

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



IBI Group Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1547)

MAJOR TRANSACTION ACQUISITION OF THE PROPERTY

THE ACQUISITION

The Board wishes to announce that on 18 May 2022 (after trading hours), the Purchaser (an indirect subsidiary of the Company and part of the Group) entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell, the Property at the Consideration of EUR13,500,000 (equivalent to approximately HKD113,000,000).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition is more than 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company and is therefore subject to the announcement, reporting and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has any material interest in the Acquisition and is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Acquisition. The Company has obtained an irrevocable and unconditional written approval for the Acquisition from Brilliant Blue Sky Limited and Mr. Neil David Howard who are beneficially interested in 393,376,000 shares and 14,624,000 shares in the Company, respectively, representing in aggregate approximately 51% of the issued share capital of the Company as at the date of this announcement. Accordingly, in accordance with Rule 14.44 of the Listing Rules, the shareholders' approval requirement in respect of the Acquisition under Chapter 14 of the Listing Rules has been satisfied in lieu of a general meeting of the Company.

A circular containing, amongst others, details of the Acquisition will be despatched to the Shareholders in accordance with the requirements of the Listing Rules on or before 9 June 2022.

THE ACQUISITION

The Board wishes to announce that on 18 May 2022 (after trading hours), the Purchaser (an indirect subsidiary of the Company and part of the Group) entered into the Sale and Purchase Agreement with the Vendor, pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell, the Property at the Consideration of EUR13,500,000 (equivalent to approximately HKD113,000,000).

The Sale and Purchase Agreement

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

Date

18 May 2022

Parties

- (a) The Purchaser
- (b) The Vendor

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors and their respective ultimate beneficial owner(s) is a third party independent of the Company and the connected persons of the Company.

Asset to be acquired

The freehold interest in the Property. The Property is a multi-tenanted building located at Adelaide Chambers, Adelaide Square, Peter Street, Dublin 8 in Ireland.

The Property is sold on an "as is" basis, subject to the existing tenancies in respect of the Property which will expire in the period between 2022 and 2031. For each of the two years ended 31 March 2021 and 2022, the total annual rent of the existing tenancies was approximately EUR360,000 (equivalent to approximately HKD3,012,000) and approximately EUR408,000 (equivalent to approximately HKD3,411,000), respectively.

Consideration and payment terms

The Consideration is in the sum of EUR13,500,000 (equivalent to approximately HKD113,000,000), which shall be paid in the following manner:

- (a) a sum of EUR1,350,000 (equivalent to approximately HKD11,300,000), being the Deposit, was paid to the Vendor's solicitor upon signing of the Sale and Purchase Agreement; and
- (b) a sum of EUR12,150,000 (equivalent to approximately HKD101,700,000), being the balance of the Consideration, shall be paid upon Completion.

The Consideration was determined based on the bid price made by the Purchaser during a public tender which was in turn determined with reference to (i) the prevailing property market conditions of the area where the Property are located; and (ii) the development potential of the Property as of the date of the bidding the public tender; and (iii) the valuation of the Property as appraised by an independent valuer engaged by the Company. The Directors consider that the terms of the Sale and Purchase Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Consideration will be fully funded by the internal resources of the Group and bank borrowings.

Completion

Completion shall take place on the Closing Date, which is one week after the signing of the Sale and Purchase Agreement.

INFORMATION OF THE PROPERTY

The Property is located at Adelaide Chambers, Adelaide Square, Peter Street, Dublin 8 in Ireland. It is located in the heart of Dublin city centre's central business district, primely situated 400 metre West of St. Stephens Green.

The Property is a 4-storey over basement period building with a modern 4-storey extension to its eastern side providing approximately 19,600 sq. ft. of office spaces with 31 basement car parking spaces. As at the date of this announcement, the Property is leased to various tenants generating total annual rental income of approximately EUR360,000 (equivalent to approximately HKD3,012,000) and approximately EUR408,000 (equivalent to approximately HKD3,411,000) for each of the two years ended 31 March 2021 and 2022 respectively, with the existing tenancies expiring in the period between 2022 and 2031.

INFORMATION ON THE GROUP AND THE PURCHASER

The Company is a publicly listed holding company on the Stock Exchange and the Group is principally focused on investments in the built environment. The core investment sectors of the Group include a building and fitting-out contractor, a business providing innovative and energy efficient lighting and air quality monitoring products and, an investment entity looking at opportunities in property development and other built environment opportunities. The mission of the Group is to deliver premium products, services and customer experiences with a strong influence of innovation, sustainability and environmental sensitivity.

The Purchaser is a property holding company incorporated in Ireland with limited liability and an indirect subsidiary of the Company.

INFORMATION ON THE VENDOR

The Vendor is an investment holding company incorporated in Ireland with limited liability. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the ultimate beneficial owner of the Vendor is Mr. Stephen Orenstein, an individual who has a majority interest in the Vendor.

REASONS AND BENEFITS FOR THE ACQUISITION

As disclosed in the annual report of the Company for the year ended 31 March 2021, the Group has been looking in detail at a wide range of investment opportunities including property development. The Board believes that the Acquisition represents an excellent opportunity for the Group to enter the property development sector at an acceptable level of risk.

Given the vibrant economic importance of the central business district of Dublin's city centre and the development prospects of the Property, the Board believes that the Acquisition provides an excellent investment opportunity for the Group to expand and diversify into property investments in Ireland, one of Europe's major commercial and tourist centres.

Taking into account the prime location of the Property and the existing leases, the Company believes that the Acquisition could generate stable cash flow and income to the Company with the potential for capital appreciation in the future, as a result of upgrade works and lease renewals.

The Directors consider that the Acquisition is a valuable investment opportunity for the Group. Accordingly, the Directors believe that the Acquisition will enable the Group to strengthen and enhance its property investment portfolio.

The Directors (including the independent non-executive Directors) consider that the Acquisition and the terms of the Sale and Purchase Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition is more than 25% but is less than 100%, the Acquisition constitutes a major transaction for the Company and is therefore subject to the announcement, reporting and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has any material interest in the Acquisition and is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Acquisition. The Company has obtained an irrevocable and unconditional written approval for the Acquisition from Brilliant Blue Sky Limited and Mr. Neil David Howard who are beneficially interested in 393,376,000 shares and 14,624,000 shares in the Company, respectively, representing in aggregate approximately 51% of the issued share capital of the Company as at the date of this announcement.

Accordingly, in accordance with Rule 14.44 of the Listing Rules, the shareholders' approval requirement in respect of the Acquisition under Chapter 14 of the Listing Rules has been satisfied in lieu of a general meeting of the Company.

A circular containing, amongst others, details of the Acquisition will be despatched to the Shareholders in accordance with the requirements of the Listing Rules on or before 9 June 2022.

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 of the Property by the Purchaser pursuant to the Sale and Purchase Agreement
“Board”	the board of Directors
“Closing Date”	the date on which Completion takes place which is one week after the signing of the Sale and Purchase Agreement
“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
“Completion”	completion of the Acquisition
“Consideration”	the sum of EUR13,500,000 (equivalent to approximately HKD113,000,000, being the purchase price of the Property
“Deposit”	10% of the Consideration
“Director(s)”	the director(s) of the Company
“EUR”	Euro, the lawful currency of the European Union
“Group”	the Company and its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Ireland”	the Republic of Ireland
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Adelaide Chambers, Adelaide Square, Peter Street, Dublin 8 in Ireland
“Purchaser”	IBI International Investments Limited, a limited company incorporated in Ireland and an indirect subsidiary of the Company

“Sale and Purchase Agreement”	the memorandum of agreement containing the particulars and conditions of sale of the Property dated 18 May 2022 entered into among the Purchaser and the Vendor in relation to the Acquisition
“Shareholder(s)”	shareholder(s) of the Company
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Vemada Limited as general partner of the 1300 Limited Partnership, a limited company incorporated in Ireland
“%”	per cent

For the purpose of this announcement, EUR has been translated into HKD at the rate of EUR1 = HKD8.37 approximately for reference purposes only.

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

Hong Kong, 18 May 2022

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.