

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**

**Interim Report  
2024/25**

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

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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 (Retired on 19 July 2024)  
Ms. Fok Yee Man  
*(Appointed on 15 November 2024)*

### 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

Forvis Mazars CPA Limited  
*(formerly known as Mazars CPA Limited)*  
42nd Floor, Central Plaza,  
18 Harbour Road, Wan Chai,  
Hong Kong

### LEGAL ADVISERS

As to Hong Kong law:  
YYC Legal LLP  
2803 & 2803A,  
China Resources Building,  
26 Harbour Road,  
Wan Chai, 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

Cricket Square,  
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](http://www.ims512.com)

## SUMMARY

1. The Group has recorded an unaudited total revenue of approximately HK\$45.8 million for the six months ended 30 September 2024, which represented a decrease of approximately 16.0% as compared to the six months ended 30 September 2023.
  2. The Group recorded an unaudited profit attributable to owners of the Company for the six months ended 30 September 2024 of approximately HK\$10.9 million, representing a decrease of approximately HK\$6.3 million as compared with a profit of approximately HK\$17.2 million for the six months ended 30 September 2023.
  3. The board of directors (the "**Board**") of the Company does not recommend the payment of interim dividend for the six months ended 30 September 2024.
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# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

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

For the six months ended 30 September 2024, the Group recorded revenue of approximately HK\$45.8 million and profit attributable to the owners of the Company of approximately HK\$10.9 million, as compared to revenue of approximately HK\$54.5 million and profit attributable to owners of the Company of approximately HK\$17.2 million for the six months ended 30 September 2023. The Group considers the decrease in the profit attributable to owners of the Company were primary attributable to the decrease in completion of the installation work for our LED lighting solution projects, compared with the corresponding period in 2023.

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

	Six months ended 30 September			
	2024 (unaudited) HK\$ million	%	2023 (unaudited) HK\$ million	%
<b>Revenue from contracts with customers (within the scope of HKFRS 15)</b>				
<b>Revenue – at a point of time</b>				
Sale of LED lighting fixtures	37.9	82.8	27.1	49.7
Sale of visual-audio systems	0.1	0.2	0.3	0.5
Sale of 3D printing materials and provision for 3D printing services	0.6	1.3	0.9	1.7
<b>Revenue – over time</b>				
LED lighting system consultation and maintenance services	1.8	3.9	2.4	4.4
Integrated LED lighting solution services	5.4	11.8	23.8	43.7
	<b>45.8</b>	<b>100.0</b>	<b>54.5</b>	<b>100.0</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Sales of LED lighting fixtures

For the sales of LED lighting fixtures, it has increased from approximately HK\$27.1 million for the six months ended 30 September 2023 to approximately HK\$37.9 million for the six months ended 30 September 2024, which represents an increase of approximately 39.9% or HK\$10.8 million, which is directly contributed by the increase in number of projects in the People's Republic of China (the "PRC") for the six months ended 30 September 2024.

### Sales of visual-audio systems

We have recorded revenue of approximately HK\$0.1 million for the six months ended 30 September 2024 (2023: approximately HK\$0.3 million), representing approximately 0.2% of the Group's revenue.

### LED lighting system consultation and maintenance services

Our revenue generated from LED lighting system consultation and maintenance service decreased from approximately HK\$2.4 million for the six months ended 30 September 2023 to approximately HK\$1.8 million for the six months ended 30 September 2024, which represents a decrease of approximately 25.0% or HK\$0.6 million in this segment, which was primarily due to the decrease in number of contracts awarded from existing customers.

### Integrated LED lighting solution services

Our revenue generated from integrated LED lighting solution services decreased from approximately HK\$23.8 million for the six months ended 30 September 2023 to approximately HK\$5.4 million for the six months ended 30 September 2024, which represented a decrease of approximately HK\$18.4 million or 77.3% which was due to decrease in facade projects during the period ended 30 September 2024.

### Sales of 3D printing materials and provision for 3D printing services

We have recorded revenue generated from sale of 3D printing materials and provision for 3D printing services of approximately HK\$0.6 million for the six months ended 30 September 2024 (2023: HK\$0.9 million), which representing a decrease of approximately 33.3% or HK\$0.3 million which was due to the downturn of 3D printing retail market.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

#### Revenue

Our revenue decreased by approximately HK\$8.7 million or 16.0%, from HK\$54.5 million for the six months ended 30 September 2023 to approximately HK\$45.8 million for the six months ended 30 September 2024, primarily because revenue generated from sales of integrated LED lighting solution services has decreased by approximately HK\$18.4 million for the six months ended 30 September 2024.

#### Direct Costs and Gross Profit

Our direct costs comprise of components, staff costs, subcontracting fee and labour costs. The direct costs decreased by approximately HK\$2.2 million or 10.2%, from approximately HK\$21.5 million for the six months ended 30 September 2023 to approximately HK\$19.3 million for the six months ended 30 September 2024, which is in line with the decrease in revenue for the six months ended 30 September 2024.

Our gross profit decreased by approximately HK\$6.5 million from approximately HK\$33.0 million for the six months ended 30 September 2023 to approximately HK\$26.5 million for the six months ended 30 September 2024, and the gross profit margin decreased from 60.6% for the six months ended 30 September 2023 to 57.9% for the six months ended 30 September 2024. This was primarily due to the increase in direct cost relating to the installation work for our LED lighting solution projects.

#### Administrative Expenses

Our administrative expenses increased by approximately HK\$1.2 million or 9.0%, from approximately HK\$13.3 million for the six months ended 30 September 2023 to approximately HK\$14.5 million for the six months ended 30 September 2024. The increase was mainly due to the increase of salaries and allowance (included sales commission) of approximately HK\$0.7 million and depreciation expenses of approximately HK\$0.3 million.

#### Income Tax Expense

Income tax expenses decreased by approximately HK\$1.7 million or 44.7%, from approximately HK\$3.8 million for the six months ended 30 September 2023 to approximately HK\$2.1 million for the six months ended 30 September 2024. The decrease was in line with the decrease of profit before tax.

#### Profit for the period

The Group recorded a profit of approximately HK\$10.9 million attributable to owners of the Company for the six months ended 30 September 2024, representing a decrease of approximately HK\$6.3 million as compared with a profit of approximately HK\$17.2 million for the six months ended 30 September 2023. The decrease in profit was primary attributable to the decrease in revenue.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: nil).

### LIQUIDITY AND FINANCIAL RESOURCES

The Group financed its operations primarily through cash generated from its operating activities. As at 30 September 2024 and 31 March 2024, we did not have any bank borrowings.

#### Liquidity ratios

	30 September 2024	31 March 2024
Current ratio	5.4	4.4
Quick ratio	5.2	4.2

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

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

As at 30 September 2024, the Group did not have any outstanding borrowing and other indebtedness and no gearing ratio is presented.

#### Cash and bank balances

As at 30 September 2024, the currency denomination of the Group's cash and bank balances (included fixed bank deposits) are as follows:

Currency denomination	30 September 2024 HK\$ million	31 March 2024 HK\$ million
Denominated in:		
HKD	45.9	61.8
RMB	17.9	26.7
EUR	<sup>(1)</sup>	<sup>(1)</sup>
USD	33.2	3.3
	<b>97.0</b>	<b>91.8</b>

<sup>(1)</sup> Represents amount less than HK\$3,000

## MANAGEMENT DISCUSSION AND ANALYSIS

### Net current assets

As at 30 September 2024, the Group had net current assets of approximately HK\$91.0 million (as at 31 March 2024: HK\$82.1 million).

### Total equity

The equity of the Group mainly comprises share capital, share premium and reserves. As at 30 September 2024, the Group's total equity attributable to owners of the Company amounted to approximately HK\$102.5 million (as at 31 March 2024: approximately HK\$91.2 million).

### CAPITAL STRUCTURE

There has been no change in the capital structure of the Group since 31 March 2024 and up to the date of this report.

### TREASURY POLICY

The Group has adopted a conservative approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period. 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 are the functional currencies. The purchases of the Group are denominated in Renminbi, Hong Kong dollars and US dollars. During the period, there has been no material impact to the Group arising from the fluctuation in the foreign exchange rates.

The Group has not engaged in any derivatives agreement and has not committed to any financial instruments to hedge its foreign exchange exposure during the period.

### PLEDGE OF ASSETS

As at 30 September 2024, the Group did not pledge any assets (as at 31 March 2024: nil).

### CONTINGENT LIABILITIES

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### CAPITAL EXPENDITURE

During the six months ended 30 September 2024, the Group acquired items of property, plant and equipment of approximately HK\$74,000 (year ended 31 March 2024: approximately HK\$4.0 million) and no intangible assets was acquired (year ended 31 March 2024: approximately HK\$Nil).

### CAPITAL COMMITMENT

As at 30 September 2024, the Group had capital commitment of approximately HK\$0.1 million (as at 31 March 2024: approximately HK\$0.1 million).

### SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the six months ended 30 September 2024, there was no significant investments held by the Group.

### MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the period and the Group did not have other plans for material investments or capital assets.

### EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2024, including our executive Directors, the Group had a total of 63 (as at 31 March 2024: 66) employees, of which 34 employees were in Hong Kong and 29 employees were in the PRC.

Human resources are vital to our business. In 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 Chinese Government for PRC employees.

Furthermore, the Company has conditionally adopted a share option scheme on 22 December 2017 so as to motivate, attract and retain right employees.

## MANAGEMENT DISCUSSION AND ANALYSIS

## USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING (THE "IPO") AND COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

Up to 30 September 2024, we utilised 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"), the supplemental announcement of the Company issued on 24 August 2020, the change in use of proceeds announcement of the Company issued on 3 December 2021 (the "Change in Use of Proceeds Announcement") and the interim report for the six month ended 30 September 2022 dated 9 November 2022 (the "Interim Report") as follows:

Description	Amount designated in the Prospectus (as adjusted based on the actual net proceeds raised) HK\$ million	Reallocation as stated in the Change in Use of Proceeds Announcement and the Interim Report HK\$ million	Utilised amount as at 30 September 2024 HK\$ million	Unutilised amount as at 30 September 2024 HK\$ million	Expected date to fully utilise the unutilised amount
<b>Setting up a factory</b>					
- Rental of factory and staff quarters	2.0	Nil	2.0	Nil	N/A
- Operating expense including staff costs	3.9	Nil	3.9	Nil	N/A
- Purchasing computer numeric control machines, 3D printer and testing equipment	3.7	Nil	3.7	Nil	N/A
- Capital expenditure including renovation and purchasing furniture and equipment	1.0	Nil	1.0	Nil	N/A
<b>Subtotal</b>	<b>10.6</b>	<b>Nil</b>	<b>10.6</b>	<b>Nil</b>	
<b>Recruiting high calibre staff</b>	4.3	Nil	4.3	Nil	N/A
<b>Pursuing suitable acquisitions</b>	13.0	(13.0)	Nil	Nil	N/A
<b>Enhancing our ERP system</b>	3.7	Nil	3.7	Nil	N/A
<b>Purchasing Industrial PolyJet 3D Printer</b>	N/A	3.0	3.0	Nil	N/A
<b>Expanding 3D printing facilities and operating a 3D printing solution workshop</b>	N/A	10.0	9.5	0.5	31 March 2025 (Note 1)
<b>Expanding and upgrading the infrastructure of our workshop and office</b>	1.9	Nil	1.9	Nil	N/A
<b>Working capital and general corporate purpose</b>	1.2	Nil	1.2	Nil	N/A
<b>Total</b>	<b>34.7</b>	<b>Nil</b>	<b>34.2</b>	<b>0.5</b>	

Note 1: The expected date to fully utilise the unutilised amount has been extended from 31 March 2024 to 31 March 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

Save as disclosed above, the Group has applied the net proceeds according to plans as previously disclosed, and the remaining amount of the unutilised net proceeds are expected to be utilised in the same manner as disclosed in the Prospectus, the Change in Use of Proceeds Announcement and the Interim Report.

The expected timeline for fully utilising the unutilised proceeds disclosed above is based on the best estimation from the Board with latest information as at the date of this interim report. The Board confirms that there is no material change in the business nature of the Group as set out in the Prospectus and the Group considers that the delay in use of net proceeds does not have any material adverse impacts on the operation of the Group. However, due to the unstable geopolitical environment on worldwide economies, the Board will continue to closely monitor the situation and evaluate the impacts on the timeline to utilise the unutilised proceeds and will keep shareholders and potential investors informed if there are any material changes.

### EVENTS AFTER REPORTING PERIOD

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

### FUTURE DEVELOPMENT AND OUTLOOK

The Group will continue its efforts to be one of the leading LED lighting solutions providers in Asia. During the six months ended 30 September 2024, approximately 63.0% 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.

## INTERIM RESULTS

The Board of the Company is pleased to announce the unaudited condensed consolidation interim financial statements of the Group for the six months ended 30 September 2024, together with the comparative unaudited figures for the corresponding period in 2023 as follows:

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

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

		Six months ended 30 September	
	Notes	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>Revenue</b>	4	<b>45,799</b>	54,486
Direct costs		<b>(19,284)</b>	(21,486)
<b>Gross profit</b>		<b>26,515</b>	33,000
Other income		<b>870</b>	661
Other gains and losses, net		<b>269</b>	787
Administrative expenses		<b>(14,489)</b>	(13,297)
<b>Profit from operation</b>		<b>13,165</b>	21,151
Finance cost	5(a)	<b>(104)</b>	(85)
<b>Profit before income tax expense</b>	5	<b>13,061</b>	21,066
Income tax expense	7	<b>(2,143)</b>	(3,834)
<b>Profit attributable to owners of the Company</b>		<b>10,918</b>	17,232
<b>Other comprehensive loss</b>			
<i>Item that are or may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		<b>371</b>	(1,125)
<b>Other comprehensive loss for the period attributable to owners of the Company</b>		<b>371</b>	(1,125)
<b>Total comprehensive income for the period attributable to owners of the Company</b>		<b>11,289</b>	16,107
<b>Earnings per share</b>			
Basic and diluted	8	<b>HK1.09 cents</b>	HK1.72 cents

**INTERIM RESULTS**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 30 SEPTEMBER 2024

	Notes	30 September 2024 HK\$'000 (unaudited)	31 March 2024 HK\$'000 (audited)
<b>Non-current assets</b>			
Property, plant and equipment	10	7,281	8,446
Intangible asset		80	125
Right-of-use assets		4,584	1,483
		<b>11,945</b>	10,054
<b>Current assets</b>			
Inventories		4,393	6,810
Trade and other receivables	11	10,185	7,347
Cash and cash equivalents		97,031	91,756
		<b>111,609</b>	105,913
<b>Current liabilities</b>			
Trade and other payables	12	8,378	11,110
Contract liabilities		5,074	10,186
Lease liabilities		4,613	1,222
Tax payables		2,514	1,334
		<b>20,579</b>	23,852
<b>Net current assets</b>		<b>91,030</b>	82,061
<b>Total assets less current liabilities</b>		<b>102,975</b>	92,115
<b>Non-current liabilities</b>			
Other payables		90	179
Contract liabilities		25	67
Deferred tax liabilities		344	367
Lease liabilities		48	323
		<b>507</b>	936
<b>NET ASSETS</b>		<b>102,468</b>	91,179
<b>Capital and reserves</b>			
Share capital	13	1,000	1,000
Reserves		101,468	90,179
<b>TOTAL EQUITY</b>		<b>102,468</b>	91,179

Approved and authorised for issue by the Board of Directors and signed on its behalf by

**Mr. Tam Yat Ming Andrew**  
Director

**Ms. Fok Yee Man**  
Director

## INTERIM RESULTS

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	Attributable to owners of the Company						
	Share capital HK\$'000	Share premium <sup>(1)</sup> HK\$'000	Merger reserve <sup>(2)</sup> HK\$'000	Exchange reserve <sup>(3)</sup> HK\$'000	Statutory surplus reserve <sup>(4)</sup> HK\$'000	Retained Profits <sup>(5)</sup> HK\$'000	Total HK\$'000
<b>As at 31 March 2024 (audited) and 1 April 2024</b>	1,000	50,946	8	(1,903)	1,324	39,804	91,179
Profit for the period	-	-	-	-	-	10,918	10,918
Other comprehensive loss: <i>Items that are or may be reclassified to profit or loss:</i>							
Exchange differences on translating foreign operations	-	-	-	371	-	-	371
Total comprehensive income for the period	-	-	-	371	-	10,918	11,289
<b>As at 30 September 2024 (unaudited)</b>	<b>1,000</b>	<b>50,946</b>	<b>8</b>	<b>(1,532)</b>	<b>1,324</b>	<b>50,722</b>	<b>102,468</b>
<b>As at 31 March 2023 (audited) and 1 April 2023</b>	1,000	50,946	8	(1,210)	1,324	24,349	76,417
Profit for the period	-	-	-	-	-	17,232	17,232
Other comprehensive loss: <i>Items that are or may be reclassified to profit or loss:</i>							
Exchange differences on translating foreign operations	-	-	-	(1,125)	-	-	(1,125)
Total comprehensive income for the period	-	-	-	(1,125)	-	17,232	16,107
<b>As at 30 September 2023 (unaudited)</b>	<b>1,000</b>	<b>50,946</b>	<b>8</b>	<b>(2,335)</b>	<b>1,324</b>	<b>41,581</b>	<b>92,524</b>



## INTERIM 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 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.

## INTERIM RESULTS

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

	Six months ended 30 September	
<i>Notes</i>	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>Net cash generated from operating activities</b>	<b>5,963</b>	13,370
<b>Net cash generated from investing activities</b>	<b>517</b>	146
<b>Net cash used in financing activities</b>	<b>(1,620)</b>	(1,457)
<b>Net increase in cash and cash equivalents</b>	<b>4,860</b>	12,059
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>415</b>	1,223
<b>Cash and cash equivalents at beginning of the period</b>	<b>91,756</b>	79,967
<b>Cash and cash equivalents at end of the period</b>	<b>97,031</b>	93,249

# 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, 8 Watson Road, North Point, Hong Kong.

The Company, an investment holding company, and its subsidiaries (together referred to the "**Group**") 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 for 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**").

## 2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("**HKAS 34**"), 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**") and the applicable disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules.

The unaudited condensed consolidated interim financial statements have been prepared under historical cost convention.

The principal accounting policies used in the unaudited condensed consolidated interim financial statements for the six months ended 30 September 2024 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2024, 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 unaudited condensed consolidated interim financial statements and/or disclosures set out in these unaudited condensed consolidated interim financial statements. 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. 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>Six months ended 30 September</b>	
	<b>2024 HK\$'000 (unaudited)</b>	2023 HK\$'000 (unaudited)
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
<b>Revenue – at a point in time</b>		
Sale of LED lighting fixtures	<b>37,891</b>	27,140
Sale of visual-audio systems	<b>159</b>	329
Sale of 3D printing materials and provision for 3D printing services	<b>561</b>	848
<b>Revenue – over time</b>		
LED lighting system consultation and maintenance services	<b>1,823</b>	2,351
Integrated LED lighting solution services	<b>5,365</b>	23,818
	<b>45,799</b>	54,486

## 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:

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
<b>(a) Finance costs</b>		
Interest on lease liabilities	104	85
<b>(b) Other items</b>		
Costs of inventories recognised as expenses	14,882	15,109
Auditor's remuneration		
– Audit-related assurance services	305	305
Depreciation of property, plant and equipment		
– Administrative expenses	1,231	908
– Cost of sales	43	27
Amortisation of intangible assets	45	59
Depreciation of right-of-use assets	1,476	1,393
Leases expenses of other premises under short term leases	230	113

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

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Fees, wages and salaries	10,623	9,760
Post-employment benefits		
– payment to defined contribution retirement plan	540	476
Other benefits	97	52

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 7. INCOME TAX EXPENSE

The amount of income tax expense in the condensed consolidated statement of profit or loss and other comprehensive income represents:

	Six months ended 30 September	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Current tax		
Hong Kong profits tax		
– current period	1,575	1,595
PRC enterprise income tax (“EIT”)		
– current period	597	2,269
Deferred income tax	(29)	(30)
Income tax expense	<b>2,143</b>	<b>3,834</b>

## Hong Kong profits tax

Hong Kong profits tax is calculated at 16.5% (six months ended 30 September 2023: 16.5%) of the estimated assessable profits during the period.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5% (six months ended 30 September 2023: 16.5%). The profits of corporations in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

## PRC EIT

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

## 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:

	<b>Six months ended 30 September</b>	
	<b>2024 HK\$'000 (unaudited)</b>	2023 HK\$'000 (unaudited)
<b>Earnings</b>		
Earnings for the purpose of basic earnings per share	<b>10,918</b>	17,232
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share <i>(Note)</i>	<b>1,000,000,000</b>	1,000,000,000

*Note:*

Diluted earnings per share is same as basic earnings per share as there was no potential dilutive ordinary shares for the six months ended 30 September 2024 and 2023.

### 9. DIVIDENDS

No dividend has been paid or declared by the Company for the six months ended 30 September 2024 (six months ended 30 September 2023: nil).

### 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2024, the Group acquired items of property, plant and equipment with a cost of approximately HK\$74,000 (for the year ended 31 March 2024: approximately HK\$4.0 million).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 11. TRADE AND OTHER RECEIVABLES

	<i>Note</i>	<b>As at 30 September 2024 HK\$'000 (unaudited)</b>	As at 31 March 2024 HK\$'000 (audited)
<b>Trade receivables</b>			
From third parties		14,644	10,711
Less: Loss allowance		(6,023)	(5,899)
Trade receivables, net	(a)	<b>8,621</b>	4,812
<b>Other receivables</b>			
Prepayment and deposits		1,474	1,740
Interest receivables		-	246
Other tax receivables		-	466
Other receivables		90	83
	(b)	<b>1,564</b>	2,535
Total trade and other receivables		<b>10,185</b>	7,347

*Notes:*

- (a) The Group generally allows a credit period within 30 (year ended 31 March 2024: 30) days to its trade customers. Application for progress payments on projects are made on regular basis. The Group does not hold any collateral over these balances.

The following is an ageing analysis of trade receivables, net of loss allowance, presented based on the earlier of invoice date or revenue recognition date:

	<b>As at 30 September 2024 HK\$'000 (unaudited)</b>	As at 31 March 2024 HK\$'000 (audited)
Less than 1 month	1,835	303
1 month to 3 months	3,929	839
4 months to 6 months	2,836	2,846
More than 6 months but less than one year	21	824
	<b>8,621</b>	4,812



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 11. TRADE AND OTHER RECEIVABLES (Continued)

Notes: (Continued)

(a) (Continued)

Movements in loss allowance for impairment of trade receivables are as follows:

	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
At beginning of the reporting period	5,899	4,575
Amount written off	-	(199)
(Reversal of) Loss allowance on trade receivables	-	1,712
Exchange realignment	124	(189)
At the end of the reporting period	<b>6,023</b>	5,899

(b) The above balances of other receivables, prepayments and deposits as at 30 September 2024 and 31 March 2024 were neither past due nor impaired. Financial assets included in these balances are non-interest bearing and relate to receivables for which there was no recent history of default.

### 12. TRADE AND OTHER PAYABLES

	As at 30 September 2024 HK\$'000 (unaudited)	As at 31 March 2024 HK\$'000 (audited)
Trade payables	5,282	7,283
Other payables:		
Provision of warranties	954	954
Staff cost payables	1,634	1,844
Other tax payables	325	352
Other payables and accruals	273	856
Total trade and other payables	<b>8,468</b>	11,289
Less: Non-current portion		
Provision of warranties	(90)	(179)
Total current portion	<b>8,378</b>	11,110

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****12. TRADE AND OTHER PAYABLES (Continued)**

The credit period of trade payables is normally within 30 (year ended 31 March 2024: 30) days. The ageing analysis of the trade payables based on invoice date is as follows:

	<b>As at 30 September 2024 HK\$'000 (unaudited)</b>	As at 31 March 2024 HK\$'000 (audited)
Current or less than 1 month	1,567	2,570
1 to 3 months	222	971
4 to 6 months	613	1,865
7 to 12 months	773	1,438
More than 1 year	2,107	439
	<b>5,282</b>	<b>7,283</b>

**13. SHARE CAPITAL**

	<b>Number of ordinary shares</b>	<b>Amount HK\$</b>
<b>Authorised:</b>		
Ordinary shares of HK\$0.001 each		
As at 31 March 2024 (audited) and 30 September 2024 (unaudited)	10,000,000,000	10,000,000
<b>Issued and fully paid:</b>		
As at 31 March 2024 (audited) and 30 September 2024 (unaudited)	1,000,000,000	1,000,000

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 14. RELATED PARTY TRANSACTIONS

#### (a) Related party transactions

During the period, the Group does not have any significant transactions with its related parties or transactions which constituted connected transactions as defined in Chapter 20 of the GEM Listing Rules.

#### (b) Key management compensation

The key management personnel of the Group are the directors and senior management of the Group. The remuneration paid or payable to them during the period are as follows:

	<b>Six months ended 30 September</b>	
	<b>2024 HK\$'000 (unaudited)</b>	2023 HK\$'000 (unaudited)
Fees, wages and salaries	<b>2,718</b>	2,825
Post-employment benefits – payment to defined contribution retirement plan	<b>45</b>	50
	<b>2,763</b>	2,875

### 15. CAPITAL COMMITMENT

As at 30 September 2024, the Group had capital commitment of approximately HK\$0.1 million (as at 31 March 2024: approximately HK\$0.1 million).

## 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 <sup>(1)</sup>	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 <sup>(1)</sup>	56,550,000	5.66%
Ms. Yeung Ngai	Beneficial owner and interest of spouse <sup>(1)</sup>	56,550,000	5.66%
Ms. Ng Wing Sze	Interest of spouse <sup>(2)</sup>	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 option has been granted, exercised, expired or lapsed 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.

## OTHER INFORMATION

### 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 competes 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 six months ended 30 September 2024.

### 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 six months ended 30 September 2024.

### 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 C1 of the GEM Listing Rules, except for the deviation from code provision C.2.1 of the CG Code.

Pursuant to code provision C.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 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.

## OTHER INFORMATION

### 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.

### 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 C1 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), Dr. Wilson Lee and Mr. Ha Yiu Wing, being the independent non-executive Directors.

The Audit Committee has reviewed the unaudited condensed consolidated results of the Company for the six months ended 30 September 2024 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, 15 November 2024

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