as a building contractor focusing on providing renovation services as a main contractor for property projects in the private sector in Hong Kong and Macau. The Group also maintains a subsidiary focusing on strategic investments and another focusing on the provision of products and services in relation to monitoring and improving indoor air quality, energy efficient technology and modern sustainable building

materials. The Purchaser is a company established under the laws of Hong Kong and is an indirectly wholly-owned subsidiary of the Company. The principal activity of the Purchaser is strategic investments.

As all applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are less than 5%, the Acquisition does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. This announcement is made by the Company on a voluntary basis to update the shareholders and potential investors of the Company about the business development of the Group.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisition”	the acquisition of the Land by the Purchaser from the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement
“Board”	the board of Directors
“Company”	IBI Group Holdings Limited (stock code: 1547), a company incorporated in Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion Date”	15 December 2021, or earlier as agreed between the parties
“Consideration”	JPY151,450,000 (equivalent to approximately HK\$10,641,000) being the total consideration payable by the Purchaser to the Vendor in respect of the Acquisition
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) who/which is/are independent of, and not connected with, the Company and its connected persons (as defined in the Listing Rules)
“JPY”	Japanese Yen, the lawful currency of Japan
“Land”	the piece of land situated at Kutchan-cho, Abuta-gun, Hokkaido, Japan and a total land area of approximately 771 square meters

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	IBI Investment Holdings Limited, an indirectly wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	a sale and purchase agreement dated 13 October 2021 entered into between the Purchaser and the Vendor in respect of the Acquisition
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	A Japanese company running hotel accommodation business in Japan
“%”	per cent

Unless otherwise specified, the conversion of JPY into HK\$ are based on the exchange rate of JPY1.00 to HK\$0.07026. No representation is made that any amounts in JPY and HK\$ have been or could be converted at the relevant dates at the above rate or other rates or at all.

By order of the board
IBI Group Holdings Limited
Neil David Howard
Chairman and Chief Executive Officer

Hong Kong, 13 October 2021

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. Robert Peter Andrews, Mr. David John Kennedy and Mr. Martin Woods.