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**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)**

**FIRST QUARTERLY RESULTS ANNOUNCEMENT**  
**FOR THE THREE MONTHS ENDED 30 JUNE 2019**

**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.*

## **FINANCIAL HIGHLIGHTS**

1. The Group has recorded an unaudited total revenue of approximately HK\$17.4 million for the three months ended 30 June 2019, which represented an increase of approximately 15.7% as compared to the three months ended 30 June 2018.
2. The Group recorded an unaudited profit attributable to owners of the Company for the three months ended 30 June 2019 of approximately HK\$2.9 million, which represented an increase of approximately 786.5% as compared to the three months ended 30 June 2018.
3. The Board does not recommend the payment of interim dividend for the three months ended 30 June 2019.

## 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 2019, together with the comparative unaudited figures for the corresponding period in 2018 as follows:

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

For the three months ended 30 June 2019

		<b>For the three months ended</b>	
		<b>30 June</b>	
		<b>2019</b>	2018
		<b>(unaudited)</b>	(unaudited)
	<i>Notes</i>	<b>HK\$'000</b>	<i>HK\$'000</i>
<b>Revenue</b>	4	<b>17,376</b>	15,017
Direct costs		<u>(7,563)</u>	<u>(7,673)</u>
<b>Gross profit</b>		<b>9,813</b>	7,344
Other income		27	10
Other gains and losses, net		108	(22)
Administrative expenses		<u>(5,690)</u>	<u>(5,753)</u>
<b>Profit before income tax expense</b>	5	<b>4,258</b>	1,579
Income tax expense	7	<u>(1,377)</u>	<u>(1,254)</u>
<b>Profit for the period and attributable to owners of the Company</b>		<b>2,881</b>	325
<b>Item that may be reclassified subsequently to profit or loss</b>			
Exchange differences on translating foreign operations		<u>(763)</u>	<u>(766)</u>
<b>Other comprehensive income for the period and attributable to owners of the Company, net of tax</b>		<u>(763)</u>	<u>(766)</u>
<b>Total comprehensive income for the period and attributable to owners of the Company</b>		<u><b>2,118</b></u>	<u>(441)</u>
<b>Earnings per share</b>		<b>HK cents</b>	HK cents
Basic and diluted	8	<u><b>0.29</b></u>	<u>0.03</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED 30 JUNE 2019**

	Attributable to owners of the Company						
	Share capital <i>HK\$'000</i>	Share premium <sup>(1)</sup> <i>HK\$'000</i>	Merger reserve <sup>(2)</sup> <i>HK\$'000</i>	Exchange reserve <sup>(3)</sup> <i>HK\$'000</i>	Statutory surplus reserve <sup>(4)</sup> <i>HK\$'000</i>	Retained Profits <sup>(5)</sup> <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>As at 1 April 2019 (audited)</b>	1,000	50,946	8	(28)	1,324	10,436	63,686
Profit for the period	—	—	—	—	—	2,881	2,881
Exchange differences on translating foreign operations	—	—	—	(763)	—	—	(763)
Total comprehensive income for the period	—	—	—	(763)	—	2,881	2,118
<b>As at 30 June 2019 (unaudited)</b>	<b>1,000</b>	<b>50,946</b>	<b>8</b>	<b>(791)</b>	<b>1,324</b>	<b>13,317</b>	<b>65,804</b>
<b>As at 1 April 2018 (audited)</b>	1,000	50,946	8	718	1,324	6,023	60,019
Profit for the period	—	—	—	—	—	325	325
Transfer to Statutory surplus reserve	—	—	—	—	375	(375)	—
Exchange differences on translating foreign operations	—	—	—	(766)	—	—	(766)
Total comprehensive income for the period	—	—	—	(766)	375	(50)	(441)
<b>As at 30 June 2018 (unaudited)</b>	<b>1,000</b>	<b>50,946</b>	<b>8</b>	<b>(48)</b>	<b>1,699</b>	<b>5,973</b>	<b>59,578</b>

*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 respective registered capital. 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 usages.
- (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. Since 18 July 2019, the principal place of business has been changed from Room 1801, 18/F, 148 Electric Road, Fortress Hill, Hong Kong to 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 LED lighting fixtures and visual-audio system, provision of integrated LED lighting solution services, project consultancy and LED lighting system maintenance 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").

### 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 2019 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2019, 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.

### 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. 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:

	<b>For the three months ended</b>	
	<b>30 June</b>	
	<b>2019</b>	<b>2018</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue — at a point of time</b>		
Sale of LED lighting fixtures	<b>15,570</b>	14,329
Sale of visual-audio systems	<b>25</b>	29
<b>Revenue — over time</b>		
LED lighting system consultation and maintenance services	<b>796</b>	659
Integrated LED lighting solution services	<b>985</b>	—
	<b>17,376</b>	<b>15,017</b>

## 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	
	2019	2018
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Costs of inventories recognised as expenses	6,504	6,538
Auditor's remuneration	213	154
Depreciation	100	123
Amortisation	13	6
Operating lease rentals in respect of:		
— Land and buildings	721	581
— Plant and equipment	10	14
Employee benefit expenses ( <i>Note 6</i> )	4,624	4,644
	<u>4,624</u>	<u>4,644</u>

## 6. EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS' REMUNERATION

	For the three months ended	
	30 June	
	2019	2018
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Fees, wages and salaries	4,361	4,436
Post-employment benefits — payment to defined contribution retirement plan	157	149
Other benefits	106	59
	<u>4,624</u>	<u>4,644</u>



## 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	
	2019 (unaudited) HK\$'000	2018 (unaudited) HK\$'000
Current tax — overseas profits tax — current year	1,377	1,254
	<u>1,377</u>	<u>1,254</u>
Income tax expense	<u>1,377</u>	<u>1,254</u>

The PRC subsidiary is subject to PRC Enterprise Income Tax at 25% (2018: 25%) during the period.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong for the three months ended 30 June 2019 (three months ended 30 June 2018: nil).

## 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	
	2019 (unaudited) HK\$'000	2018 (unaudited) HK\$'000
<b>Earnings</b>		
Earnings for the purpose of basic earnings per share	<u>2,881</u>	<u>325</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share ( <i>Note</i> )	<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 2019 and 2018.

## 9. DIVIDENDS

The Board does not recommend the payment of interim dividend for the three months ended 30 June 2019 (three months ended 30 June 2018: 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.

For the three months ended 30 June 2019, the Group recorded revenue of approximately HK\$17.4 million and profit attributable to the owners of the Company of approximately HK\$2.9 million, as compared to revenue of approximately HK\$15.0 million and profit attributable to owners of the Company of approximately HK\$0.3 million for the three months 30 June 2018. The Group considers the increase in revenue was mainly caused by increase in the revenue from provision of integrated LED lighting solution services. As for the increase in profit attributable to owners of the Company, it was mainly due to the increase of revenue with an increase of profit margin from approximately 48.9% for the three months ended 30 June 2018 to approximately 56.5% for the three months ended 30 June 2019.

### **FINANCIAL REVIEW**

#### **Revenue**

Our revenue increased by approximately HK\$2.4 million or 15.7%, from approximately HK\$15.0 million for the three months ended 30 June 2018 to approximately HK\$17.4 million for the three months ended 30 June 2019, as revenue from provision of integrated LED lighting solution services has increased by approximately HK\$1.0 million for the three months ended 30 June 2019.

#### **Direct Cost and Gross Profit**

Our direct costs comprise of components, staff costs, subcontracting fee and labour costs. The direct costs decreased by approximately HK\$0.1 million or 1.4%, from approximately HK\$7.7 million for the three months ended 30 June 2018 to approximately HK\$7.6 million for the three months ended 30 June 2019, which the cost of inventories decreased due to our negotiated reductions from our suppliers.

With the increase in revenue, our gross profit increased by approximately HK\$2.5 million or 33.6%, from approximately HK\$7.3 million for the three months ended 30 June 2018 to approximately HK\$9.8 million for the three months ended 30 June 2019, and the gross profit margin increased from approximately 48.9% for the three months ended 30 June 2018 to approximately 56.5% for the three months ended 30 June 2019.

## **Administrative Expenses**

Our administrative expenses decreased by approximately HK\$0.1 million or 1.1%, from approximately HK\$5.8 million for the three months ended 30 June 2018 to approximately HK\$5.7 million for the three months ended 30 June 2019. No material fluctuation was noted.

## **Income Tax Expense**

Income tax expense has increased by approximately HK\$0.1 million or 9.8%, from approximately HK\$1.3 million for the three months ended 30 June 2018 to approximately HK\$1.4 million for the three months ended 30 June 2019, as our PRC subsidiary, Shenzhen CH Alliance Trading Co., Ltd, has showed an increase in revenue during the period.

## **Profit for the period**

Profit for the period was approximately HK\$2.9 million for the three months ended 30 June 2019, compare to the profit for the period of approximately HK\$0.3 million for the three months ended 30 June 2018.

## **Dividend**

The Board does not recommend the payment of interim dividend for the three months ended 30 June 2019 (three months ended 30 June 2018: nil).

## **OUTLOOK**

Our goal is to be one of the leading LED lighting solutions providers in Hong Kong. The Shares of the Company were successfully listed on GEM of the Stock Exchange on the Listing Date. The net proceeds from the share offer enable us to have sufficient financial resources to broaden our customer bases and achieve cost savings through setup of our own factory in the future.

In addition, Asia (especially the PRC) is still the rising engine of the global economy. 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 use 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 environmental protection, 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.

## OTHER INFORMATION

### DISCLOSURE OF INTERESTS

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

As at the date of this announcement, the interests and short positions of the Directors and chief executives 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 Futures Ordinance (Chapter 571 of the laws of Hong Kong) (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 were as follows:

*Long position in the Shares of the Company*

Name of Directors	Nature of interest	Number of Shares	Approximate percentage of shareholding in our Company
Mr. Yeung Wun Tang Andy	Interest in controlled corporation <sup>(1)</sup> /	260,000,000	26%
	Interest held jointly with another person <sup>(3)</sup>	490,000,000	49%
Mr. Tam Yat Ming Andrew	Interest in controlled corporation <sup>(2)</sup> /	490,000,000	49%
	Interest held jointly with another person <sup>(3)</sup>	260,000,000	26%

*Notes:*

- (1) 260,000,000 Shares are held by Mr. Yeung Wun Tang Andy (“**Mr. Yeung**”) indirectly through Eight Dimensions Investment Limited (“**Eight Dimensions**”), which is wholly-owned by Mr. Yeung.
- (2) 490,000,000 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.
- (3) On 25 August 2017, Eight Dimensions, Mr. Yeung, Garage Investment and Mr. Tam entered into an acting in concert agreement, pursuant to which each of them is deemed to be interested in the entire 750,000,000 Shares held by Eight Dimensions and Garage Investment, representing 75.00% of the total issued share capital of the Company as at the Latest Practicable Date by virtue of the SFO.

***Long position in the Shares of associated corporations***

<b>Name of Directors</b>	<b>Name of associated corporation</b>	<b>Capacity/ nature of interest</b>	<b>Number of Shares</b>	<b>Approximate percentage of shareholding in our Company</b>
Mr. Yeung Wun Tang Andy	Eight Dimensions	Beneficial owner	1	100.00%
Mr. Tam Yat Ming Andrew	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 announcement, 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 announcement, 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*

<b>Name</b>	<b>Nature of interest</b>	<b>Number of Shares</b>	<b>Percentage of shareholding</b>
Eight Dimensions	Beneficial owner/	260,000,000	26%
	Interest held jointly with another person <sup>(1)</sup>	490,000,000	49%
Garage Investment	Beneficial owner/	490,000,000	49%
	Interest held jointly with another person <sup>(1)</sup>	260,000,000	26%

*Note:*

- (1) On 25 August 2017, Eight Dimensions, Mr. Yeung, Garage Investment and Mr. Tam entered into an acting in concert agreement, pursuant to which each of them is deemed to be interested in the entire 750,000,000 Shares held by Eight Dimensions and Garage Investment, representing 75.00% of the total issued share capital of the Company as at the Latest Practicable Date by virtue of the SFO.

Save as disclosed above and so far as is known to the Directors, as at the date of this announcement, 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 – (a) Interests and short positions of Directors and chief executive in the Shares (the “Share”), 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 announcement.

## **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 2019.

## **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 2019.

## **INTEREST OF THE COMPLIANCE ADVISER**

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Kingsway Capital Limited (“**Kingsway**”) as the compliance adviser. Kingsway has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. Except for the compliance adviser agreement entered into between the Company and the compliance adviser dated 15 June 2017, none of the compliance adviser or its directors, employees or close associates (as defined under the GEM Listing Rules) had any interests in relation to the Company or in the share capital of any member of the Company which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules as at the date of this announcement.



## **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 Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited, except for the deviation from code provision A2.1 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 announcement.

## **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 announcement.

## AUDIT COMMITTEE

The financial information in this announcement 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 announcement, the Audit Committee comprises Mr. Chu Yin Kam (Chairman), Dr. Wilson Lee and Mr. Ha Yiu Wing, 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 2019 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, 12 August 2019

*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 (Chief Operating Officer) as Executive Directors, Mr. Chu Yin Kam, Dr. Wilson Lee, and Mr. Ha Yiu Wing as Independent Non-executive Directors.*