

IMS GROUP
HOLDINGS LIMITED
英馬斯集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8136



**IMS
GROUP**

**First Quarterly Report
2023/24**

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the "**Directors**") of IMS Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**" or "**We**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Tam Yat Ming Andrew
(Chairman and Chief Executive Officer)
Mr. Lo King Shun

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Li Chun Hung
Mr. Ha Yiu Wing
Dr. Wilson Lee

COMPANY SECRETARY

Mr. Lee Pui Chung

COMPLIANCE OFFICER

Mr. Tam Yat Ming Andrew

AUTHORISED REPRESENTATIVES

Mr. Tam Yat Ming Andrew
Mr. Lee Pui Chung

AUDIT COMMITTEE

Mr. Li Chun Hung *(Chairman)*
Mr. Ha Yiu Wing
Dr. Wilson Lee

REMUNERATION COMMITTEE

Dr. Wilson Lee *(Chairman)*
Mr. Ha Yiu Wing
Mr. Tam Yat Ming Andrew

NOMINATION COMMITTEE

Mr. Ha Yiu Wing *(Chairman)*
Mr. Li Chun Hung
Dr. Wilson Lee

AUDITOR

Mazars CPA Limited
42nd Floor,
Central Plaza,
18 Harbour Road, Wan Chai,
Hong Kong

LEGAL ADVISERS

As to Hong Kong law:
LC Lawyers LLP
Suite 3106, 31/F,
One Taikoo Place,
979 King's Road, Quarry Bay,
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
13/F, Cambridge House,
Taikoo Place, 981 King's Road,
Island East, Hong Kong

Standard Chartered Bank (Hong Kong)
Limited
26/F, Standard Chartered Tower,
388 Kwun Tong Road,
Kwun Tong, Kowloon,
Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1201, 12/F,
Block C, Seaview Estate,
8 Watson Road, North Point,
Hong Kong

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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Hutchins Drive, P.O.Box 2681,
Grand Cayman KY1-1111,
Cayman Islands

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square,
Hutchins Drive,
P.O.Box 2681,
Grand Cayman KY1-1111,
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK)
Limited
2103B, 21/F, 148 Electric Road,
North Point,
Hong Kong

STOCK CODE

8136

COMPANY'S WEBSITE

www.ims512.com

FINANCIAL HIGHLIGHTS

1. The Group has recorded an unaudited total revenue of approximately HK\$25.6 million for the three months ended 30 June 2023, which represented an increase of approximately 4.9% as compared to the three months ended 30 June 2022.
2. The Group recorded an unaudited profit attributable to owners of the Company for the three months ended 30 June 2023 of approximately HK\$8.8 million, which represented an increase of approximately 46.7% as compared to the three months ended 30 June 2022.
3. The Board does not recommend the payment of interim dividend for the three months ended 30 June 2023.

FIRST QUARTERLY RESULTS

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited condensed consolidation results of the Group for the three months ended 30 June 2023, together with the comparative unaudited figures for the corresponding period in 2022 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED 30 JUNE 2023

	Notes	For the three months ended 30 June	
		2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Revenue	4	25,641	24,357
Cost of sales		(10,366)	(10,647)
Gross profit		15,275	13,710
Other income		325	373
Other gains and losses, net		(4)	(614)
Administrative expenses		(6,011)	(6,185)
Profit from operation		9,585	7,284
Finance costs	5(a)	(47)	(42)
Profit before income tax expense	5	9,538	7,242
Income tax expense	7	(713)	(1,238)
Profit attributable to owners of the Company		8,825	6,004
Other comprehensive loss			
<i>Item that are or may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		(600)	(759)
Other comprehensive loss for the period		(600)	(759)
Total comprehensive income for the period attributable to owners of the Company		8,225	5,245
Earnings per share		HK cents	HK cents
Basic and diluted	8	0.88	0.60

FIRST QUARTERLY RESULTS

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED 30 JUNE 2023

	Attributable to owners of the Company							
	Share capital HK\$'000	Share premium ⁽¹⁾ HK\$'000	Merger reserve ⁽²⁾ HK\$'000	Exchange reserve ⁽³⁾ HK\$'000	Statutory surplus reserve ⁽⁴⁾ HK\$'000	Proposed dividends HK\$'000	Retained profits ⁽⁵⁾ HK\$'000	Total HK\$'000
As at 1 April 2022 (audited)	1,000	50,946	8	(191)	1,324	4,000	18,223	75,310
Profit for the period	-	-	-	-	-	-	6,004	6,004
Other comprehensive loss:								
<i>Items that are or may be reclassified to profit or loss:</i>								
Exchange differences on translating foreign operations	-	-	-	(759)	-	-	-	(759)
Total comprehensive (loss)/income for the period	-	-	-	(759)	-	-	6,004	5,245
As at 30 June 2022 (unaudited)	1,000	50,946	8	(950)	1,324	4,000	24,227	80,555
As at 1 April 2023 (audited)	1,000	50,946	8	(1,210)	1,324	-	24,349	76,417
Profit for the period	-	-	-	-	-	-	8,825	8,825
Other comprehensive loss:								
<i>Items that are or may be reclassified to profit or loss:</i>								
Exchange differences on translating foreign operations	-	-	-	(600)	-	-	-	(600)
Total comprehensive (loss)/income for the period	-	-	-	(600)	-	-	8,825	8,225
As at 30 June 2023 (unaudited)	1,000	50,946	8	(1,810)	1,324	-	33,174	84,642

FIRST QUARTERLY RESULTS

Notes:

- (1) Share premium account of the Group represents the excess of the proceeds received over the nominal value of the Company's shares issued.
- (2) Merger reserve represents the difference between the Company's investment costs in subsidiaries and the aggregated share capital of the subsidiaries whose shares were transferred to the Company pursuant to the reorganisation.
- (3) Exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operation.
- (4) In accordance with the relevant regulation in the People's Republic of China (the "PRC"), a subsidiary operating in the PRC is required to transfer 10% of its profits after tax, as determined under the accounting regulations in the PRC, to the statutory surplus reserve, until the balance of the fund reaches 50% of its usage of its respective registered capital. The accumulated statutory surplus reserve has reached 50% of the registered capital of the PRC subsidiary. The statutory surplus reserve is non-distributable and is subject to certain restrictions set out in the relevant regulations in the PRC. This reserve can be used either to offset against accumulated losses or be capitalised as paid-up capital. However, such balance of the statutory surplus reserve must be maintained at a minimum of 25% of paid-up capital after the above usage.
- (5) Retained profits represents cumulative net profits recognised in the consolidated statements of profit or loss and other comprehensive income.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The Company was incorporated in the Cayman Islands on 15 February 2017, as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The registered office of the Company is located at the offices of Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business is located at Unit 1201, 12/F, Block C, Seaview Estate, North Point, Hong Kong.

The Company, an investment holding company, and its subsidiaries are principally engaged in the sale of light-emitting diode ("**LED**") lighting fixtures and visual-audio system, provision of integrated LED lighting solution services, project consultancy and LED lighting system maintenance services, sale of 3D printing materials and provision of 3D printing services.

In the opinion of the directors of the Company, the Company's immediate and ultimate holding company is The Garage Investment Limited, a company incorporated in British Virgin Islands (the "**BVI**").

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2. BASIS OF PREPARATION

The unaudited condensed consolidated results have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (hereinafter collectively referred to as the “**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), the disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

The unaudited condensed consolidated results have been prepared under historical cost convention.

The principal accounting policies used in the unaudited condensed consolidated financial statements for the three months ended 30 June 2023 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2023, except for the new and revised HKFRSs issued by the HKICPA that are adopted for the first time for the current accounting period of the Group.

The adoption of these new and revised HKFRSs has had no material effect on the amounts reported in these condensed consolidated results and/or disclosures set out in these condensed consolidated results. The Group has not early adopted any new HKFRSs that have been issued but are not yet effective.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3. SEGMENT INFORMATION

During the period, the Group was principally engaged in sale of LED lighting fixtures and visual-audio system, provision of integrated LED lighting solution services, project consultancy and LED lighting system maintenance services, sales of 3D printing materials and provision of 3D printing services. Information reported to the Group's chief operating decision maker, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole. The Group's resources are integrated and as a result, no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

4. REVENUE

Revenue includes the net invoiced value of goods sold, project consultancy and maintenance services rendered and contracts on LED lighting solution projects earned by the Group. The amounts of each significant category of revenue recognised during the respective periods are as follows:

	For the three months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Revenue – at a point in time		
Sale of LED lighting fixtures	13,998	11,629
Sale of visual-audio systems	196	63
Sale of 3D printing materials and provision for 3D printing services	344	1,216
Revenue – over time		
LED lighting system consultation and maintenance services	506	884
Integrated LED lighting solution services	10,597	10,565
	25,641	24,357

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

5. PROFIT BEFORE INCOME TAX EXPENSE

The Group's profit before income tax expense is arrived at after charging:

	For the three months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
(a) Finance costs		
Interest on lease liabilities	47	42
(b) Other items		
Costs of inventories recognised as expenses	7,485	7,648
Auditor's remuneration	152	150
Depreciation of property, plant and equipment		
– Administrative expenses	460	523
– Cost of sales	9	225
Amortisation of intangible assets	30	36
Depreciation of right-of-use assets	698	680
Leases expenses of other premises under short term leases	32	36

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

6. EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS' REMUNERATION

	For the three months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Fees, wages and salaries	4,767	5,057
Post-employment benefits – payment to defined contribution retirement plan	231	244
Other benefits	30	6
	5,028	5,307

7. INCOME TAX EXPENSE

The amount of income tax expense in the condensed consolidated statement of comprehensive income represents:

	For the three months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Current tax		
Hong Kong profits tax – current period	613	595
PRC enterprise income tax (“EIT”) – current period	115	659
Deferred income tax	(15)	(16)
	100	643
Total Income tax expense	713	1,238

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

7. INCOME TAX EXPENSE *(Continued)*

Hong Kong profits tax

Under the two-tiered profits tax rates regime introduced in 2018, the first HK\$2,000,000 of profits of qualifying group entity are taxed at 8.25% and profits above HK\$2,000,000 are taxed at 16.5%. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5%.

PRC EIT

Under the Law of the PRC on EIT (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

For the period ended 30 June 2023, Shenzhen CH Alliance Trading Co., Limited and Bluelite Illumination (Zhongshan) Limited, subsidiaries of the Company, complies with the provisions of the Notice on Applying Inclusive Tax Relief Policies to Small and Micro Enterprises (Cai Shui [2019] No.13), pursuant to which for the period from 1 January 2019 to 31 December 2021, for small and micro enterprises, the portion of annual taxable income not exceeding RMB1,000,000 is subject to a corporate tax rate of 20% on the basis of 25% (further reduce to 12.5% for the period from 1 January 2021 to 31 December 2022) of this portion of its taxable income, and the portion of annual taxable income exceeding RMB1,000,000 but not exceeding RMB3,000,000 is subject to corporate tax rate of 20% on the basis of 50% of this portion of its taxable income.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

8. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	For the three months ended 30 June	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Earnings		
Earnings for the purpose of basic earnings per share	<u>8,825</u>	<u>6,004</u>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share (Note)	<u>1,000,000,000</u>	<u>1,000,000,000</u>

Note:

Diluted earnings per share is same as basic earnings per share as there was no potential dilutive ordinary shares for the three months ended 30 June 2023 and 2022.

9. DIVIDENDS

The Board does not recommend the payment of interim dividend for the three months ended 30 June 2023 (three months ended 30 June 2022: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in provision of light-emitting diode (“LED”) lighting fixtures and integrated LED lighting solution services for retail stores of world-renowned end-user luxury brands mainly in the Asia market, and sales of 3D printing materials and provision of 3D printing services.

For the three months ended 30 June 2023, the Group recorded revenue of approximately HK\$25.6 million and profit attributable to the owners of the Company of approximately HK\$8.8 million, as compared to revenue of approximately HK\$24.4 million and profit attributable to owners of the Company of approximately HK\$6.0 million for the three months ended 30 June 2022. The Group considers that the increase in sale of LED lighting fixtures, which contributed to the increase in revenue and profit attributable to the owners of the Company as compared to the three months ended 30 June 2022.

FINANCIAL REVIEW

Revenue

Our revenue increased by approximately HK\$1.2 million or 4.9%, from approximately HK\$24.4 million for the three months ended 30 June 2022 to approximately HK\$25.6 million for the three months ended 30 June 2023, as revenue from sale of LED lighting fixture has increased due to the effect of recovery of economy from the COVID-19.

Cost of Sales and Gross Profit

Our cost of sales comprise of components, staff costs, subcontracting fee and labour costs and overhead. The cost of sales decreased by approximately HK\$0.2 million or 1.9%, from approximately HK\$10.6 million for the three months ended 30 June 2022 to approximately HK\$10.4 million for the three months ended 30 June 2023, which was remaining stable.

With the increase in revenue, our gross profit increased by approximately HK\$1.6 million or 11.7%, from approximately HK\$13.7 million for the three months ended 30 June 2022 to approximately HK\$15.3 million for the three months ended 30 June 2023, and the gross profit margin increased from approximately 56.3% for the three months ended 30 June 2022 to approximately 59.6% for the three months ended 30 June 2023.

Administrative Expenses

Our administrative expenses decreased by approximately HK\$0.2 million or 3.2%, from approximately HK\$6.2 million for the three months ended 30 June 2022 to approximately HK\$6.0 million for the three months ended 30 June 2023. No material fluctuation was noted.

MANAGEMENT DISCUSSION AND ANALYSIS

Income Tax Expense

Income tax expense has decreased by approximately HK\$0.5 million or 41.7%, from approximately HK\$1.2 million for the three months ended 30 June 2022 to approximately HK\$0.7 million for the three months ended 30 June 2023. It is because the PRC subsidiaries enjoy the benefit from the Tax Relief Policies to Small and Micro Enterprises.

Profit for the period

Profit for the period was approximately HK\$8.8 million for the three months ended 30 June 2023, compared to the profit for the period of approximately HK\$6.0 million for the three months ended 30 June 2022.

Dividend

The Board does not recommend the payment of interim dividend for the three months ended 30 June 2023 (three months ended 30 June 2022: nil).

OUTLOOK

Future Development and Outlook

The Group will continue its efforts to be one of the leading LED lighting solutions providers in Asia. During the three months ended 30 June 2023, approximately 78.1% of our sales originates from the PRC and we believe that the domestic demand from luxury renowned brands will remain active in the PRC market which will therefore require more renovation of retail stores in the PRC's shopping mall. The Group will continue to look for new luxury renowned brands' customers to expand our customer base through our existing network.

Looking ahead, we believe that the recovery brought about by the resumption of cross-border travel will certainly drive the economy growth again, however, there is still uncertainty and with new challenges. We will continue to focus on strengthening our core businesses, and at the same time explore for new business opportunities.

OTHER INFORMATION

DISCLOSURE OF INTERESTS

(a) Interests and short positions of Directors and chief executive in the shares (the "Share(s)"), underlying Shares and debentures of the Company and our associated corporations

As at the date of this report, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long position in the Shares of the Company

<u>Name of Directors</u>	<u>Nature of interest</u>	<u>Number of Shares</u>	<u>Approximate percentage of shareholding in our Company</u>
Mr. Tam Yat Ming Andrew	Interest in controlled corporation ⁽¹⁾	510,000,000	51%

Note:

- (1) 510,000,000 Shares are held by Mr. Tam Yat Ming Andrew ("Mr. Tam") indirectly through The Garage Investment Limited ("Garage Investment"), which is wholly-owned by Mr. Tam.

OTHER INFORMATION

Long position in the Shares of associated corporations

<u>Name of Directors</u>	<u>Name of associated corporation</u>	<u>Nature of interest</u>	<u>Number of Shares</u>	<u>Approximate percentage of shareholding</u>
Mr. Tam	Garage Investment	Beneficial owner	1	100.00%

Save as disclosed above and so far as is known to the Directors, as at the date of this report, none of the Directors nor chief executive of the Company had or was deemed to have any other interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

(b) Interests and short positions of substantial shareholders in the Shares, Underlying Shares and debentures of the Company

As at the date of this report, so far as is known to the Directors, the following entities and individuals (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions (directly or indirectly) in the Shares or underlying Shares of the Company that would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Long position in the Shares

<u>Name</u>	<u>Nature of interest</u>	<u>Number of Shares</u>	<u>Percentage of shareholding</u>
Garage Investment	Beneficial owner	510,000,000	51.00%
Mr. Wan Man Hung ("Mr. Wan")	Beneficial owner and interest of spouse ⁽¹⁾	56,550,000	5.66%
Ms. Yeung Ngai	Beneficial owner and interest of spouse ⁽¹⁾	56,550,000	5.66%
Ms. Ng Wing Sze	Interest of spouse ⁽²⁾	510,000,000	51.00%

OTHER INFORMATION

Notes:

- (1) Ms. Yeung Ngai is the spouse of Mr. Wan by virtue of the SFO, Ms. Yeung Ngai is deemed to be interested in the shares in which Mr. Wan is interested.
- (2) Ms. Ng Wing Sze is the spouse of Mr. Tam. By virtue of the SFO, Ms. Ng Wing Sze is deemed to be interested in the Shares in which Mr. Tam is interested.

Save as disclosed above and so far as is known to the Directors, as at the date of this report, none of the substantial or significant shareholders or other persons, other than the Directors and chief executive of the Company whose interests are set out in the section "Disclosure of interests – Interests and short positions of Directors and chief executive in Shares, underlying Shares and debentures of the Company and our associated corporations" above, had any interest or a short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

A share option scheme (the "**Share Option Scheme**") was approved and conditionally adopted by the then shareholders of the Company by way of written resolutions on 22 December 2017.

No share options have been granted by the Company under the Share Option Scheme since its adoption.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors (the "**Code of Conduct**") on terms no less exacting than the required standard of dealings set out in Rules 5.46 to 5.67 of the GEM Listing Rules (the "**Required Standard Dealings**"). The Company had also made specific enquiry of all the Directors and each of them was in compliance with the Code of Conduct and Required Standard Dealings up to the date of this report.

COMPETING INTERESTS

None of the Directors or the controlling shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) has any business or interest in a business that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the three months ended 30 June 2023.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the three months ended 30 June 2023.

CORPORATE GOVERNANCE

The Board is committed to maintaining high standards of corporate governance in order to uphold the transparency of the Group and safeguard interests of the shareholders.

The Company has adopted the Corporate Governance Code (the "CG Code") as stated in Appendix 15 of the GEM Listing Rules except for the deviation from code provision A.2.1 of the CG Code.

Pursuant to code provision A.2.1 of the CG Code, the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. In view of Mr. Tam Yat Ming Andrew, being the founder of the Group and his experience and his roles in the Group, the Board considers it beneficial to the business prospect and operational efficiency of the Group that Mr. Tam Yat Ming Andrew acts as the chairman of the Board (the "Chairman") and continues to act as the CEO.

The Directors consider that the current structure does not impair the balance of power and authority between the Board and the management of the Company given the appropriate delegation of the power of the Board and the effective functions of the independent non-executive Directors. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of Chairman and CEO is necessary.

The Chairman is responsible for the Group's strategic planning and the management of the operations of the Board, while the CEO takes the lead in the Group's operations and business development. There is a clear division of responsibilities between the Chairman and CEO of the Company which provides a balance of power and authority.

EVENTS AFTER THE REPORTING PERIOD

The Group does not have any material subsequent events after the reporting period and up to the date of this report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as at the date of this report.

OTHER INFORMATION

AUDIT COMMITTEE

The financial information in this report has not been audited by the auditor of the Company. Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established the audit committee (the "**Audit Committee**") with written terms of reference aligned with the provision of the code provisions set out in Appendix 15 of the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this report, the Audit Committee comprises Mr. Li Chun Hung (Chairman), Mr. Ha Yiu Wing and Dr. Wilson Lee, all being the independent non-executive Directors.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Company for the three months ended 30 June 2023 and is of the opinion that such results complied with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

By Order of the Board
IMS Group Holdings Limited
Tam Yat Ming Andrew
Chairman and Chief Executive Officer

Hong Kong, 9 August 2023

As at the date of this report, the Board comprises Mr. Tam Yat Ming Andrew (Chairman and Chief Executive Officer) and Mr. Lo King Shun as Executive Directors, Mr. Li Chun Hung, Mr. Ha Yiu Wing and Dr. Wilson Lee as Independent Non-executive Directors.