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IBI Group Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1547)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

FINANCIAL HIGHLIGHTS

	Year ended 31 March		Increase/ (decrease)
	2025	2024	
	HK\$'000	HK\$'000	
Revenue and other (losses)/gains	331,408	527,246	(37.1)%
Gross profit	44,303	46,813	(5.4)%
Profit before income tax expense	10,432	2,621	298.0%
Profit attributable to the owners of the Company for the year	8,390	350	2,297.1%
Basic and diluted earnings per share (HK cents)	1.0	0.0	2,297.1%

The Board recommended the payment of a final dividend of HK0.5 cents for the year ended 31 March 2025.

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of IBI Group Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2025, together with the comparative figures for the year ended 31 March 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	5	330,863	530,582
Other gains/(losses)	5	545	(3,336)
Revenue and other gains/(losses)	5	331,408	527,246
Direct costs		(287,105)	(480,433)
Gross profit		44,303	46,813
Other income	6	612	977
Change in fair value of investment property		(265)	(10,135)
Administrative and other operating expenses		(30,029)	(30,666)
Finance costs	7	(4,189)	(4,368)
Profit before income tax expense	8	10,432	2,621
Income tax expense	9	(1,911)	(2,320)
Profit for the year		8,521	301
Profit for the year attributable to:			
— Owners of the Company		8,390	350
— Non-controlling interests		131	(49)
		8,521	301
Other comprehensive income, after tax			
Items that may be reclassified subsequently			
to profit or loss:			
Exchange differences arising on translation			
of foreign operations		(19)	(223)
Total comprehensive income		8,502	78
Total comprehensive income			
attributable to:			
— Owners of the Company		8,371	127
— Non-controlling interests		131	(49)
		8,502	78
Earnings per share:	10		
Basic and diluted (HK cents)		1.0	0.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	<i>Notes</i>	2025 HK\$'000	2024 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		85	129
Right-of-use assets		1,669	4,174
Financial assets at fair value through profit or loss		7,208	6,663
Investment property		115,368	113,176
Prepayment	12	<u>–</u>	<u>2,754</u>
Total non-current assets		<u>124,330</u>	<u>126,896</u>
Current assets			
Contract assets		167,225	209,580
Trade and other receivables	12	36,098	38,498
Property under development		10,970	10,956
Inventories		337	444
Pledged deposits		14,695	13,407
Tax recoverable		748	48
Cash and cash equivalents		18,358	21,105
Total current assets		<u>248,431</u>	<u>294,038</u>
Current liabilities			
Trade and other payables	13	123,151	173,908
Lease liabilities		1,759	2,580
Bank borrowings		80,263	23,520
Tax payables		244	1,848
Total current liabilities		<u>205,417</u>	<u>201,856</u>
Net current assets		<u>43,014</u>	<u>92,182</u>
Total assets less current liabilities		167,344	219,078
Non-current liabilities			
Lease liabilities		–	1,759
Bank borrowings		–	54,477
Total non-current liabilities		<u>–</u>	<u>56,236</u>
NET ASSETS		<u>167,344</u>	<u>162,842</u>
Capital and reserves			
Share capital	14	8,000	8,000
Reserves		160,469	156,098
Equity attributable to owners of the Company		168,469	164,098
Non-controlling interests		<u>(1,125)</u>	<u>(1,256)</u>
TOTAL EQUITY		<u>167,344</u>	<u>162,842</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted 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 details of controlling shareholder of the Company are disclosed in the directors' report section to the annual report. The address of its registered office is One Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands. Its principal place of business 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. ADOPTION OF HKFRS ACCOUNTING STANDARDS

(a) Adoption of new/amended HKFRS Accounting Standards — effective 1 April 2024

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of these amended HKFRS Accounting Standards has no material impact on the Group's consolidated financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(b) New/amended HKFRS Accounting Standards that have been issued but are not yet effective

The following new/amended HKFRS Accounting Standards, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments ²
Annual Improvements to HKFRS Accounting Standards — Volume 11 ²	
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective for annual periods beginning on or after a date to be determined by HKICPA

The directors of the Company do not anticipate that the application of the amendments in the future will have material impact on the consolidated financial statements of the Group.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (collectively referred to as the “**HKFRS Accounting Standards**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments and investment property which are measured at fair value.

(c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company and its subsidiaries other than IBI Macau Limited and IBI International Investments Limited, and all values are rounded to the nearest thousand except when otherwise stated.

4. 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 years ended 31 March 2025 and 2024, 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 years ended 31 March 2025 and 2024 are as follows:

Year ended 31 March 2025

	Contracting HK\$'000	Building Solutions HK\$'000	Strategic Investments HK\$'000	Property Investments HK\$'000	Total HK\$'000
Total segment revenue and other (losses)/gains	313,817	8,895	1,075	8,450	332,237
Inter-segment revenue	(829)	—	—	—	(829)
Total revenue from external customers and other sources	312,988	8,895	1,075	8,450	331,408
Segment profit/(loss)	7,395	570	941	2,503	11,409
Unallocated bank interest income					511
Unallocated corporate expenses					(1,488)
Profit before income tax expense					10,432

Year ended 31 March 2024

	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>
Total segment revenue and other (losses)/gains	516,808	5,622	(2,843)	7,659	527,246
Inter-segment revenue	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total revenue from external customers and other sources	516,808	5,622	(2,843)	7,659	527,246
Segment profit/(loss)	15,172	(281)	(3,151)	(8,062)	3,678
Unallocated bank interest income					912
Unallocated corporate expenses					<u>(1,969)</u>
Profit before income tax expense					<u><u>2,621</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 years ended 31 March 2025 and 2024. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The segment assets and liabilities as at 31 March 2025 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	224,986	1,295	18,183	118,836	363,300
Unallocated assets					<u>9,461</u>
					372,761
Segment liabilities	148,819	1,135	20	54,896	204,870
Unallocated liabilities					<u>547</u>
					<u><u>205,417</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 years ended 31 March 2025 and 2024; and
- all liabilities are allocated to reportable and operating segments other than certain other payables for the years ended 31 March 2025 and 2024.

(b) Other segment information

For the year ended 31 March 2025:

	Contracting HK\$'000	Building Solutions HK\$'000	Strategic Investments HK\$'000	Property Investments HK\$'000	Segment Total HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amount included in the measure of segment profit or loss or segment assets:							
Direct costs	281,788	5,314	3	–	287,105	–	287,105
Interest income	–	–	–	–	–	511	511
Interest expenses	(815)	(38)	–	(3,336)	(4,189)	–	(4,189)
Change in fair value of investment property	–	–	–	(265)	(265)	–	(265)
Depreciation of property, plant and equipment	(75)	–	–	–	(75)	–	(75)
Depreciation of right-of-use assets	(2,068)	(437)	–	–	(2,505)	–	(2,505)
Net fair value gains/(losses) on financial assets at FVTPL	–	–	545	–	545	–	545
Additions of property, plant and equipment	31	–	–	–	31	–	31

For the year ended 31 March 2024:

	Contracting HK\$'000	Building Solutions HK\$'000	Strategic Investments HK\$'000	Property Investments HK\$'000	Segment Total HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amount included in the measure of segment profit or loss or segment assets:							
Direct costs	477,628	2,796	9	–	480,433	–	480,433
Interest income	–	–	–	–	–	912	912
Interest expenses	(856)	(27)	–	(3,485)	(4,368)	–	(4,368)
Change in fair value of investment property	–	–	–	(10,135)	(10,135)	–	(10,135)
Depreciation of property, plant and equipment	(127)	(302)	–	–	(429)	–	(429)
Depreciation of right-of-use assets	(2,164)	(391)	–	–	(2,555)	–	(2,555)
Net fair value gains/(losses) on financial assets at FVTPL	–	–	(3,336)	–	(3,336)	–	(3,336)
Additions of property, plant and equipment	72	–	–	–	72	–	72
Write-off of inventories	–	(3)	–	–	(3)	–	(3)
Write-down of inventories	–	(17)	–	–	(17)	–	(17)

(c) **Geographical information**

The Group operates in three principal geographical areas — Hong Kong, Macau and Ireland.

The Group's revenue derived from Contracting, Building Solutions and Property Investments segments from external customers for the years ended 31 March 2025 and 2024 are analysed as follows:

Revenue from external customers	Contracting HK\$'000	2025 Building Solutions HK\$'000	Property Investments HK\$'000
Hong Kong	311,142	8,895	—
Macau	1,846	—	—
Ireland	—	—	8,450
	<u>312,988</u>	<u>8,895</u>	<u>8,450</u>

Revenue from external customers	Contracting HK\$'000	2024 Building Solutions HK\$'000	Property Investments HK\$'000
Hong Kong	516,808	5,529	—
Macau	—	93	—
Ireland	—	—	7,659
	<u>516,808</u>	<u>5,622</u>	<u>7,659</u>

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

Specified non-current assets	As at 31 March	
	2025	2024
	HK\$'000	HK\$'000
Hong Kong	1,754	4,303
Ireland	115,368	113,176
	<u>117,122</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:

	2025	2024
	HK\$'000	HK\$'000
Customer I	101,594	N/A
Customer II	38,772	61,288
Customer III	36,416	N/A
Customer IV	N/A	106,466

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

The corresponding revenue of Customer IV did not contribute over 10% of the Group's total revenue from external customers for the year ended 31 March 2025.

The corresponding revenue of Customers I and III did not contribute over 10% of the Group's total revenue from external customers for the year ended 31 March 2024.

5. REVENUE AND OTHER GAINS/(LOSSES)

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

	2025	2024
	HK\$'000	HK\$'000
Revenue		
Revenue from Contracting	312,988	516,808
Revenue from Building Solutions	8,895	5,622
Dividend income from financial assets at FVTPL	530	493
Rental income from investment property — fixed payment	8,450	7,659
	330,863	530,582
Other gains/(losses)		
Net fair value gains/(losses) on financial assets at FVTPL	545	(3,336)
	331,408	527,246

Timing of revenue recognition within scope of HKFRS 15:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue from Contracting		
— Over time	312,988	516,808
Revenue from Building Solutions		
— At a point in time	<u>8,895</u>	<u>5,622</u>
	<u><u>321,883</u></u>	<u><u>522,430</u></u>

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

The Group has applied the practical expedient to its sales contracts for Contracting and therefore the below information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts for Construction Services that had an original expected duration of one year or less.

6. OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank interest income	511	912
Government grants (<i>Note</i>)	97	65
Others	<u>4</u>	<u>—</u>
	<u><u>612</u></u>	<u><u>977</u></u>

Note:

For the year ended 31 March 2025, approximately 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 did not have other unfulfilled obligations relating to these programs.

For the year ended 31 March 2024, the government grants of approximately HK\$65,000 is received from the Hong Kong Government for participation in large-scale exhibition in Hong Kong. The Group does not have other unfulfilled obligations relating to this program.

7. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest expenses on bank borrowings	3,968	4,221
Interest expenses on lease liabilities	221	147
	<u>4,189</u>	<u>4,368</u>

8. PROFIT BEFORE INCOME TAX EXPENSE

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

	2025 HK\$'000	2024 HK\$'000
Auditor's remuneration	900	938
Depreciation of property, plant and equipment	75	429
Depreciation of right-of-use assets	2,505	2,555
Staff costs including directors' emoluments:		
— Salaries and allowances	62,677	70,878
— Contributions on defined contribution retirement plans	1,568	1,579
	<u>64,245</u>	<u>72,457</u>
Short term leases expenses	212	230
Foreign exchange loss, net	151	537
Write off of inventories	—	3
Write down of inventories	—	17
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income	<u>1,049</u>	<u>932</u>

9. INCOME TAX EXPENSE

	2025 HK\$'000	2024 HK\$'000
Current tax — Hong Kong Profits Tax		
— tax for the year	1,699	2,189
— (over)/under provision in respect of prior years	14	(7)
	<u>1,713</u>	<u>2,182</u>
Current tax — overseas		
— tax for the year	198	218
— over provision in respect of prior years	—	(80)
	<u>198</u>	<u>138</u>
	<u><u>1,911</u></u>	<u><u>2,320</u></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 Group, 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 years ended 31 March 2025 and 2024, 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 threshold of MOP600,000 for the tax year ended 31 December 2024. The Macau Government has not yet announced the tax threshold for the tax year ending 31 December 2025.

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

The Group has applied the temporary exception issued by the HKICPA in July 2023 from the accounting requirements for deferred taxes in HKAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

On 18 December 2023, the government of Ireland, where the subsidiary is incorporated, enacted the Pillar Two income taxes legislation effective from 1 January 2024. Under the legislation, the Group will be required to pay, in top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 per cent.

The Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

10. EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 31 March 2025 is based on the profit for the year attributable to owners of the Company of approximately HK\$8,390,000 (2024: HK\$350,000) and on the weighted average number of 800,000,000 (2024: 800,000,000) ordinary shares in issue during the year.

Diluted earnings per share is the same as the basic earnings per share because the Group has no dilutive potential shares for the years ended 31 March 2025 and 2024.

11. DIVIDENDS

	2025 HK\$'000	2024 HK\$'000
Final dividend paid (<i>Note (i)</i>)	<u>4,000</u>	<u>–</u>

Notes:

- (i) The final dividend in respect of the financial year ended 31 March 2024 of HK0.5 cents per ordinary share amounting to HK\$4.0 million was paid on 7 October 2024.
- (ii) The final dividend in respect of the financial year ended 31 March 2025 of HK0.5 cents per ordinary share, amounting to HK\$4.0 million, has been proposed by the Directors and is subject to approval by the shareholders of the Company at the forthcoming annual general meeting. The final dividend declared subsequent to 31 March 2025 has not been recognised as a liability as at 31 March 2025.

12. TRADE AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables (<i>Notes (i), (ii) and (iii)</i>)	34,224	37,011
Deposits and other receivables	929	905
Prepayments	<u>945</u>	<u>3,336</u>
	36,098	41,252
Less: Non-current portion included in prepayment (<i>Note (iv)</i>)	<u>–</u>	<u>(2,754)</u>
	<u>36,098</u>	<u>38,498</u>

Notes:

- (i) As at 1 April 2023, the Group's trade receivables from contracts with customers amounted to approximately HK\$17,653,000.
- (ii) The credit period granted to customers on final and progress billings is generally between 14 and 60 days from the invoice date.

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

	2025 HK\$'000	2024 HK\$'000
Within 30 days	27,741	36,626
31–60 days	6,483	385
61–90 days	–	–
Over 90 days	–	–
	<u>34,224</u>	<u>37,011</u>

- (iv) It represented the prepayment for renovation of investment property as at 31 March 2024. The renovation was completed during the year and was transferred to investment property accordingly.

13. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables (<i>Note (i)</i>)	17,071	18,675
Accruals for costs of contract work	78,037	128,969
Retention payables (<i>Note (ii)</i>)	23,897	22,138
Other payables and accruals (<i>Note (iii)</i>)	4,146	4,126
	<u>123,151</u>	<u>173,908</u>

Notes:

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

	2025 HK\$'000	2024 HK\$'000
0–30 days	16,707	18,311
31–60 days	1	20
61–90 days	6	–
Over 90 days	357	344
	<u>17,071</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 31 March 2025, retention payables of approximately HK\$2,061,000 (2024: HK\$4,168,000) were expected to be settled beyond twelve months after the end of the reporting period.
- (iii) Included in other payables as at 31 March 2025 were interest payables on bank borrowings of approximately HK\$32,000 (2024: HK\$46,000), refundable rental deposits of approximately HK\$224,000 (2024: HK\$224,000) and rental income received in advances of approximately HK\$361,000 (2024: HK\$nil).

14. SHARE CAPITAL

	Number of ordinary shares		Share capital	
	2025	2024	2025 HK\$'000	2024 HK\$'000
Ordinary shares of HK\$0.01 each:				
Authorised	10,000,000,000	10,000,000,000	100,000	100,000
Issued and fully paid	<u>800,000,000</u>	<u>800,000,000</u>	<u>8,000</u>	<u>8,000</u>

15. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

The remuneration of key management personnel, who are the directors of the Company, for the years ended 31 March 2025 and 2024 were as follows:

	2025 HK\$'000	2024 HK\$'000
Compensation of key management personnel	<u>8,337</u>	<u>7,524</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 year ended 31 March 2025, the Group recorded a profit attributable to the owners of the Company after tax of approximately HK\$8.4 million (2024: HK\$0.4 million) from revenue and other gains/(losses) totalling approximately HK\$331.4 million (2024: HK\$527.2 million).

1. Contracting

During the year ended 31 March 2025, the Group recorded profit from contracting of approximately HK\$7.4 million.

The construction industry has remained under pressure for the majority of the year with tendering conditions continuing to be competitive. Despite securing and completing a higher number of projects during the year, when compared with the previous period, a number of these projects were smaller in size and therefore despite our project teams being extremely busy for the year, the turnover for the Group's construction division dropped significantly.

Irrespective of the turnover, our commercial team's rigid cost control during the projects and their proactive final accounting of completed projects has resulted in a solid set of results for the period.

During the period, the Group completed 12 projects and was awarded 13 projects, of which 11 are fitting-out projects and 2 are A&A projects.

Whilst tendering remained tough, we are happy to report that during the latter part of the period, we achieved significant success securing four large projects that will occupy our teams for a considerable part of 2025. The total value of these four projects exceeded our entire turnover for the 2024/2025 financial year and as a result, we are moving into the 2025/2026 financial year on a very strong basis.

In Macau, we were pleased to secure our first project since re-starting the business. We continue to refresh business relations with our previous clients and we are aggressively tendering to secure further projects.

The market is still challenging but we are confident that we can increase turnover and have this division start to contribute to the Group's results.

2. Building Solutions

For the year ended 31 March 2025, BSL has registered a segment profit of approximately HK\$0.6 million.

This period marked a continuing and significant improvement in the performance of BSL which saw revenue from sales increased 58.2% year on year. The company has now entered into profitable territory, a significant milestone for this start-up.

The team at BSL continue to research and identify new products and we believe the divisions reputation as a provider of high quality building products and services continues to grow.

3. Strategic Investments

For the year ended 31 March 2025, the strategic investments division of the Group has registered a segment profit of approximately HK\$0.9 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.

With regards to the Group's assets in Japan, namely the 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 year ended 31 March 2025, the property investment division of the Group has registered a segment profit of approximately HK\$2.5 million.

The property in Dublin, Ireland (the “**Property**”) continues to produce solid results and we are pleased that we can maintain the building at one hundred percent occupancy.

During the period, we engaged a specialist planning architect to undertake a survey of the west wing roof top area with a view to building additional commercial space. The architect assisted us with putting together an initial design for the space and with this information, we requested and were granted a pre-planning meeting with the local Government planning office.

We are pleased to advise that the planning office gave us positive feedback on our proposal and advised that they would not have any objection to the construction of an additional floor on the west wing of the building. This would provide us with an additional 2,500 sq ft of tenantable space which in turn, would have a positive impact on the valuation of the Property.

MOVING FORWARD

Whilst the trade war between the USA and China had previously created negativity in the business community, the chaos currently being felt globally as a result of Donald Trump’s trade policies could not have been fully anticipated.

Ironically, the volatility currently being experienced worldwide is now benefitting Hong Kong as nervous investors re-direct their funds away from the US and into Asia. We are hoping that this situation continues and can somewhat offset the pain that is currently being felt in Mainland China in the manufacturing sector.

Irrespective of the above, we continue to feel positive about Hong Kong and have noticed a significant increase in in-bound tourism as well as a general improvement in the territories’ energy levels. We are positive on the Hong Kong economy and look forward to increased levels of business through the 2025/2026 financial year.

As always, the management of risk continues to be a key component for our senior management and we believe that with strong cost control and the careful selection of new project opportunities, we will be able to deliver a positive set of full year results.

FINANCIAL REVIEW

Revenue, gross profit and gross profit margin

Contracting

The Group is 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

	Year ended 31 March			
	2025		2024	
	HK\$'000	% of revenue	HK\$'000	% of revenue
Hong Kong	311,142	99.4%	516,808	100.0%
Macau	1,846	0.6%	–	0.0%
Total	312,988	100.0%	516,808	100.0%

Revenue by type of projects

	Year ended 31 March			
	2025		2024	
	HK\$'000	% of revenue	HK\$'000	% of revenue
Fitting-out projects	194,385	62.1%	410,549	79.4%
A&A projects	118,603	37.9%	106,259	20.6%
Total	312,988	100.0%	516,808	100.0%

The Group's revenue from contracting for the year ended 31 March 2025 was approximately HK\$313.0 million, which represented a decrease of approximately HK\$203.8 million or approximately 39.4% over the last financial year. The decrease in the Group's contracting revenue was mainly due to the smaller size projects secured by the Group. Revenue of HK\$1.8 million was recorded from Macau for the year ended 31 March 2025 since its re-start of business during the year.

The Group's gross profit from contracting decreased by approximately HK\$8.0 million or 20.4% from approximately HK\$39.2 million for the year ended 31 March 2024 to approximately HK\$31.2 million for the year ended 31 March 2025. Yet, the Group's gross profit margin from contracting for the year ended 31 March 2025 increased to approximately 10.0% from approximately 7.6% for the year ended 31 March 2024. The increase in gross profit margin was mainly attributable to our commercial team's proactive final accounting.

Building Solutions

Our business segment, BSL reported revenue of approximately HK\$8.9 million for the year ended 31 March 2025 as compared to approximately HK\$5.6 million for the year ended 31 March 2024, which represented an increase of approximately HK\$3.3 million or 58.2%. Gross profit has also increased by approximately HK\$0.8 million or 26.7% from approximately HK\$2.8 million for the year ended 31 March 2024 to approximately HK\$3.6 million for the year ended 31 March 2025. The gross profit margin from BSL for the year ended 31 March 2025 was approximately 40.3% as compared to approximately 50.3% for the year ended 31 March 2024. The increase in revenue of BSL was mainly due to the increased sales of energy efficient lighting products.

Strategic Investments

During the year ended 31 March 2025, the Group received dividends from financial assets at FVTPL of approximately HK\$0.5 million (2024: HK\$0.5 million) and recognised net fair value gains on financial assets at FVTPL of approximately HK\$0.5 million as compared to net fair value losses of approximately HK\$3.3 million for the year ended 31 March 2024. For details, please see section headed "Significant investments held" in this announcement.

Property Investments

During the year ended 31 March 2025, the Group has received gross rental income of approximately HK\$8.5 million from the Property. For details, please see section headed "Significant investments held" in this announcement.

Administrative and other operating expenses

The Group's administrative and other operating expenses for the year ended 31 March 2025 were approximately HK\$30.0 million, representing a decrease of approximately HK\$0.6 million or 2.1% from approximately HK\$30.7 million for the year ended 31 March 2024. The level of administrative and other operating expenses has remained constant as a result of effective cost control.

Income tax expense

The Group's operations are based in Hong Kong, Macau and Ireland, and are subject to (i) Hong Kong profits tax calculated at 8.25% for the first HK\$2 million and 16.5% on the remaining balance of estimated assessable profits during the reporting period; (ii) Macau complementary tax calculated at 12.0% on the taxable profits over the relevant tax threshold during the reporting period; and (iii) Ireland corporation tax of 25%. For the year ended 31 March 2025, the Group recorded income tax expense of approximately HK\$1.9 million (2024: HK\$2.3 million) representing an effective tax rate of approximately 18.3% (2024: 88.5%). The decrease in the Group's effective tax rate during the year ended 31 March 2025 was mainly due to significant fair value loss on investment property in the previous year which was non-deductible for tax purpose.

Profit for the year

The Group's profit attributable to the owners of the Company for the year ended 31 March 2025 amounted to approximately HK\$8.4 million, representing an increase of approximately HK\$8.0 million or 2,297.1% from approximately HK\$0.4 million for the year ended 31 March 2024. Such increase was mainly attributable to (i) the recognition of the unrealised profit generated from financial assets at fair value through profit or loss as compared to an unrealised loss in the previous year; (ii) the recognition of a significant fair value loss on investment property in the previous year; and (iii) improvement in the Building Solutions segment which is now contributing profit to the Group.

Bank borrowings

As at 31 March 2025, the Group had bank borrowings of approximately HK\$80.3 million (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.

The bank borrowing of approximately HK\$54.3 million secured by the investment property of the Group was originally repayable in May 2025. Subsequent to the year end, the Group has applied a loan extension and the bank borrowing is extended to be repayable up to 2027.

Liquidity and financial resources

As at 31 March 2025, the Group had current assets of approximately HK\$248.4 million (31 March 2024: HK\$294.0 million) which comprised cash and cash equivalents of approximately HK\$18.4 million (31 March 2024: HK\$21.1 million), mainly denominated in Hong Kong dollars. As at 31 March 2025, the Group had non-current liabilities of approximately HK\$nil (31 March 2024: HK\$56.2 million) consisting mainly of bank borrowings, and its current liabilities amounted to approximately HK\$205.4 million (31 March 2024: HK\$201.9 million), consisting mainly of payables arising in the normal course of business operation. Accordingly, the current ratio, being the ratio of current assets to current liabilities, was approximately 1.2 times as at 31 March 2025 (31 March 2024: 1.5 times). The Group's working capital requirements were mainly financed by internal resources.

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 31 March 2025, the gearing ratio of the Group was approximately 49.0% (31 March 2024: 50.6%). Total debts include lease liabilities and bank borrowings.

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 31 March 2025, the Group's exposure to currency risks is 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 year ended 31 March 2025.

During the year ended 31 March 2025, 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 31 March 2025, the Group did not have any significant capital commitments (31 March 2024: nil).

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 31 March 2025, the Group had listed equity investments included in financial assets at FVTPL of approximately HK\$7.2 million (31 March 2024: HK\$6.7 million).

During the year ended 31 March 2025, the Group received dividends of approximately HK\$0.5 million. The Group had also recognised a net unrealised gain on financial assets at FVTPL of approximately HK\$0.5 million. The listed equity investments mainly comprised a 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 investment adjustments to enhance the returns on investment for the Group and ultimately benefit the shareholders of the Company (the “Shareholders”) as a whole.

As at 31 March 2025, the fair value of the listed equity investments held by the Group represented less than 5% of the total assets of the Group.

During the year ended 31 March 2023, the Group acquired 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\$8.5 million during the year ended 31 March 2025. A fair value loss of approximately HK\$0.3 million was also recognised for the year. The Property is stated at fair value based on a valuation performed by an independent professional valuer. 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

Save as disclosed in this announcement, the Group did not have other plans for material investments and capital assets as at 31 March 2025.

Material acquisitions and disposals

During the year ended 31 March 2025, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

Pledge of assets

As at 31 March 2025, pledged deposits in the sum of approximately HK\$14.7 million (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 is satisfied that no claims will arise from the projects under the performance bonds.

In addition, the Group's assets pledged for securing bank borrowings comprised an investment property, listed equity investments included in financial assets at FVTPL and trade receivables, which amounted to approximately HK\$115.4 million, HK\$7.2 million and HK\$8.6 million respectively as at 31 March 2025 (31 March 2024: HK\$113.2 million, HK\$6.7 million and HK\$nil respectively).

Contingent liabilities

The Group had no material contingent liabilities as at 31 March 2025 (31 March 2024: nil).

Information on employees

As at 31 March 2025, the Group had 93 employees (31 March 2024: 99), including the executive Directors. Total staff costs (including Directors' emoluments) were approximately HK\$64.2 million for the year ended 31 March 2025, as compared with approximately HK\$72.5 million for the year ended 31 March 2024. Remuneration is determined with reference to market norms and individual employee's performance, qualification and experience.

On top of basic salaries, bonuses may be paid by reference to the Group's performance as well as individual's performance. 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 the 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 by management annually. The Group also operates the Share Option Scheme, pursuant to which options to subscribe for shares of the Company may be granted to the Directors and employees of the Group.

The Group encourages self-development of its employees and provides on-the-job training where appropriate.

EVENTS AFTER THE REPORTING DATE

Save for disclosed in the note “Bank borrowings” above, there were no significant events after the year ended 31 March 2025 and up to the date of this announcement.

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

During the year ended 31 March 2025, neither the Company nor any of its subsidiaries 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 has 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 year ended 31 March 2025.

Our Company complies with all the Code Provisions with the exception for Code Provision C.2.1, which requires the roles of chairman and chief executive be different individuals. Under Code Provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Neil David 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 to and in the interests of the Company and the Shareholders as a whole. Our Company will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of our 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 (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct for securities transactions. Following specific enquires of all the Directors, all the Directors confirm that they have complied with the required standards of dealing as set out in the Model Code throughout the year ended 31 March 2025.

AUDIT COMMITTEE

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

The annual results of the Company for the year ended 31 March 2025 have been reviewed by the Audit Committee which is of the view that the annual results of the Company for the year ended 31 March 2025 are prepared in accordance with applicable accounting standards, rules and regulations and appropriate disclosures have been duly made.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Group’s auditor, BDO Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance has been expressed by BDO Limited on the preliminary announcement.

FINAL DIVIDEND

The Board recommended the payment of a final dividend of HK0.5 cents per share for the year ended 31 March 2025 payable on or about Monday, 6 October 2025. Based on 800,000,000 shares of the Company in issue as at the date of this announcement, it is expected that the total amount of final dividend payable to the Shareholders is HK\$4.0 million in aggregate for the year ended 31 March 2025, subject to an approval of the Shareholders at the 2025 AGM (as defined below).

ANNUAL GENERAL MEETING

The Company will hold its forthcoming annual general meeting on Friday, 5 September 2025 (the “**2025 AGM**”), the notice of which will be published and despatched to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders' entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Tuesday, 2 September 2025 to Friday, 5 September 2025 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the 2025 AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong, for registration not later than 4:30 p.m. on Monday, 1 September 2025.

Subject to the approval of the Shareholders at the 2025 AGM, the proposed final dividend of HK0.5 cents per share will be payable on or about Monday, 6 October 2025 to the Shareholders whose names appear on the register of members of the Company on Friday, 19 September 2025. To ascertain the entitlement of the Shareholders to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 16 September 2025 to Friday, 19 September 2025 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong, not later than 4:30 p.m. on Monday, 15 September 2025.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of both the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.ibighl.com>). An annual report of the Company for the year ended 31 March 2025 containing all the information required by the Listing Rules will be despatched to the Shareholders and available on the aforesaid websites in due course.

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

Hong Kong, 26 June 2025

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. David John Kennedy, Mr. Christopher John Brooke and Ms. Yeung Ka Wai.