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IBI Group Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1547)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

FINANCIAL HIGHLIGHTS

| | Six months ended 30 September | | Increase/ (decrease) |
|--|--|--|---------------------------------|
| | 2024 HK\$'000 (Unaudited) | 2023 HK\$'000 (Unaudited) | |
| Revenue and other gains/(losses) | 123,534 | 216,856 | (43.0%) |
| Gross profit | 19,555 | 12,716 | 53.8% |
| Profit/(loss) before income tax expense | 4,790 | (4,869) | 198.4% |
| Profit/(loss) attributable to the owners of the Company for the period | 4,171 | (4,936) | 184.5% |
| Basic and diluted profit/(loss) per share (HK cents) | 0.5 | (0.6) | 184.5% |

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2024.

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of IBI Group Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2024, together with the comparative figures for the corresponding period in 2023.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

For the six months ended 30 September 2024

| | | Six months ended | |
|---|--------------|-------------------------|--------------------|
| | | 30 September | |
| | | 2024 | 2023 |
| | <i>Notes</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | | (Unaudited) | (Unaudited) |
| Revenue | 6 | 122,426 | 219,252 |
| Other gains/(losses) | 6 | 1,108 | (2,396) |
| Revenue and other gains/(losses) | 6 | 123,534 | 216,856 |
| Direct costs | | (103,979) | (204,140) |
| Gross profit | | 19,555 | 12,716 |
| Other income | 7 | 528 | 423 |
| Administrative and other operating expenses | | (13,090) | (15,853) |
| Finance costs | 9 | (2,203) | (2,155) |
| Profit/(loss) before income tax expense | 8 | 4,790 | (4,869) |
| Income tax expense | 10 | (324) | (195) |
| Profit/(loss) for the period | | 4,466 | (5,064) |
| Profit/(loss) for the period attributable to: | | | |
| — Owners of the Company | | 4,171 | (4,936) |
| — Non-controlling interests | | 295 | (128) |
| | | 4,466 | (5,064) |
| Other comprehensive income, after tax | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | |
| Exchange differences arising on translation of foreign operations | | 291 | (569) |
| Total comprehensive income | | 4,757 | (5,633) |
| Total comprehensive income attributable to: | | | |
| — Owners of the Company | | 4,462 | (5,505) |
| — Non- controlling interests | | 295 | (128) |
| | | 4,757 | (5,633) |
| Earnings/(loss) per share: | 11 | | |
| Basic and diluted (HK cents) | | 0.5 | (0.6) |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

| | <i>Notes</i> | As at 30 September 2024 <i>HK\$'000</i> (Unaudited) | As at 31 March 2024 <i>HK\$'000</i> (Audited) |
|--|--------------|---|---|
| Non-current assets | | | |
| Property, plant and equipment | | 122 | 129 |
| Right-of-use assets | | 2,921 | 4,174 |
| Financial assets at fair value through profit or loss | | 7,772 | 6,663 |
| Investment property | | 119,375 | 113,176 |
| Prepayment | | 887 | 2,754 |
| | | 131,077 | 126,896 |
| Total non-current assets | | | |
| Current assets | | | |
| Contract assets | | 134,458 | 209,580 |
| Trade and other receivables | 13 | 13,423 | 38,498 |
| Property under development | | 10,970 | 10,956 |
| Inventories | | 566 | 444 |
| Pledged deposits | | 8,150 | 13,407 |
| Tax recoverable | | 49 | 48 |
| Cash and cash equivalents | | 52,127 | 21,105 |
| | | 219,743 | 294,038 |
| Total current assets | | | |
| Current liabilities | | | |
| Contract liabilities | | – | – |
| Trade and other payables | 14 | 104,242 | 173,908 |
| Lease liabilities | | 2,680 | 2,580 |
| Bank borrowings | | 74,380 | 23,520 |
| Tax payables | | 1,636 | 1,848 |
| Dividend payable | | 4,000 | – |
| | | 186,938 | 201,856 |
| Total current liabilities | | | |
| Net current assets | | | |
| | | 32,805 | 92,182 |
| Total assets less current liabilities | | | |
| | | 163,882 | 219,078 |
| Non-current liabilities | | | |
| Lease liabilities | | 283 | 1,759 |
| Bank borrowings | | – | 54,477 |
| | | 283 | 56,236 |
| Total non-current liabilities | | | |
| NET ASSETS | | | |
| | | 163,599 | 162,842 |
| Capital and reserves | | | |
| Share capital | 15 | 8,000 | 8,000 |
| Reserves | | 156,560 | 156,098 |
| | | 164,560 | 164,098 |
| Equity attributable to owners of the Company | | | |
| Non-controlling interests | | (961) | (1,256) |
| | | 163,599 | 162,842 |
| TOTAL EQUITY | | | |
| | | 163,599 | 162,842 |

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempt company with limited liability on 6 April 2016 under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is One Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands. Its principal place of business in Hong Kong is located at 3/F, Bangkok Bank Building, 18 Bonham Strand West, Hong Kong.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 14 October 2016 (the “**Listing**”).

The Company is an investment holding company. The principal activities of the Group are to act 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 (“**Contracting**”), strategic investments, property investments and provision of products and services with a focus on air quality, energy efficiency and modern sustainable building materials.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 September 2024 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual financial statements of the Group for the year ended 31 March 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective terms include all applicable individual HKFRSs, Hong Kong Accounting Standards and Interpretations issued by the HKICPA. The condensed consolidated financial statements have not been audited or reviewed by the Company’s external auditors, but have been reviewed by the audit committee of the Company.

These unaudited condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the annual financial statements of the Group for the year ended 31 March 2024, except for those that relate to new standards or interpretations effective for the first time for the current accounting period of the Group. The adoption of the new and revised HKFRSs have no material effect on these condensed consolidated interim financial statements.

The preparation of these unaudited condensed consolidated interim financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The areas where significant judgments and estimates have been made in preparing the unaudited condensed consolidated interim financial statements and their effect are disclosed in note 4.

The unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise stated.

3. CHANGES IN HKFRSs

Amendments adopted from 1 April 2024

The HKICPA has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

| | |
|----------------------------------|--|
| Amendments to HKAS 7 and HKFRS 7 | Supplier Finance Arrangements |
| Amendments to HKFRS 16 | Lease Liability in a Sale and Leaseback |
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current |
| Amendments to HKAS 1 | Non-current Liabilities with Covenants |
| HK Interpretation 5 (Revised) | Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants |

The new or amended HKFRSs that are effective from 1 April 2024 did not have any significant impact on the Group’s accounting policies.

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these unaudited condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to annual financial statements of the Group for the year ended 31 March 2024.

5. SEGMENT REPORTING

The executive Directors of the Company, who are the chief operating decision-makers (“CODM”) of the Group, review the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the executive Directors of the Company that are used to make strategy decision.

During the six months ended 30 September 2024 and 2023, the Group has four reportable segments. The segments are managed separately as each business offers different services and requires different business strategies. The following summary describes the operations in each of the Group’s reportable segments:

Revenue from contracts with customers within the scope of HKFRS 15:

- Contracting — provision of renovation services as a main contractor for property projects in the private sector in Hong Kong and Macau
- Building Solutions — provision of products and services with a focus on air quality, energy efficiency and modern sustainable building materials

Revenue from other sources:

- Strategic Investments — investment in listed securities and property development
 - Property Investments — rental income from leasing of property in Ireland
- (a) The segment revenue and results for the six months ended 30 September 2024 and 2023 are as follows:

Six months ended 30 September 2024

| | Contracting <i>HK\$'000</i> (Unaudited) | Building Solutions <i>HK\$'000</i> (Unaudited) | Strategic Investments <i>HK\$'000</i> (Unaudited) | Property Investments <i>HK\$'000</i> (Unaudited) | Total <i>HK\$'000</i> (Unaudited) |
|---|---|--|---|--|---|
| Revenue & other gains/(losses) | 113,300 | 5,659 | 1,370 | 4,034 | 124,363 |
| Inter-segment revenue | (829) | – | – | – | (829) |
| Total revenue from external customers and other sources | 112,471 | 5,659 | 1,370 | 4,034 | 123,534 |
| Segment profit | 113 | 1,137 | 1,810 | 1,087 | 4,147 |
| Unallocated bank interest income | | | | | 427 |
| Unallocated corporate expenses | | | | | 216 |
| Loss before income tax expense | | | | | <u>4,790</u> |

Six months ended 30 September 2023

| | Contracting <i>HK\$'000</i> (Unaudited) | Building Solutions <i>HK\$'000</i> (Unaudited) | Strategic Investments <i>HK\$'000</i> (Unaudited) | Property Investments <i>HK\$'000</i> (Unaudited) | Total <i>HK\$'000</i> (Unaudited) |
|---|---|---|--|---|---|
| Revenue & other gains/(losses) | 213,343 | 2,193 | (2,161) | 3,481 | 216,856 |
| Inter-segment revenue | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> | <u>–</u> |
| Total revenue from external customers and other sources | 213,343 | 2,193 | (2,161) | 3,481 | 216,856 |
| Segment profit/(loss) | (1,203) | (579) | (2,667) | 599 | (3,850) |
| Unallocated bank interest income | | | | | 423 |
| Unallocated corporate expenses | | | | | <u>(1,442)</u> |
| Loss before income tax expense | | | | | <u><u>(4,869)</u></u> |

Inter-segment transactions are priced with reference to prices charged to external parties for similar order.

Segment results represent the profit earned or loss incurred by each segment without allocation of certain bank interest income and corporate expenses for the six months ended 30 September 2024 and 2023. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The segment assets and liabilities as at 30 September 2024 are as follows:

| | Contracting <i>HK\$'000</i> (Unaudited) | Building Solutions <i>HK\$'000</i> (Unaudited) | Strategic Investments <i>HK\$'000</i> (Unaudited) | Property Investments <i>HK\$'000</i> (Unaudited) | Total <i>HK\$'000</i> (Unaudited) |
|-------------------------|---|---|--|---|---|
| Segment assets | 183,775 | 5,212 | 18,797 | 123,692 | 331,476 |
| Unallocated assets | | | | | <u>19,344</u> |
| | | | | | 350,820 |
| Segment liabilities | 121,187 | 979 | 25 | 60,075 | 182,266 |
| Unallocated liabilities | | | | | <u>4,955</u> |
| | | | | | <u><u>187,221</u></u> |

The segment assets and liabilities as at 31 March 2024 are as follows:

| | Contracting <i>HK\$'000</i> | Building Solutions <i>HK\$'000</i> | Strategic Investments <i>HK\$'000</i> | Property Investments <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|-------------------------|--------------------------------|--|---|--|--------------------------|
| Segment assets | 267,439 | 3,539 | 17,670 | 117,638 | 406,286 |
| Unallocated assets | | | | | <u>14,648</u> |
| | | | | | 420,934 |
| Segment liabilities | 197,756 | 1,244 | 20 | 58,343 | 257,363 |
| Unallocated liabilities | | | | | <u>729</u> |
| | | | | | <u><u>258,092</u></u> |

For the purposes of monitoring segment performances and allocating resources among segments:

- all assets are allocated to reportable and operating segments other than certain other receivables, and certain cash and cash equivalents for the six months ended 30 September 2024 and year ended 31 March 2024;
- all liabilities are allocated to reportable and operating segments other than certain other payables and dividend payable for the six months ended 30 September 2024; and
- all liabilities are allocated to reportable and operating segments other than certain other payables for the year ended 31 March 2024.

(b) Other segment information

For the six months ended 30 September 2024:

| | Contracting | Building | Strategic | Property | Segment | Unallocated | Consolidated |
|---|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| | HK\$'000 | Solutions | Investments | Investments | Total | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Amount included in the measure of segment profit or loss or segment assets: | | | | | | | |
| Direct costs | 100,993 | 2,984 | 2 | - | 103,979 | - | 103,979 |
| Interest income | - | - | - | - | - | 427 | 427 |
| Interest expenses | 448 | 23 | - | 1,732 | 2,203 | - | 2,203 |
| Depreciation of property, plant and equipment | 38 | - | - | - | 38 | - | 38 |
| Depreciation of right-of-use assets | 1,034 | 219 | - | - | 1,253 | - | 1,253 |
| Net fair value gains on financial assets at FVTPL | - | - | 1,108 | - | 1,108 | - | 1,108 |
| Additions of property, plant and equipment | 31 | - | - | - | 31 | - | 31 |

For the six months ended 30 September 2023:

| | Contracting | Building | Strategic | Property | Segment | Unallocated | Consolidated |
|---|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| | HK\$'000 | Solutions | Investments | Investments | Total | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Amount included in the measure of segment profit or loss or segment assets: | | | | | | | |
| Direct costs | 203,052 | 1,081 | 7 | - | 204,140 | - | 204,140 |
| Interest income | - | - | - | - | - | 423 | 423 |
| Interest expenses | 357 | 7 | - | 1,791 | 2,155 | - | 2,155 |
| Depreciation of property, plant and equipment | 62 | 218 | - | - | 280 | - | 280 |
| Depreciation of right-of-use assets | 1,106 | 185 | - | - | 1,291 | - | 1,291 |
| Net fair value losses on financial assets at FVTPL | - | - | (2,396) | - | (2,396) | - | (2,396) |
| Additions of property, plant and equipment | 72 | - | - | - | 72 | - | 72 |

(c) **Geographical information**

The Group operates in two principal geographical areas — Hong Kong and Ireland.

The Group's revenue derived from Contracting, Building Solutions and Property Investments segments from external customers for the six months ended 30 September 2024 is analysed as follows:

| Revenue from external customers | Six months ended 30 September | | |
|---------------------------------|-------------------------------|--------------|--------------|
| | 2024 | | |
| | Contracting | Building | Property |
| | Solutions | Solutions | Investments |
| | HK\$'000 | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) | (Unaudited) |
| Hong Kong | 112,471 | 5,659 | – |
| Ireland | – | – | 4,034 |
| | <u>112,471</u> | <u>5,659</u> | <u>4,034</u> |

The Group's revenue derived from Contracting, Building Solutions and Strategic Investments segments from external customers for the six months ended 30 September 2023 is analysed as follows:

| Revenue from external customers | Six months ended 30 September | | |
|---------------------------------|-------------------------------|--------------|--------------|
| | 2023 | | |
| | Contracting | Building | Property |
| | Solutions | Solutions | Investments |
| | HK\$'000 | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) | (Unaudited) |
| Hong Kong | 213,343 | 2,100 | – |
| Ireland | – | – | 3,481 |
| Macau and others | – | 93 | – |
| | <u>213,343</u> | <u>2,193</u> | <u>3,481</u> |

The following table provides an analysis of the Group’s non-current assets (“**Specified non-current assets**”):

Specified non-current assets

| | As at 30 September 2024 HK\$’000 (Unaudited) | As at 31 March 2024 HK\$’000 (Audited) |
|-----------|---|---|
| Hong Kong | 3,043 | 4,303 |
| Ireland | 119,375 | 113,176 |
| | <u>122,418</u> | <u>117,479</u> |

The non-current assets information above excludes financial assets at fair value through profit or loss (“**FVTPL**”) and is based on the physical locations of the respective assets.

(d) Information about major customers

Revenues from each of the major customers accounted for 10% or more of the Group’s total revenue from external customers are set out below:

| | Six months ended 30 September | |
|--------------|--|--|
| | 2024 HK\$’000 (Unaudited) | 2023 HK\$’000 (Unaudited) |
| Customer I | 32,712 | N/A |
| Customer II | 16,636 | N/A |
| Customer III | 13,258 | N/A |
| Customer IV | N/A | 38,584 |
| Customer V | N/A | 37,989 |
| Customer VI | N/A | 33,609 |
| Customer VII | <u>N/A</u> | <u>24,204</u> |

The revenues from above major customers are all derived from the Contracting segment.

The corresponding revenue of Customers IV, V, VI and VII does not contribute over 10% of the Group’s total revenue from external customers for the six months ended 30 September 2024.

The corresponding revenue of Customers I, II and III did not contribute over 10% of the Group’s total revenue from external customers for the six months ended 30 September 2023.

6. REVENUE AND OTHER GAINS/(LOSSES)

Revenue and other gains/(losses) recognised during the period comprise the following:

| | Six months ended | |
|---|-------------------------|-----------------|
| | 30 September | |
| | 2024 | 2023 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (Unaudited) | (Unaudited) |
| Revenue | | |
| Revenue from Contracting | 112,471 | 213,343 |
| Revenue from Building Solutions | 5,659 | 2,193 |
| Dividend income from financial assets at FVTPL | 262 | 235 |
| Rental income from investment property — fixed payment | 4,034 | 3,481 |
| | <u>122,426</u> | <u>219,252</u> |
| Other gains/(losses) | | |
| Net realised and unrealised gains/(losses) on financial assets at FVTPL | <u>1,108</u> | <u>(2,396)</u> |
| | <u>123,534</u> | <u>216,856</u> |

Timing of revenue recognition within scope of HKFRS 15:

| | Six months ended | |
|---------------------------------|-------------------------|-----------------|
| | 30 September | |
| | 2024 | 2023 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (Unaudited) | (Unaudited) |
| Revenue from Contracting | | |
| — Over time | 112,471 | 213,343 |
| Revenue from Building Solutions | | |
| — At a point in time | <u>5,659</u> | <u>2,193</u> |
| | <u>118,130</u> | <u>215,536</u> |

For timing of revenue recognition, dividend income and rental income falls outside the scope of HKFRS 15.

7. OTHER INCOME

| | Six months ended 30 September | |
|-----------------------------------|----------------------------------|-----------------|
| | 2024 | 2023 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (Unaudited) | (Unaudited) |
| Bank interest income | 427 | 423 |
| Government grants (<i>note</i>) | 97 | – |
| Others | 4 | – |
| | <u>427</u> | <u>423</u> |
| | <u>528</u> | <u>423</u> |

For the six months ended 30 September 2024, HK\$97,000 represented training grants obtained from the Construction Innovation and Technology Fund (“CITF”) under Construction Industry Council. Under the CITF, the Group should commit to spend the grants on Building Information Modeling (“BIM”) training and BIM Software with specific vendors. The Group does not have other unfulfilled obligations relating to these programs.

8. PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE

Profit/(loss) before income tax expense is arrived at after charging/(crediting):

| | Six months ended 30 September | |
|--|----------------------------------|-----------------|
| | 2024 | 2023 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (Unaudited) | (Unaudited) |
| Auditor’s remuneration | 469 | 475 |
| Depreciation of property, plant and equipment | 38 | 280 |
| Depreciation of right-of-use assets | 1,253 | 1,291 |
| Staff costs including directors’ emoluments: | | |
| — Salaries and allowances | 29,705 | 33,114 |
| — Contributions on defined contribution retirement plans | 802 | 760 |
| | <u>30,507</u> | <u>33,874</u> |
| Short term leases expenses | 229 | 252 |
| Foreign exchange (gain)/loss, net | (1,515) | 1,356 |
| Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income | <u>581</u> | <u>400</u> |

9. FINANCE COSTS

| | Six months ended 30 September | |
|--|----------------------------------|--------------|
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Interest expenses on lease liabilities | 134 | 29 |
| Interest expenses on bank borrowings | <u>2,069</u> | <u>2,126</u> |
| | <u>2,203</u> | <u>2,155</u> |

10. INCOME TAX EXPENSE

| | Six months ended 30 September | |
|---|----------------------------------|-------------|
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Current tax — Hong Kong Profits Tax — provision for the period | 324 | 195 |
| Current tax — overseas — provision for the period | <u>—</u> | <u>—</u> |
| | <u>324</u> | <u>195</u> |

Under the Hong Kong two-tiered profits tax rates regime (the “Regime”), the first HK\$2,000,000 of assessable profits of one subsidiary of the Company, which is a qualifying corporation, is taxed at 8.25% and the remaining assessable profits at 16.5%. The profits of other group entities not elected for the two-tiered profits tax rates regime will continue to be taxed at 16.5%.

For the six months ended 30 September 2024 and 2023, Hong Kong profits tax is calculated in accordance with the Regime.

Pursuant to the relevant laws and regulations in Macau and with the short-term tax incentives granted by the Macau Government, the Group’s subsidiary in Macau was subject to complementary tax at the rate of 12% for taxable profits over the tax thresholds of MOP600,000 for the tax year ended 31 December 2023. The Macau Government has not yet announced the tax threshold for the tax year ending 31 December 2024.

The Group’s subsidiary in Ireland is subject to corporation tax of 25%.

11. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings per share for the six months ended 30 September 2024 is based on the profit for the six months ended 30 September 2024 attributable to owners of the Company of approximately HK\$4,171,000 (six months ended 30 September 2023: loss of HK\$4,936,000) and on the weighted average number of 800,000,000 (six months ended 30 September 2023: 800,000,000) ordinary shares of the Company.

Diluted earnings/(loss) per share for the six months ended 30 September 2024 and 2023 were the same as the basic earnings/(loss) per share as there were no dilutive potential shares in existence during the periods.

12. DIVIDENDS

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30 September 2024.

The final dividend of the Company in respect of the year ended 31 March 2024 of HK0.5 cents per ordinary share, amounting to HK\$4,000,000 was paid on 7 October 2024.

13. TRADE AND OTHER RECEIVABLES

| | As at 30 September 2024 <i>HK\$'000</i> (Unaudited) | As at 31 March 2024 <i>HK\$'000</i> (Audited) |
|--|---|---|
| Trade receivables | 11,951 | 37,011 |
| Deposits and other receivables | 909 | 905 |
| Prepayments | 1,450 | 3,336 |
| | 14,310 | 41,252 |
| Less: Non-current portion included in prepayment | (887) | (2,754) |
| | 13,423 | 38,498 |

Notes:

- (i) The credit period granted to customers on final and progress billings is generally between 14 and 60 days from the invoice date.

- (ii) The ageing analysis of trade receivables (net of allowances) at the end of each reporting period based on the invoice date is as follows:

| | As at 30 September 2024 <i>HK\$'000</i> (Unaudited) | As at 31 March 2024 <i>HK\$'000</i> (Audited) |
|----------------|---|---|
| Within 30 days | 11,559 | 36,626 |
| 31–60 days | 46 | 385 |
| 61–90 days | – | – |
| Over 90 days | 346 | – |
| | <u>11,951</u> | <u>37,011</u> |

14. TRADE AND OTHER PAYABLES

| | As at 30 September 2024 <i>HK\$'000</i> (Unaudited) | As at 31 March 2024 <i>HK\$'000</i> (Audited) |
|---|---|---|
| Trade payables (<i>Note (i)</i>) | 14,821 | 18,675 |
| Accruals for costs of contract work | 60,099 | 128,969 |
| Retention payables (<i>Note (ii)</i>) | 23,828 | 22,138 |
| Other payables and accruals | 5,494 | 4,126 |
| | <u>104,242</u> | <u>173,908</u> |

Notes:

- (i) The ageing analysis of trade payables, based on invoice date, as at the end of each reporting period is as follows:

| | As at 30 September 2024 <i>HK\$'000</i> (Unaudited) | As at 31 March 2024 <i>HK\$'000</i> (Audited) |
|--------------|---|---|
| 0–30 days | 14,326 | 18,311 |
| 31–60 days | 143 | 20 |
| 61–90 days | – | – |
| Over 90 days | 352 | 344 |
| | <u>14,821</u> | <u>18,675</u> |

The credit period granted by suppliers is generally between 14 and 60 days from the invoice date and subcontractors is generally within 14 days after receipt of payment from customers.

- (ii) As at 30 September 2024, retention payables of approximately HK\$1,355,000 (31 March 2024: HK\$4,168,000) were expected to be settled beyond twelve months after the end of the reporting period.

15. SHARE CAPITAL

| | Number of ordinary shares | | Share capital | |
|----------------------------------|--|--|---|---|
| | As at 30 September 2024 (Unaudited) | As at 31 March 2024 (Audited) | As at 30 September 2024 <i>HK\$'000</i> (Unaudited) | As at 31 March 2024 <i>HK\$'000</i> (Audited) |
| Ordinary shares of HK\$0.01 each | | | | |
| Authorised: | <u>10,000,000,000</u> | <u>10,000,000,000</u> | <u>100,000</u> | <u>100,000</u> |
| Issued and fully paid | <u>800,000,000</u> | <u>800,000,000</u> | <u>8,000</u> | <u>8,000</u> |

16. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of key management personnel, who are the directors of the Company, for the six months ended 30 September 2024 and 2023 were as follows:

| | Six months ended 30 September | |
|--|--|--|
| | 2024 <i>HK\$'000</i> (Unaudited) | 2023 <i>HK\$'000</i> (Unaudited) |
| Compensation of key management personnel | <u>5,076</u> | <u>4,348</u> |

MANAGEMENT DISCUSSION AND ANALYSIS

GROUP PROFILE

IBI Group Holdings Limited is a publicly listed holding company on the Main Board of the Stock Exchange. The Group focuses on investments in the built environment and the Group's subsidiaries include a building contractor, a high tech building solutions provider, a strategic investment division and a property investment division.

Contracting

Through its contracting subsidiaries, the Group provides world class interior fitting out and building refurbishment services in Hong Kong and Macau.

Whilst acting predominantly as a main contractor, the Group secures and completes projects for clients across many industry sectors including but not limited to banking, legal, hospitality and property development.

The Group's competitive strengths have contributed to its success in contracting and distinguished it from our competitors. We believe our competitive strengths lie in three key specific areas of the business, namely,

1. an established reputation and proven track record;
2. implementation, management and execution expertise; and
3. commitment to the management of risk, cash flow and financial security.

Building Solutions

Building Solutions Limited (“BSL”) provides products and services that enhance the performance and well-being of the built environment in order to provide modern, healthy and high performing spaces for the occupants. Whether improving the air quality of work spaces or reducing energy consumption, BSL strives to identify and implement cutting edge technology to improve the built environment for both building owners and end users.

Strategic Investments

The strategic investments division of the Group was established to make efficient use of its available capital to enter new market sectors and to expand the Group's reach within the built environment.

With a continuing focus on the “Built Environment”, the Group is looking in detail at a wide range of investment opportunities from property development, asset management and new start-ups in the field of building management and technology.

Property Investments

Through its property investment subsidiary, the Group aims to make direct investments into physical property.

Through the purchase of physical real estate, the Group looks to its property investments to provide both additional income to the Group as well as an expansion of its geographical reach.

BUSINESS REVIEW

For the six months ended 30 September 2024, the Group recorded a profit attributable to the owners of the Company after tax of approximately HK\$4.2 million (2023: loss HK\$4.9 million) from revenue and other gains/(losses) totalling approximately HK\$123.5 million (2023: HK\$216.9 million).

1. Contracting

During the six months ended 30 September 2024, the Group recorded profit from contracting of approximately HK\$0.1 million.

Despite a considerable number of tendering opportunities during the period, the market still remains highly competitive. The Group continues to focus its attention on managing risk and has not engaged in overly aggressive bidding, something we cannot say about some of our competitors.

During the period, the Group completed 7 projects and was awarded 6 projects, of which 4 are fitting-out projects and 2 are A&A projects.

Our quality based approach to tendering and our insistence on properly pricing projects is paying off and although the turnover of the period is sharply down from the same period last year, we have been successful in securing numerous projects that will bear fruit in 2025.

Macau has been showing significant signs of improvement and, as a result, we have decided to bring our operations out of hibernation and back into full service. We have secured new premises from which to carry out our operations and our Regional Operations Director Billy Lui, has now started to allocate a significant portion of his time reigniting previous relationships and letting the market know that we are open for business. We look forward to reporting newly secured work as and when it happens.

2. Building Solutions

For the six months ended 30 September 2024, BSL has registered a segment profit of approximately HK\$1.1 million.

This period marked a continuing and significant improvement in the performance of BSL which saw revenue from sales increase 158% year on year. The company has now entered into profitable territory, a significant milestone for this start-up.

Projects secured and executed during the period have been with well known high profile brands and we believe these successes will generate a great deal of positive marketing for BSL. We will look to continue and to improve on this performance for the remainder of this financial year.

3. Strategic Investments

For the six months ended 30 September 2024, the strategic investments division of the Group has registered a segment profit of approximately HK\$1.8 million.

The segment profit is realised from an unrealised fair value gain of our investment in a large Real Estate Investment Trust, a Hong Kong listed company which owns and manages a diversified and high-quality portfolio including retail facilities, car parks, offices and logistics assets across Asia.

The softening interest rate environment continues to improve the outlook of real estate generally and we are expectant of further reductions in the interest rate in 2025.

With regards to the Group's assets in Japan, namely the two adjacent plots of land in Kutchan, Hokkaido, the Group continues to analyse an optimum strategy for the site. The Group continues to look at expanding this project as the analysis shows that a larger scale development could provide significant economies of scale and a far greater return on investment.

Moving forward, the Group will continue to look at potential investment opportunities and we look forward to announcing further successes in this regard.

4. Property Investments

For the six months ended 30 September 2024, the property investment division of the Group has registered a segment profit of approximately HK\$1.1 million.

We are pleased to report that Adelaide Chambers is now one hundred percent occupied as result of us leasing the final remaining unit in the building to one of our existing tenants. We have assisted the tenant in designing and fitting out the space and the result is a very high quality communal space that will form a central part of the tenant's social activities.

We are currently preparing the concept designs for the expansion space on the existing roof area. We have engaged a planning specialist to manage the process and expect to have a pre-planning submission ready and delivered within November to the Dublin planning board. The current design will provide an additional 2,500 sq.ft of space over two floors and will greatly add to both the image of the building and its investment value.

MOVING FORWARD

The electing of Donald Trump as the new President of the United States is likely to produce a great deal of uncertainty in China and Hong Kong and until his strategy becomes clearer, the region will likely experience some volatility.

Irrespective of the above, we feel positive about Hong Kong moving forward and believe that significant momentum is being generated through the various Government initiatives.

The management of risk continues to be a key component for our senior management and we believe that with strong cost control, we will be able to deliver a positive set of full year results.

FINANCIAL REVIEW

Revenue and other gain/(loss), gross profit and gross profit margin

Contracting

The Group is primarily a building contractor focusing on providing renovation services as a main contractor for property projects in the private sector in Hong Kong and Macau. Our two main types of projects are (i) fitting-out projects and (ii) A&A projects.

Revenue by geographical location of projects

| | Six months ended 30 September | | | |
|--------------|-------------------------------|---------------------|-----------------|---------------------|
| | 2024 | | 2023 | |
| | <i>HK\$'000</i> | <i>% of revenue</i> | <i>HK\$'000</i> | <i>% of revenue</i> |
| | (Unaudited) | | (Unaudited) | |
| Hong Kong | 112,471 | 100.0% | 213,343 | 100.0% |
| Macau | – | 0.0% | – | 0.0% |
| Total | 112,471 | 100.0% | 213,343 | 100.0% |

Revenue by type of projects

| | Six months ended 30 September | | | |
|----------------------|-------------------------------|---------------------|-----------------|---------------------|
| | 2024 | | 2023 | |
| | <i>HK\$'000</i> | <i>% of revenue</i> | <i>HK\$'000</i> | <i>% of revenue</i> |
| | (Unaudited) | | (Unaudited) | |
| Fitting-out projects | 87,545 | 77.8% | 174,786 | 81.9% |
| A&A projects | 24,926 | 22.2% | 38,557 | 18.1% |
| Total | 112,471 | 100.0% | 213,343 | 100.0% |

The Group's revenue from contracting for the six months ended 30 September 2024 was approximately HK\$112.5 million, which represented a decrease of approximately HK\$100.9 million or approximately 47.2% over the last corresponding period. The decreases in revenue was mainly attributable to the decrease in number of projects secured in the reporting period and the completion of larger scale projects in the previous period.

The Group's gross profit from contracting business increased by approximately HK\$1.2 million or approximately 11.5% from approximately HK\$10.3 million for the six months ended 30 September 2023 to approximately HK\$11.5 million for the six months ended 30 September 2024. The Group's gross profit margin from contracting for the six months ended 30 September 2024 increased to approximately 10.2% from approximately 4.8% for the six months ended 30 September 2023. The increase in gross profit and gross profit margin was mainly attributable to the lower gross profit margin projects secured in the previous period.

Building Solutions

Our business segment, BSL reported revenue of approximately HK\$5.7 million for the six months ended 30 September 2024 as compared to approximately HK\$2.2 million for the six months ended 30 September 2023, which represented an increase of approximately HK\$3.5 million or 158.1%. Gross profit has also increased by approximately HK\$1.6 million or 140.5% from approximately HK\$1.1 million for the six months ended 30 September 2023 to approximately HK\$2.7 million for the six months ended 30 September 2024. The gross profit margin of BSL for the six months ended 30 September 2024 was approximately 47.3% as compared to approximately 50.7% for the six months ended 30 September 2023. The increase in revenue and gross profit was mainly due to the increased sales for energy efficient lighting products.

Strategic Investments

During the six months ended 30 September 2024, the Group received dividends from financial assets at FVTPL of approximately HK\$0.3 million (2023: HK\$0.2 million) and recognised net unrealised gain on financial assets at FVTPL of approximately HK\$1.1 million as compared to a net realised and unrealised loss of approximately HK\$2.4 million for the six months ended 30 September 2023. For details, please see section headed "Significant investments held" in this announcement.

Property Investments

During the six months ended 30 September 2024, the Group's investment property located in Dublin, Ireland has generated gross rental income of approximately HK\$4.0 million as compared to approximately HK\$3.5 million for the six month ended 30 September 2023. The increase in rental income was mainly due to the relocation of an existing tenant to a larger space in the same building and the conclusion of this new lease.

Administrative and other operating expenses

The administrative and other operating expenses for the six months ended 30 September 2024 were approximately HK\$13.1 million, representing a decrease of approximately HK\$2.8 million or approximately 17.4% from approximately HK\$15.9 million for the six months ended 30 September 2023. The decrease was mainly due to a foreign currency exchange gain recorded in the period as compared to an exchange loss in the previous period and a stringent cost control.

Profit/loss for the period

The Group's profit attributable to the owners of the Company for the six months ended 30 September 2024 amounted to approximately HK\$4.2 million, representing an increase of approximately HK\$9.1 million or approximately 184.5% as compared with a loss of approximately HK\$4.9 million for the six months ended 30 September 2023. Such increase in profit was mainly due to the increase in gross profit and decrease in administrative and other operating expenses as mentioned above.

Bank borrowings

As at 30 September 2024, the Group had bank borrowings of approximately HK\$74.4 million (as at 31 March 2024: HK\$78.0 million). No financial instruments were used for hedging purposes, nor were there any foreign currency net investments hedged by current borrowings and/or other hedging instruments.

Liquidity and financial resources

As at 30 September 2024, the Group had current assets of approximately HK\$219.7 million (as at 31 March 2024: HK\$294.0 million), of which approximately HK\$52.1 million was cash and cash equivalents (as at 31 March 2024: HK\$21.1 million), mainly denominated in Hong Kong dollars. As at 30 September 2024, the Group had non-current liabilities of approximately HK\$0.3 million (as at 31 March 2024: HK\$56.2 million) consisting mainly of lease liabilities (as at 31 March 2024: bank borrowings), and its current liabilities amounted to approximately HK\$186.9 million (as at 31 March 2024: HK\$201.9 million), consisting mainly of payables arising from the normal course of operation. Accordingly, the current ratio of the Company, being the ratio of current assets to current liabilities, was approximately 1.2 as at 30 September 2024 (as at 31 March 2024: 1.5).

Gearing ratio

The gearing ratio of the Group is defined as a percentage of total debts at the end of the reporting period divided by total equity at the end of the reporting period. As at 30 September 2024, the gearing ratio of the Group was approximately 47.3% (as at 31 March 2024: 50.6%). Total debts include bank borrowings and lease liabilities.

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period under review. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Foreign exchange exposure

As at 30 September 2024, the Group's exposure to currency risks was mainly attributable to cash and cash equivalents and bank borrowings, which are denominated in Euro. The Group was exposed to certain foreign currency exchange risks but it does not anticipate future currency fluctuations to cause material operational difficulties or liquidity problems.

Save as disclosed above, the Group's monetary assets and transactions are principally denominated in Hong Kong dollars, it did not have any significant exposure to risk resulting from changes in foreign currency exchange rates during the six months ended 30 September 2024.

During the six months ended 30 September 2024, the Group did not engage in any derivatives activities and did not commit to any financial instruments to hedge its exposure to foreign currency risk.

Capital structure

The shares of the Company were listed on the Main Board of the Stock Exchange on 14 October 2016 (the "**Listing Date**"). There has been no change in the capital structure of the Company since the Listing Date and up to the date of this announcement. The capital of the Company comprises ordinary shares and capital reserves.

Capital commitments

As at 30 September 2024, the Group did not have any significant capital commitments (as at 31 March 2024: nil).

Information on employees

As at 30 September 2024, the Group had 99 employees (as at 30 September 2023: 94), including the executive Directors. Total staff costs (including Directors' emoluments) were approximately HK\$30.5 million for the six months ended 30 September 2024, as compared with approximately HK\$33.9 million for the six months ended 30 September 2023. Remuneration is determined with reference to market norms and individual employees' performance, qualification and experience.

On top of basic salaries, bonuses may be paid by reference to the performance of the Group as well as individuals. Other staff benefits include contributions to Mandatory Provident Fund scheme in Hong Kong and various welfare plans including the provision of pension funds, medical insurance, unemployment insurance and other relevant insurance for employees of our Group.

The salaries and benefits of the Group's employees are kept at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually. The Group also operates a share option scheme adopted by the Company on 20 September 2016 (the "**Share Option Scheme**"), pursuant to which options to subscribe for shares may be granted to the Directors and employees of the Group.

Share Option Scheme

The Company conditionally approved and adopted the Share Option Scheme on 20 September 2016 by passing of a written resolution of the then shareholders of the Company. The Share Option Scheme became effective on the Listing Date and will remain in force until the tenth anniversary of the Listing Date.

The purpose of the Share Option Scheme is to provide the Company a flexible means of giving incentive to, rewarding, remunerating, compensating and providing benefits to eligible participants and for such other purposes as the Board approves from time to time.

Since the adoption of the Share Option Scheme and up to the date of this announcement, no option was granted, exercised, cancelled or lapsed under the Share Option Scheme.

Significant investments held

As at 30 September 2024, the Group had listed equity investments included in financial assets at FVTPL of approximately HK\$7.8 million (as at 31 March 2024: HK\$6.7 million).

During the six months ended 30 September 2024, the Group received dividends of approximately HK\$0.3 million (2023: HK\$0.2 million). The Group recognised a net unrealised gain on financial assets at FVTPL of approximately HK\$1.1 million. The listed equity investments mainly comprised high quality blue chip real estate investment trust listed in Hong Kong. The Group expects to benefit from the receipt of dividends and capital gains in the long term. The Group will continue to monitor and assess the performance of these investments and make timely and appropriate adjustments to enhance the returns on investment for the Group and ultimately benefit the Shareholders as a whole.

As at 30 September 2024, the fair value of each of the listed equity investments represented less than 5% of the total assets of the Group.

In 2022, the Group acquired a property located at Dublin, Ireland (the “**Property**”). The Property is held by the Group to earn rentals and hence is classified as investment property. The Property has generated gross rental income of approximately HK\$4.0 million during the six months ended 30 September 2024. We expect that the Property will generate stable rental income in the future with a potential for capital appreciation.

Save as disclosed above, there was no other significant investment held by the Group.

Future plans for material investments and capital assets

The Group did not have other plans for material investments and capital assets as at 30 September 2024.

Material acquisitions and disposals of subsidiaries and affiliated companies

During the six months ended 30 September 2024, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

Pledge and charges of assets

As at 30 September 2024, pledged deposits amounted to approximately HK\$8.2 million (as at 31 March 2024: HK\$13.4 million) were placed with a bank or an insurer as securities for the performance bonds issued by the bank and insurer to certain customers on their projects. The pledged deposits will be released when the bank or insurer are satisfied that no claims will arise from the projects under the performance bonds.

Contingent liabilities

The Group had no material contingent liabilities as at 30 September 2024 (as at 31 March 2024: nil).

EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the six months ended 30 September 2024 and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 September 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company confirms that, other than the deviation from code provision C.2.1, the Company had complied with all the code provisions ("**Code Provisions**") set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules throughout the six months ended 30 September 2024.

Code Provision C.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Neil David Howard ("**Mr. Howard**") holds both positions. Mr. Howard has been primarily responsible for overseeing our Group's general management and business development and for formulating business strategies and policies for our business management and operations since he joined our Group in 2006. Taking into account the continuation of management and the implementation of our business strategies, our Directors (including our independent non-executive Directors) consider it is most suitable for Mr. Howard to hold both the positions of chief executive officer and the chairman of our Board and the present arrangements are beneficial and in the interests of the Company and our shareholders (the "**Shareholders**") as a whole. The Company will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of our Group as a whole.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its own code of conduct for securities transactions. Following specific enquires of all Directors, all Directors confirm that they have complied with the required standards of dealing as set out in the Model Code throughout the six months ended 30 September 2024.

AUDIT COMMITTEE

The Company established an audit committee of the Company (the “**Audit Committee**”) pursuant to a resolution of the Directors passed on 20 September 2016 with written terms of reference in compliance with Rule 3.21 and Rule 3.22 of the Listing Rules. The written terms of reference of the Audit Committee were adopted in compliance with the Code Provisions. Its terms of reference are available on the websites of the Company and the Stock Exchange. The Audit Committee consists of three independent non-executive Directors, namely Mr. David John Kennedy (chairman), Mr. Robert Peter Andrews and Mr. Christopher John Brooke.

The consolidated interim financial statements for the six months ended 30 September 2024 have not been audited or reviewed by the Company’s external auditors, but have been reviewed by the Audit Committee, and the Audit Committee is of the view that the interim results for the six months ended 30 September 2024 are prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2024.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of both the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.ibighl.com>). An interim report of the Company for the six months ended 30 September 2024 containing all the information required by Appendix D2 to the Listing Rules will be dispatched to the Shareholders and available on the same websites in due course.

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

Hong Kong, 28 November 2024

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. Christopher John Brooke.