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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2018

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.

*This announcement, 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 (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 announcement 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 announcement misleading.*

ANNUAL RESULTS

The board of Directors (the "**Board**") of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2018, together with the comparative audited figures for the corresponding period of last year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Notes	**2018** **HK$'000**	2017 HK$'000
Revenue	*5*	**65,946**	67,443
Direct costs		**(31,588)**	(28,560)
Gross profit		**34,358**	38,883
Other income		**97**	358
Other gains and losses, net		**(16)**	1,448
Administrative expenses		**(20,962)**	(15,711)
Finance costs		**(147)**	—
Listing expenses		**(13,105)**	(4,123)
Profit before income tax expense	*6*	**225**	20,855
Income tax expense	*8*	**(3,750)**	(4,428)
(Loss)/profit for the year and attributable to owners of the Company		**(3,525)**	16,427
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		**803**	(85)
Other comprehensive income for the year and attributable to owners of the Company, net of tax		**803**	(85)
Total comprehensive income for the year and attributable to owners of the Company		**(2,722)**	16,342
(Loss)/earnings per share			
Basic and diluted	*10*	**HK cents (0.44)**	HK cents 2.19

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Notes	**2018** **HK$'000**	2017 *HK$'000*
Non-current assets			
Property, plant and equipment		**752**	583
Deposit paid under operating leases	*11*	**640**	—
		1,392	583
Current assets			
Inventories		**552**	573
Trade and other receivables	*11*	**15,736**	17,665
Tax recoverable		**3,113**	299
Cash and cash equivalents		**55,238**	31,755
		74,639	50,292
Total assets		**76,031**	50,875
Current liabilities			
Trade and other payables	*12*	**13,441**	16,438
Deferred income		**231**	137
Dividend payable		**—**	20,000
Current tax liabilities		**2,032**	3,216
		15,704	39,791
Net current assets		**58,935**	10,501
Total assets less current liabilities		**60,327**	11,084

	Notes	**2018**	2017
		HK$'000	*HK$'000*
Non-current liabilities			
Other payables	*12*	**164**	215
Deferred income		**144**	39
Deferred tax liabilities		**—**	35
		308	289
Total liabilities		**16,012**	40,080
NET ASSETS		**60,019**	10,795
Equity			
Share capital	*13*	**1,000**	—[1]
Reserves		**59,019**	10,795
TOTAL EQUITY		**60,019**	10,795

[1] Represents amount less than HK$1,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 March 2018

1. GENERAL INFORMATION

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. Since 13 October 2017, the principal place of business has been changed from Unit 1201, Block C, Seaview Estate, No.8 Watson Road, Hong Kong to Room 1, 18/F, 148 Electric Road, North Point, Hong Kong.

The Company has listed its shares on the GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 25 January 2018.

The Company, an investment holding company, and its subsidiaries (together referred to the "**Group**") are principally engaged in the sale of LED lighting fixtures and visual-audio system, provision of integrated LED lighting solution services, project and consultancy and LED lighting system maintenance services (the "**Listing Business**").

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new/ revised HKFRSs — effective 1 April 2017

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKFRS 12, Disclosure of Interests in Other Entities

Amendments to HKAS 7 — Disclosure Initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The adoption of the amendments has led to the additional disclosure presented in the note to the consolidated statement of cash flow.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

(a) Adoption of new/ revised HKFRSs — effective 1 April 2017 *(Continued)*

Amendments to HKAS 12 — Recognition of Deferred Tax Assets for Unrealised Losses

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured of fair value.

The adoption of the amendments has no impact on these financial statements as the clarified treatment is consistent with the manner in which the Group has previously considered for recognition of deferred tax assets.

Annual Improvements to HKFRSs 2014-2016 Cycle — Amendments to HKFRS 12, Disclosure of Interests in Other Entities

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 12, Disclosure of Interests in Other Entities, to clarify that the disclosure requirements of HKFRS 12, other than the requirements to disclose summarised financial information, also apply to an entity's interests in other entities classified as held for sale or discontinued operations in accordance with HKFRS 5, Non-Current Assets Held for Sale and Discontinued Operations.

The adoption of the amendments to HKFRS 12 has no impact on these financial statements as the Group does not have interests in other entities classified as held for sale or discontinued operations in accordance with HKFRS 5.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's 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.

Annual Improvements to HKFRSs 2014-2016 Cycle	Amendments to HKFRS 1, First-time adoption of Hong Kong Financial Reporting Standard[1]
Amendments to HKAS 40	Transfers of Investment property[1]
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions[1]
HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15)[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instrument with HKFRS 4 Insurance Contracts[1]
HK (IFRIC) — Interpretation 22	Foreign Currency Transactions and Advance Consideration[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[2]
HKFRS 16	Lease[2]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2015-2017 Cycle[2]
HK (IFRIC) — Interpretation 23	Uncertainty over Income Tax Treatments[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint venture[3]

[1] Effective for annual periods beginning on or after 1 January 2018
[2] Effective for annual periods beginning on or after 1 January 2019
[3] Effective for annual periods beginning on or after a date to be determined

The Group is in the process of making an assessment of the potential impacts of these new and revised HKFRSs on the financial statements of the Group in the initial application and the expected impacts on the Group's financial performance and position are set out below:

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

(b) New/revised HKFRSs that have been issued but are not yet effective *(Continued)*

HKFRS 9 — Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at FVTOCI if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets.

Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at FVTPL.

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

The directors of the Company consider that the adoption of HKFRS 9 in future will not have a significant impact on the Group's financial performance and position, but in general the new impairment requirements will result in earlier recognition of credit losses of the Group's trade and other receivables. The expected credit loss model under HKFRS 9 requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. Therefore, it is no longer necessary for a credit event to have occurred before credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition considering all reasonable and supportable information, including that which is forward-looking.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

(b) New/revised HKFRSs that have been issued but are not yet effective *(Continued)*

HKFRS 9 — Financial Instruments (Continued)

In the opinion of the directors of the Company, based on the historical experience of the Group, the default rate of the outstanding balances with customers and other debtors is low. Hence, the directors of the Company anticipate that application of the new impairment requirements under HKFRS 9 would not have material impact on the Group's future financial statements. The above assessments were made based on currently available information and may be subject to changes arising from further reasonable and supportable information being subsequently made available to the Group when the Group adopts HKFRS 9 on the effective date of 1 April 2018.

HKFRS 15 — Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

HKFRS 15 requires the application of a 5 steps approach to revenue recognition:

1. Identify the contract with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

2. **ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")** *(Continued)*

(b) New/revised HKFRSs that have been issued but are not yet effective *(Continued)*

HKFRS 15 — Revenue from Contracts with Customers (Continued)

The Group has performed a review of the current contractual arrangements with its customers, and the directors of the Company do not anticipate that the adoption of HKFRS 15 will have a significant impact on the Group's future financial performance and position, but more extensive disclosures on the Group's revenue transactions are required, except for the accounting for construction project in progress.

Under HKFRS 15, accounting for construction project in progress under input methods means that there may not be a direct relationship between the Group's costs incurred and the transfer of control of goods or services to its customers, therefore an adjustment to the measure of progress may be required. As a result, the directors consider that the adoption of input method under HKFRS 15 could lead to earlier or later recognition of both revenue and costs incurred for construction project in progress. However, the assessment is subject to changes from the ongoing analysis of the Group's contracts that are not completed as at the effective date of HKFRS 15 on 1 April 2018.

Amendments HKFRS 15 — Revenue from Contracts with customers (Clarification to HKFRS 15)

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

HKFRS 16 Lease

HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases" and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

2. **ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")** *(Continued)*

(b) New/revised HKFRSs that have been issued but are not yet effective *(Continued)*

HKFRS 16 Lease (Continued)

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The total future minimum lease payments under non-cancellable operating leases of the Group in respect of office premises and office equipment as at 31 March 2018 amounted to approximately HK$3,407,000. The directors of the Company do not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's financial performance but it is expected that the Group has to separately recognise the interest expense on the lease liabilities and the depreciation expense on the right-of-use assets, and that certain portion of the future minimum lease payments under the Group's operating leases will be required to be recognised in the Group's consolidated statement of financial position as right-of-use assets and lease liabilities.

The Group will also be required to remeasure the lease liabilities upon the occurrence of certain events (e.g. a change in the lease term) and recognise the amount of the remeasurement of the lease liabilities as an adjustment to the right-of-use assets. In addition, payments for the principal portion of the lease liabilities will be presented within financing activities in the Group's consolidated cash flow statement.

HK (IFRIC) — Interpretation 22 — Foreign Currency Transactions and Advance Consideration

The interpretation specifies that the date of a transaction for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income (or part of it) when the related consideration was paid or received in advance is the date the advance consideration was initially recognised.

In other words, on initial recognition of the related income, expense or asset, the consideration paid or received in advance should not be re-measured for changes in exchange rates occurring between the date of initial recognition of the advance consideration and the date of recognition of the transaction to which that consideration relates.

The interpretation will not have material impact on the financial performance or position of the Group.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

(b) New/revised HKFRSs that have been issued but are not yet effective *(Continued)*

HK (IFRIC) — Interpretation 23 — Uncertainty over Income Tax Treatments

The interpretation clarifies how to apply the recognition and measurement requirements in HKAS 12 Income Taxes when there is uncertainty over income tax treatments, addressing four specific issues:

— Whether an entity considers uncertain tax treatments separately;

— The assumptions an entity should make about the examination of tax treatments by taxation authorities;

— How an entity determines taxable profit or loss, tax bases, unused tax losses, unused tax credits and tax rates; and

— How an entity considers changes in facts and circumstances

The interpretation will not have material impact on the financial performance or position of the Group.

3. BASIS OF PRESENTATION AND PREPARATION

(a) Basis of presentation

Prior to the incorporation of the Company and the completion of the group reorganisation ("**Reorganisation**") on 23 May 2017, the Listing Business was carried on by Pangaea Holdings Limited ("**Pangaea**") and its subsidiaries (hereinafter collectively referred to as the "**Operating Companies**").

Immediately prior to and after the Reorganisation, the Listing Business is held by the Operating Companies. Pursuant to the Reorganisation, the Listing Business is transferred to and held by the Company. The Company and MISG Investment Limited have not been involved in any other business prior to the Reorganisation. The share transfers or swap have no substance and do not form a business combination. The Reorganisation is merely a reorganisation of the Listing Business with no change in management of such business and the ultimate owners of the Listing Business remain the same. Accordingly, the Group resulting from the Reorganisation is regarded as a continuation of the Listing Business and the consolidated financial statements have been prepared and presented as a continuation of the consolidated financial statements of the companies now comprising the Group, with the assets and liabilities of the Group recognised and measured at the carrying amounts of the Listing Business under the consolidated financial statements of the companies now comprising the Group for all periods presented.

3. BASIS OF PRESENTATION AND PREPARATION *(Continued)*

(a) Basis of presentation *(Continued)*

The consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the years ended 31 March 2018 and 2017 have been prepared using the historical financial information of the companies now comprising the Group as if the group structure under the Reorganisation had been in existence throughout those years. The consolidated statement of financial position of the Group as at 31 March 2017 has been prepared to present the assets and liabilities of the companies now comprising the Group at that date, as if the group structure under the Reorganisation had been in existence as at that date. All significant intra-group transactions and balances amongst the companies now comprising the Group have been eliminated on combination.

(b) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations (hereinafter collectively referred to as the "**HKFRSs**") 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 GEM of The Stock Exchange ("**GEM Listing Rules**").

(c) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis.

(d) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company, and all values are rounded to the nearest thousands, except when otherwise indicated. Each entity in the Group maintains its books and records in its own functional currency.

4. SEGMENT INFORMATION

Operating segments

During the year, 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. 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. SEGMENT INFORMATION *(Continued)*

Geographical information

The following table sets out the information about the geographical location of the Group's revenue from external customers and non-current assets other than financial instruments ("**Specified non-current assets**").

The Group comprises the following major geographical segments:

	Revenue from external customers by customers' location	
	2018	2017
	HK$'000	*HK$'000*
Hong Kong (place of domicile)	**11,383**	33,280
Asia (excluding Hong Kong and the PRC)	**23,436**	22,953
The PRC	**27,827**	8,799
Europe	**505**	1,584
Others	**2,795**	827
	54,563	34,163
	65,946	67,443

	Specified non-current assets by assets' location	
	2018	2017
	HK$'000	*HK$'000*
Hong Kong (place of domicile)	**735**	568
The PRC	**17**	15
	752	583

4. SEGMENT INFORMATION *(Continued)*

Information about major customers

Revenue attributed from customer that accounted for 10% or more of the Group's total revenue during the year is as follows:

	2018	2017
	HK$'000	*HK$'000*
Customer A	**N/A**	7,753

No customer accounted for 10% or more of the Group's total revenue for the year ended 31 March 2018 (2017: 1 customer).

5. 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 year are as follows:

	2018	2017
	HK$'000	*HK$'000*
Revenue		
Sale of LED lighting fixtures	**59,686**	51,037
Integrated LED lighting solution services	**2,013**	10,583
LED lighting system consultation and maintenance services	**2,555**	1,388
Sale of visual-audio systems	**1,692**	4,435
	65,946	67,443

6. PROFIT BEFORE INCOME TAX EXPENSE

The Group's profit before income tax expense is arrived at after charging/(crediting):

	2018	2017
	HK$'000	*HK$'000*
Costs of inventories recognised as expenses	**27,331**	22,923
Auditors' remuneration	**854**	300
Depreciation	**426**	300
Operating lease rentals in respect of:		
— Land and buildings	**2,173**	1,692
— Plant and equipment	**48**	32
Provision of impairment of trade receivables *(Note 11)*	**725**	133
Reversal of impairment of trade receivables previously recognised *(Note 11)*	**(66)**	—
Employee benefit expenses *(Note 7)*	**16,733**	14,985
Listing expenses	**13,105**	4,123

7. EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS' REMUNERATION

	2018	2017
	HK$'000	*HK$'000*
Fees, wages and salaries	**15,452**	14,330
Post-employment benefits — payment to defined contribution retirement plan	**564**	432
Other benefits	**717**	223
	16,733	14,985

Employee benefit expenses included amounts of HK$1,018,000 (2017: HK$1,018,000) charged to profit or loss as research and development expenditure for the year ended 31 March 2018.

8. INCOME TAX EXPENSE

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

	2018	2017
	HK$'000	*HK$'000*
Current tax — Hong Kong profits tax		
— current year	**401**	3,341
— under/(over)-provision in respect of prior years	**138**	(11)
	539	3,330
Current tax — overseas profits tax		
— current year	**3,246**	1,106
	3,246	1,106
Deferred tax credit	**(35)**	(8)
Income tax expense	**3,750**	4,428

Hong Kong profits tax is calculated at 16.5% (2017: 16.5%) of the estimated assessable profits during the year.

The PRC subsidiary is subject to PRC Enterprise Income Tax at 25% (2017: 25%) during the year.

9. DIVIDENDS

No dividend has been paid or declared by the Company since its date of incorporation.

On 26 January 2017, an interim dividend of HK$20,000 per ordinary share and in aggregation of HK$20,000,000 was declared by Pangaea to its then shareholders. The dividend was fully settled by cash during the year ended 31 March 2018.

10. (LOSS)/EARNINGS PER SHARE

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

	2018	2017
	HK$'000	*HK$'000*
(Loss)/earnings		
(Loss)/earnings for the purpose of basic (loss)/earnings per share	**(3,525)**	16,427

	Number of shares	
	2018	2017
Number of shares		
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share *(Note)*	**795,205,480**	750,000,000

Note:

Weighted average of 750,000,000 ordinary shares for the year ended 31 March 2017, being the number of shares in issue immediately after the completion of capitalisation issue of shares as detailed in Note 13, are deemed to have been issued throughout the year ended 31 March 2017 and up to 24 January 2018, immediately before the completion of the public offer and placing of shares during the year ended 31 March 2018.

Weighted average of 795,205,480 ordinary shares for the year ended 31 March 2018 is calculated based on the weighted average of approximately 45,205,480 ordinary shares issued upon the share offer during the year ended 31 March 2018, in addition to the aforementioned 750,000,000 ordinary shares for the year ended 31 March 2017.

Diluted (loss)/earnings per share is same as basic (loss)/earnings per share as there was no potential dilutive ordinary shares for the years ended 31 March 2018 and 2017.

11. TRADE AND OTHER RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Trade receivables *(note (a))*	**14,607**	15,499
Other receivables	**109**	64
Prepayments and deposits	**1,660**	2,102
Total	**16,376**	17,665
Less: Non-current portion		
Deposits paid under operating leases	**(640)**	-
Current portion	**15,736**	17,665

(a)

	2018	2017
	HK$'000	*HK$'000*
Trade receivables	**18,460**	18,674
Less: provision for impairment on trade receivables	**(3,853)**	(3,175)
	14,607	15,499

Trade receivables are non-interest bearing. The Group does not hold any collateral or other credit enhancements over these balances.

Customers are generally granted a credit period between 0 and 30 days. Applications for progress payments on projects are made on a regular basis.

The following is an analysis of trade receivables by age based on invoice date:

	2018	2017
	HK$'000	*HK$'000*
Less than 1 month	**6,669**	11,154
1 to 3 months	**5,165**	1,905
3 months to 6 months	**770**	253
More than 6 months but less than one year	**1,047**	1,044
More than one year	**956**	1,143
	14,607	15,499

11. TRADE AND OTHER RECEIVABLES *(Continued)*

(a) *(Continued)*

Movements in provision for impairment of trade receivables are as follows:

	2018	2017
	HK$'000	*HK$'000*
At beginning of the year	**3,175**	3,042
Impairment losses recognised	**725**	133
Reversal of impairment loss previously recognized	**(66)**	—
Exchange realignment	**19**	—
At the end of the year	**3,853**	3,175

At the end of each reporting period, the Group reviews receivables for evidence of impairment on both an individual and collective basis. The above impairment of trade receivables of approximately HK$3,853,000 (2017: HK$3,175,000) was made for individually impaired trade receivables with an aggregate carrying amount of approximately HK$6,501,000 (2017: HK$4,178,000) as at 31 March 2018. These individually impaired trade receivables include customers who have ceased business relationship with the Group and could no longer be contacted by the Group.

The ageing of trade receivables that are not individually nor collectively considered to be impaired is as follows:

	2018	2017
	HK$'000	*HK$'000*
Not past due	**1,646**	—
Less than 1 month past due	**5,581**	10,352
1 to 3 months past due	**3,759**	1,812
More than 3 months past due but less than 12 months past due	**973**	1,205
More than one year past due	**—**	1,127
	11,959	14,496

Trade receivables that were neither past due nor impaired relate to customers for whom there is no recent history of default.

Trade receivables that were past due but not impaired relate to customers that have a good track record with the Group. Based on past experience, management is of the opinion that no provision for impairment is necessary in respect of these receivables as there has not been a significant change in credit quality and the credit risk is minimal.

12. TRADE AND OTHER PAYABLES

	2018	2017
	HK$'000	*HK$'000*
Trade payables *(note (a))*	**4,718**	11,424
Other payables:		
Receipts in advance	**3,060**	1,204
Provision of warranties	**275**	451
Other payables and accruals	**5,552**	3,574
Total	**13,605**	16,653
Less : Non-current portion		
Provision of warranties	**(164)**	(215)
Total current portion	**13,441**	16,438

(a) An ageing analysis of trade payables based on invoice date is as follows:

	2018	2017
	HK$'000	*HK$'000*
Current or less than 1 month	**3,127**	5,171
1 to 3 months	**1,064**	593
4 to 6 months	**—**	967
7 to 12 months	**—**	1,245
More than 1 year	**527**	3,448
	4,718	11,424

The Group's trade payables are non-interest bearing. The credit period granted by suppliers is generally between 0 and 30 days.

13. SHARE CAPITAL

	Notes	**Number of ordinary shares**	**Amount**
			HK$
Authorised:			
Ordinary shares of HK$0.001 each			
At 15 February 2017 (date of incorporation) and 31 March 2017	*(i)*	380,000,000	380,000
Increase in authorised share capital during the year	*(iii)*	9,620,000,000	9,620,000
At 31 March 2018		10,000,000,000	10,000,000
Issued and fully paid:			
Ordinary shares of HK$0.001 each			
At 15 February 2017 (date of incorporation) and 31 March 2017	*(i)*	100	—
Issue of shares upon Reorganisation	*(ii)*	900	1
Capitalisation issue of shares	*(iv)*	749,999,000	749,999
Issue of shares by way of public offer and placing	*(v)*	250,000,000	250,000
At 31 March 2018		1,000,000,000	1,000,000

(i) The Company was incorporated in the Cayman Islands on 15 February 2017 with an authorised share capital of HK$380,000 divided into 380,000,000 ordinary shares of HK$0.001 each. Upon incorporation, 1 ordinary share of HK$0.001 each was allotted and issued to the initial subscriber at HK$0.001, which was transferred to The Garage Investment Limited ("**Garage Investment**") on the same day, at par value. On the same day, 54 ordinary shares were issued and allotted to Garage Investment and 45 ordinary shares were issued and allotted to Eight Dimensions Investment Limited ("**Eight Dimensions**").

(ii) On 23 May 2017, 495 ordinary shares of the Company were issued and allotted to Garage Investment and 405 ordinary shares of the Company were issued and allotted to Eight Dimensions, all credited as fully paid, as consideration for the acquisition of the entire issued share capital of Pangaea. Immediately upon completion of Reorganisation, Pangaea became a wholly-owned subsidiary of the Company.

13. SHARE CAPITAL *(Continued)*

(iii) Pursuant to a written resolution passed on 22 December 2017, the authorised share capital of the Company was increased from HK$380,000 divided into 380,000,000 shares of HK$0.001 each to HK$10,000,000 divided into 10,000,000,000 shares of HK$0.001 each by the creation of additional 9,620,000,000 shares.

(iv) Pursuant to a written resolution passed on 22 December 2017, the directors of the Company were authorised to capitalise an amount of HK$749,999 standing to the credit of the share premium account of the Company to pay up in full at par 749,999,000 shares ("**Capitalisation Issue**") for allotment and issue to Garage Investment and Eight Dimensions, each ranking pari passu in all respects with the then existing issued shares, and directors of the Company were authorised to give effect to such Capitalisation Issue.

(v) On 25 January 2018, the Company's shares were listed on the GEM of the Stock Exchange and 250,000,000 new shares of the Company were issued for a cash consideration of HK$0.25 per share.

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.

For the year ended 31 March 2018, the Group recorded revenue of approximately HK$65.9 million and loss attributable to the owners of parent of approximately HK$3.5 million, as compared to revenue of HK$67.4 million and profit attributable to owners of the Company of HK$16.4 million for the year ended 31 March 2017. The Group considers the decline in revenue was mainly caused by delay in revenue recognition as a result of delay in handover of certain projects to our customers. As for the decline in profit attributable to owners of the Company, it was caused by increase in non-recurring listing expenses in accordance to the listing progress, increase in staff costs owing to increase in average salary and number of staff, and increase in the Group's administrative expenses for the year ended 31 March 2018 as compared to last year because of higher professional fees incurred relating to the listing of the Company's shares on GEM (the "**Listing**") and higher rental expenses incurred as the Group has entered into a tenancy agreement for its headquarter during the year.

The following table sets forth the details of the Group's revenue sources:

	For the year ended 31 March			
	2018		2017	
Revenue sources	***HK$'million***	***%***	*HK$'million*	*%*
Sales of LED lighting fixtures	**59.7**	**90.6**	51.0	75.7
Integrated LED lighting solution services	**2.0**	**3.0**	10.6	15.7
LED lighting system consultation and maintenance services	**2.5**	**3.8**	1.4	2.1
Sales of visual-audio systems	**1.7**	**2.6**	4.4	6.5
	65.9	**100.0**	67.4	100.0

Sales of LED lighting fixtures

Our revenue generated from sales of LED lighting fixtures has increased from HK$51.0 million for the year ended 31 March 2017 to HK$59.7 million for the year ended 31 March 2018, representing an increase of 17.1% in this segment. Upon the commencement of business of Shenzhen CH Alliance Trading Co. Ltd at the end of 2016, we have set up a platform to enter the People's Republic of China ("**PRC**") market and hence increased our revenue through this platform.

Integrated LED lighting solution services

Our revenue generated from integrated LED lighting solution services has drastically decreased from HK$10.6 million for the year ended 31 March 2017 to HK$2.0 million for the year ended 31 March 2018, representing a decrease of 81.1% in this segment. With growing awareness on environmental protection practices, this leads to the shift in demand from facades to interior fixtures for several major end-user luxury brands as this can reduce the energy consumption of a retail store in general.

LED lighting system consultation and maintenance service

Our revenue generated from LED lighting system consultation and maintenance service has increased from HK$1.4 million for the year ended 31 March 2017 to HK$2.5 million for the year ended 31 March 2018. The increase in maintenance service income is directly related to the increase in projects completed for the year ended 31 March 2018.

Sales of visual-audio systems

As we have reallocated resources to other segment so as to place our focus on sales of LED lighting fixtures, no additional resources have been deployed to this segment, resulting in a decrease in revenue in this segment of HK$2.7 million or 61.4%, to HK$1.7 million for the year ended 31 March 2018.

FINANCIAL REVIEW

Revenue

Our revenue decreased slightly from HK$67.4 million for the year ended 31 March 2017 by HK$1.5 million or 2.2%, to HK$65.9 million for the year ended 31 March 2018. Although sales of LED lighting fixtures increased by HK$8.7 million for the year ended 31 March 2018, this has been offset principally by the decrease in revenue generated from our integrated LED lighting solution services.

Direct Costs

Our direct costs increased from HK$28.6 million for the year ended 31 March 2017 by HK$3.0 million or 10.5%, to HK$31.6 million for the year ended 31 March 2018. Despite the decrease in revenue for the year ended 31 March 2018, increase in direct costs is caused by change in sales mix, resulting in more components cost were incurred for sales of LED lighting fixtures projects.

Gross Profit

With the impact of above factors, gross profit decreased from HK$38.9 million by HK$4.5 million or 11.6%, to HK$34.4 million.

Other Income, Gains and Losses

Our other income, gains and losses decreased from HK$1.8 million for the year ended 31 March 2017 to HK$81,000 for the year ended 31 March 2018. We recorded a gain on disposal of a motor vehicle and sale of components amounted to HK$1.1 million and HK$342,000 respectively for the year ended 31 March 2017, while no such event occurred for the year ended 31 March 2018.

Administrative Expenses

Our administrative expenses mainly comprise of salaries and allowance expenses, accounting for HK$13.3 million and HK$10.9 million for the year ended 31 March 2018 and 2017 respectively. Administrative expenses increased from HK$15.7 million for the year ended 31 March 2017 by HK$5.3 million or 33.4%, to HK$21.0 million for the year ended 31 March 2018. The increase in administrative expenses was primarily due to the increase in headcount and monthly salary on average for the year ended 31 March 2018. Meanwhile, we have leased an extra premise for office purpose, which lead to an increase in rental expense by HK$0.5 million. Owing to the Listing, there is an increase in legal and professional fees and auditor's remuneration of HK$1.1 million in aggregate, and increase in provision for impairment on long aged trade receivables of HK$0.6 million for the year.

Finance Costs

Finance costs of HK$147,000 has been incurred for the year ended 31 March 2018, which represents interest expense on a bank borrowing amounted to HK$1.9 million drawn down during the year. The bank borrowing has been repaid in full during the year.

Listing Expenses

Listing expense increased by HK$9.0 million, from HK$4.1 million for the year ended 31 March 2017 to HK$13.1 million for the year ended 31 March 2018, which is in line with the listing progress.

Income Tax Expense

Despite the net profit before tax has decreased by HK$20.6 million, income tax expense decreased from HK$4.4 million by HK$0.6 million or 13.6%, to HK$3.8 million for the year ended 31 March 2018. It is because the non-deductible IPO expense has been increased by HK$9.0 million, and the net profit in PRC which subject to a higher tax rate has been increased when compared to the year ended 31 March 2017.

(Loss)/profit for the year

The group recorded a loss of approximately HK$3.5 million attributable to owners of the Company for the year ended 31 March 2018. Compared to the profit attributable to owners of parent of HK$16.4 million for the year ended 31 March 2017, the decrease is principally caused by the increase in listing expense of HK$9.0 million during the year.

DIVIDEND

The Board does not recommend the payment of final dividend for the year ended 31 March 2018 (2017: nil).

LIQUIDITY AND FINANCIAL RESOURCES

The group financed our operations primarily through cash generated from our operating activities. As at 31 March 2018, we did not have any bank borrowings.

Liquidity ratios

	2018	2017
Current ratio	**4.8**	1.3
Quick ratio	**4.7**	1.2

Current ratio: The current ratio is calculated by dividing current assets with current liabilities as at the end of the respective year.

Quick ratio: The quick ratio is calculated by dividing current assets minus inventories with current liabilities as at the end of the respective year.

The significant increase in both current ratio and quick ratio was mainly due to the receipt of net proceeds from IPO during the year.

Cash and bank balances

As at 31 March 2018, the currency denomination of the Group's cash and bank balances are as follow:

Currency denomination	**2018** ***HK$ million***	2017 *HK$ million*
Denominated in:		
HKD	**44.1**	29.7
RMB	**11.1**	2.1
	55.2	31.8

Net current assets

As at 31 March 2018, the Group had net current assets of HK$58.9 million (2017: HK$10.5 million).

Total equity

The equity of the Group mainly comprises share capital, share premium and reserves. The Group's total equity attributable to owners of the Company amounted to HK$60.0 million (2017: HK$10.8 million).

CAPITAL STRUCTURE

The Group's shares were successfully listed on GEM on 25 January 2018 ("**Listing Date**"). There has been no change in the capital structure of the Group since the Listing Date and up to the date of this announcement.

TREASURY POLICY

The Group has adopted a conservative approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year. 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

Majority of the Group's business operations were conducted in Hong Kong and the PRC. The sales of the Group are denominated in Hong Kong dollars and Renminbi, which were the functional currencies. The purchases of the Group are denominated in Renminbi, Hong Kong dollars and US dollars. During the year, there was no material impact to the Group arising from the fluctuation in the foreign exchange rates.

The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the year.

PLEDGE OF ASSETS

As at 31 March 2018, the Group did not pledge any assets (2017: nil).

CONTINGENT LIABILITIES

As at 31 March 2018, the Group did not have any contingent liabilities (2017: nil).

CAPITAL EXPENDITURE

During the year, the Group acquired items of property, plant and equipment of approximately HK$0.6 million (2017: HK$55,000).

CAPITAL COMMITMENT

As at 31 March 2018, the Group did not have any capital commitment (2017: nil).

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2018, including our executive directors, the Group had a total of 37 (as at 31 March 2017: 35) employees, of which 34 employees were in Hong Kong and 3 employees were in the PRC.

Human resources are vital to our business. Compliance with external competitiveness and internal equity principle, the Group regularly reviews its remuneration plan in accordance with the employees' experience, responsibilities and performance, etc. to ensure that remuneration is in line with market competitiveness. The Group is committed to providing fair market remuneration in form and value to attract, retain and motivate high quality employees. The Group operates the following retirement schemes for its employees:

(1) a defined scheme under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for those employees in Hong Kong who are eligible to participate; and

(2) a "five social insurance and one housing fund" retirement pension scheme in accordance with the retirement policy of the PRC government for PRC employees.

Furthermore, the Company has conditionally adopted a share option scheme (the "**Share Option Scheme**") on 22 December 2017 so as to motivate, attract and retain right employees.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group did not have any significant investments as at 31 March 2018 (2017: nil). The Group did not have any material acquisition and disposal of subsidiary or affiliated company during the year ended 31 March 2018 (2017: nil).

USE OF PROCEEDS FROM IPO AND COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

Up to 31 March 2018, we utilized the net proceeds raised from the IPO in accordance with the designated uses set out in the prospectus issued by the Company on 11 January 2018 (the "**Prospectus**") as follows:

Description	Amount designated in the Prospectus	Planned use of proceeds from Listing Date to 31.3.2018	Amount utilised up to 31.3.2018	% utilised
	HK$'M	*HK$'M*	*HK$'M*	
Setting up a factory				
— Rental of factory and staff quarters	2.0	—	—	0.0%
— Operating expense including staff costs	3.9	—	—	0.0%
— Purchasing computer numeric control machines, three dimensional printer and testing equipment	3.7	—	—	0.0%
— Capital expenditure including renovation and purchasing furniture and equipment	1.0	—	—	0.0%
Subtotal	10.6	—	—	0.0%
Recruiting high caliber staff	4.3	0.2	—	0.0%
Pursuing suitable acquistions	13.0	—	—	0.0%
Enhancing our enterprise resource planning ("ERP") system	3.7	1.5	—	0.0%
Expanding and upgrading the infrastructure of our workshop and office	1.9	0.6	—	0.0%
Working capital and general corporate	1.2	1.2	1.2	100.0%
Grand total	34.7	3.5	1.2	3.5%

The following table sets forth the designated and actual implementation plan up to 31 March 2018:

Purpose	Implementation activities as stated in the Prospectus	Actual implementation activities
Setting up a factory	— Renting a factory and staff quarters in Guangdong Province, PRC based on the rent, geographic location and ease of access to high calibre staff	— Postponed owing to the US-China trade war
	— Renovating the factory	
Recruiting high calibre staff	— Continuously reviewing the performance of our staff in relation to our business performance	— Continuously reviewing the performance of our staff in relation to our business performance
	— Seeking suitable candidates for the position of lighting designer, marketing manager and sales coordinator	— Seeking suitable candidates for the position of lighting designer, marketing manager and sales coordinator by advertisement
	— Searching for suitable candidates to join our sales team in preparation of entry into the fast-fashion market in Hong Kong	— Searching for suitable candidates to join our sales team in preparation of entry into the fast-fashion market in Hong Kong
Pursuing suitable acquisitions	— Identifying potential acquisition target(s)	— Identifying potential acquisition target(s)

Purpose	Implementation activities as stated in the Prospectus	Actual implementation activities
Enhancing our ERP systems	— Recruiting a consultancy firm to be responsible for the implementation of an ERP system suitable for our Group, especially with a centralised inventory system and production system in our PRC factory and Hong Kong office and for the implementation to be in stages in both Hong Kong and the PRC — Setting up the enterprise resource system to integrate our various functional areas, business processes and systems — Recruiting a data entry processor to incorporate information from our existing database such as customer profile, inventory codes and bill of materials (BOM) into the ERP system — Customising, testing and modifying the ERP system in both Hong Kong and the PRC	— Evaluating ERP systems provided by consultancy firms

Purpose	Implementation activities as stated in the Prospectus	Actual implementation activities
Expanding and upgrading in the workshop and office	— Refurbishing our workshop for dual functionality as a workshop and warehouse, and allocating more storage space to store components due to the increase in sales of LED lighting fixture — Considering the fee quotation for upgrading our information technology system and proceeding to upgrade the information technology infrastructure and the hardware and software, including the server in our workshop	— Considering the fee quotation for upgrading our information technology system and proceeding to upgrade the information technology infrastructure and the hardware and software, including the server in our workshop

The net proceeds from the Listing, after deducting the related expenses, were approximately HK$34.7 million. Except for working capital and general corporate purpose, the Group has not yet utilised the proceeds from the Listing as of 31 March 2018 and there is no material business progress as of 31 March 2018 in respect of the business objectives set out in the Prospectus as we have been listed for only a short period of time. In addition, we are still in the process of selecting suitable ERP System. Therefore, we have not yet used the HK$1.5 million proceeds designated for enhancing our ERP system. The Company will pursue the implementation plan as disclosed in the Prospectus.

All unutilised balances have been placed in licensed bank in Hong Kong.

EVENTS AFTER REPORTING PERIOD

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

FUTURE DEVELOPMENT AND OUTLOOK

Our goal is to be one of the leading LED lighting solutions providers in Hong Kong. The Company's shares were successfully listed on GEM of the Stock Exchange on 25 January 2018. The net proceeds from the Share Offer enables us to have sufficient financial resources to broaden our customer bases and achieve cost savings through setup of our own factory in the future.

Global retail market starts to recover recently, driven by the global economic recovery and supported by the fiscal and monetary stimuli in major countries. In addition, Asia (especially the PRC) is the rising engine of the global economy. With these underlying factors, we expect there will be rising domestic demand towards our luxury renowned brands.

However, the on-going US-China trade war adds uncertainties to our business. For instance, tariff has been imposed on steel and aluminium, which leads to the increase in metal price. Aluminium is one of the major materials we used in our products and hence, the cost of LED lighting fixtures will inevitably increase. Moreover, our major component, LED chips, are sourced from the United States, which would be potentially affected by steps taken by the United States. In response to the potential threat from the US-China trade war, we have started to locate LED chips sourced from Japan and Korea as substitute to our US LED chips. On the contrary, entry barrier may be imposed by the PRC to block our potential competitors, from the United States, to enter the PRC market. We could take this opportunity to enlarge our market in the PRC. Our management team will closely monitor and assess the potential impact of the US-China trade war on our business.

Looking forward, the Group expects the growing affluence of residents in the PRC will attract the luxury renowned brands to increase their exposure in the PRC, which provides us valuable opportunities to further penetrate into the PRC market. Leveraging the support of the capital market, our own strengths, the global trends of energy saving and environment protection, and the potential threat from the US-China trade war, the Group is cautiously optimistic on its development in the future. We will strive to maintain steady growth and to maximise returns for our investors.

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

The Company's shares were successfully listed on GEM on the Listing Date. Save as the Listing, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities from the Listing Date to 31 March 2018.

CORPORATE GOVERNANCE PRACTICES

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.

Except the departure from code provision A.2.1 of the Corporate Governance Code (the "**CG Code**"), the Company has adopted the CG Code as stated in Appendix 15 of the GEM Listing Rules.

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 chief executive officer ("**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.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealing set out in Rules 5.46 to 5.67 of the GEM Listing Rules (the "**Required Standard**") as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the Required Standard during the year ended 31 March 2018.

SHARE OPTION SCHEME

On 22 December 2017, the Share Option Scheme was approved and conditionally adopted by the then shareholders of the Company by way of written resolutions.

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, there is a sufficient float of more than 25% of the issued Shares as required under the GEM Listing Rules.

ANNUAL GENERAL MEETING (THE "AGM")

The forthcoming AGM of the Company will be held on Monday, 6 August 2018. A notice convening the AGM will be published and despatched to the shareholders of the Company in due course.

CLOSURE OF THE REGISTER OF MEMBERS

To ascertain the entitlement of the shareholders of the Company to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 1 August 2018 to Monday, 6 August 2018 (both dates inclusive), during which no transfer of the Company's shares will be effected. In order to qualify for attending the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong no later than 4:30 p.m. on Tuesday, 31 July 2018.

AUDIT COMMITTEE

The Company established an Audit Committee pursuant to a resolution of our Directors passed on 22 December 2017 in compliance with Rule 5.28 to 5.33 of the GEM Listing Rules. Written terms of reference in compliance with paragraph C.3 of the Code on Corporate Governance Practices as set out in Appendix 15 to the GEM Listing Rules has been adopted. The primary duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting system, the risk management and internal control systems, effectiveness of the internal audit function, scope of audit and relationship with external auditors, and arrangements that enable employees of the Company to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters of the Company and performing the Company's corporate governance functions.

As at the date of this announcement, the Audit Committee of our Company consists of three members, namely Mr. Chu Yin Kam, Mr. Ha Yiu Wing and Dr. Wilson Lee. Mr. Chu Yin Kam is the chairman of the Audit Committee.

The Audit Committee has reviewed the annual results of the Group for the year ended 31 March 2018.

SCOPE OF WORK OF BDO LIMITED

The figures in respect of the Company's consolidated statement of comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 March 2018 as set out in this results announcement have been agreed by the Group's auditor, BDO Limited ("**BDO**"), to the amounts set out in the Company's audited consolidated financial statements for the year. The work performed by BDO in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by BDO on this announcement.

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

Hong Kong, 25 June 2018

As at the date of this announcement, the Board comprises Mr. Tam Yat Ming Andrew (Chairman and Chief Executive Officer) and Mr. Yeung Wun Tang Andy (Chief Operating Officer) as Executive Directors, and, Mr. Chu Yin Kam, Mr. Ha Yiu Wing and Dr. Wilson Lee as Independent Non-executive Directors.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the day of its publication. This announcement will also be published on the Company's website at www.ims512.com.