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)

DISCLOSEABLE TRANSACTION
ACQUISITION OF THE PROPERTIES

THE ACQUISITION

The Board announces that on 17 January 2025 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreements with the Vendor, pursuant to which the Purchaser agreed to purchase, and the Vendor agreed to sell, the Properties for a total consideration of JPY139,500,000 (equivalent to approximately HK$6,835,500).

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

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(1) THE SALE AND PURCHASE AGREEMENT A

The salient terms of the Sale and Purchase Agreement A are summarised below:

Date: 17 January 2025 (after trading hours)

Parties:

(a) Purchaser: Project Across Company Limited, a wholly-owned subsidiary of the Company; and

(b) Vendor: ジョイライフ株式会社

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

The Property to be acquired:	The Property A is a parcel of land situated at 3-Chome-62, Nakahama, Joto District, Osaka, Japan* (日本大阪市城東区中浜三丁目62番). The Property A has a registered land area of approximately 122.36 square meter. The Property A is currently in vacant possession. To the best knowledge and information of the Company having made all reasonable enquiries, the Company understands that the Property A is not subject to any formal tenancy agreements. Thus, the Board considers that the Property A is not a revenue-generating asset with an identifiable income stream under Rule 19.67(6)(b)(i) of the GEM Listing Rules.
Consideration and payment terms:	The consideration for the acquisition of the Property A is JPY61,500,000 (equivalent to approximately HK$3,013,500), and shall be payable by the Purchaser to the Vendor in the following manner: (a) an initial deposit of JPY5,000,000 (equivalent to approximately HK$245,000) has been paid by the Purchaser to the Vendor upon the signing of the Sale and Purchase Agreement A; and (b) the balance of the consideration in the sum of JPY56,500,000 (equivalent to approximately HK$2,768,500) shall be paid by the Purchaser to the Vendor upon completion, which is expected to fall on 28 February 2025. The consideration for the acquisition of the Property A was determined after arm's length negotiations between the Purchaser and the Vendor having taken into account, among others, (i) the prime city location of the Property A; (ii) the prevailing market value of comparable properties in nearby locations; (iii) the development potential of the Property A; and (iv) the valuation of the Property A of JPY62,000,000 (equivalent to approximately HK$3,038,000) as at 31 December 2024 according to the valuation by Vincorn Consulting and Appraisal Limited, an independent property valuer by way of market approach. The consideration for the acquisition of the Property A will be satisfied by the internal resources of the Group.
Termination:	Each of the Purchaser and the Vendor shall have the right to terminate the Sale and Purchase Agreement A by giving prior written notice to the other party on or before 17 January 2025, and where the Sale and Purchase Agreement A is terminated.

In the event performance of the Sale and Purchase Agreement A prior to completion of the acquisition becomes impractical due to destruction or damage of the property caused by the natural disaster or any other reason not attributable to either the Purchaser or the Vendor, and such damage cannot be fixed or requires excessive repair cost, the Purchaser and/or the Vendor are entitled to terminate the Sale and Purchase Agreement A by giving written notice to the other party. Upon completion, the Vendor shall promptly refund all the funds received from the Purchaser under the Sale and Purchase Agreement A without interest.

Existing tenancy: No existing tenancy was incurred.

Completion: Completion of the acquisition of the Property A is expected to take place on 28 February 2025.

(2) THE SALE AND PURCHASE AGREEMENT B

Date: 17 January 2025 (after trading hours)

Parties:

(a) Purchaser: Project Across Company Limited, a wholly-owned subsidiary of the Company; and

(b) Vendor: ジョイライフ株式会社

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

The Property to be acquired: The Property B is a parcel of land situated at 2-Chome-16-4, Oimazatominami, Higashinari District, Osaka, Japan* (日本大阪市東城区大今里南二丁目16番4). The Property B has a registered land area of approximately 146.60 square meter.

The Property B is currently in vacant possession. To the best knowledge and information of the Company having made all reasonable enquiries, the Company understands that the Property B is not subject to any formal tenancy agreements. Thus, the Board considers that the Property B is not a revenue-generating asset with an identifiable income stream under Rule 19.67(6)(b)(i) of the GEM Listing Rules.

Consideration and payment terms:

The consideration for the acquisition of the Property B is JPY78,000,000 (equivalent to approximately HK$3,822,000), and shall be payable by the Purchaser to the Vendor in the following manner:

(a) an initial deposit of JPY5,000,000 (equivalent to approximately HK$245,000) has been paid by the Purchaser to the Vendor upon the signing of the Sale and Purchase Agreement B; and

(b) the balance of the consideration in the sum of JPY73,000,000 (equivalent to approximately HK$3,577,000) shall be paid by the Purchaser to the Vendor upon completion, which is expected to fall on 28 February 2025.

The consideration for the acquisition of the Property B was determined after arm's length negotiations between the Purchaser and the Vendor having taken into account, among others, (i) the prime city location of the Property B; (ii) the prevailing market value of comparable properties in nearby locations; (iii) the development potential of the Property B; and (iv) the valuation of the Property B of JPY80,000,000 (equivalent to approximately HK$3,920,000) as at 31 December 2024 according to the valuation by Vincorn Consulting and Appraisal Limited, an independent property valuer by way of market approach.

The consideration for the acquisition of the Property B will be satisfied by the internal resources of the Group.

Termination:

Each of the Purchaser and the Vendor shall have the right to terminate the Sale and Purchase Agreement B by giving prior written notice to the other party on or before 17 January 2025, and where the Sale and Purchase Agreement B is terminated.

In the event performance of the Sale and Purchase Agreement B prior to completion becomes impractical due to destruction or damage of the property caused by the natural disaster or any other reason not attributable to either the Purchaser or the Vendor, and such damage cannot be fixed or requires excessive repair cost, the Purchaser and/or the Vendor are entitled to terminate the Sale and Purchase Agreement B by giving written notice to the other party. Upon completion, the Vendor shall promptly refund all the funds received from the Purchaser under the Sale and Purchase Agreement B without interest.

Existing tenancy:

No existing tenancy was incurred.

Completion:

Completion of the acquisition of the Property B is expected to take place on 28 February 2025.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company has been actively exploring valuable investment opportunities to diversify its sources of income. Osaka, being one of the prime tourist destinations in Japan, and that there is increasing demand for homestays from the tourist. The Directors have taken into account (i) the prime location of the Properties and their surrounding transportation networks, as well as their current conditions, which facilitate the development and operation of a homestay business in Osaka; and (ii) the historically low exchange rate of the JPY against Hong Kong dollar over the last decade. The Directors are optimistic that there will be good potential for capital appreciation in the medium to long run through the acquisition of properties for developing a homestay business. As such, the Directors believe that the Acquisition will be a good investment opportunity that will provide a reasonable rate of return for the Company.

The Directors consider that the consideration is reasonable in comparison with the prevailing market value of other residential properties and land of similar nature in the nearby area and the Acquisition can effectively utilize the capital of the Company. The Directors have assessed the capital requirement for its daily operations and other expenditures, and are of the view that the Acquisition will not adversely affect the operation or working capital needs of the Group in any material respect.

In view of the above, the Directors consider that the terms of the Sale and Purchase Agreements and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE GROUP AND PURCHASER

The Group is principally engaged in provision of LED lighting fixtures and integrated LED lighting solution services for retail stores of world-renowned luxury brands mainly in the Asia market. The Purchaser is LED lighting system consulting company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company.

INFORMATION ON THE VENDOR

The Vendor is a company incorporated in Japan with limited liability, it is principally engaged in property investment. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Vendor is ultimately owned by 永木清隆.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties as at the date of this announcement.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as defined under Rule 19.07 of the GEM Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

"Acquisition"	the acquisition of the Properties by the Purchaser pursuant to the terms of the Sale and Purchase Agreements
"Board"	the board of Directors
"Company"	IMS Group Holdings Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the GEM of the Stock Exchange (stock code: 8136)
"Completion"	completion of the Acquisition pursuant to the Sale and Purchase Agreements
"connected person"	has the meanings ascribed to it under the GEM Listing Rules
"Director(s)"	the director(s) of the Company
"GEM"	the GEM of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	third party(ies) independent of the Company and its connected persons
"JPY"	Japanese Yen, the lawful currency of Japan
"Osaka"	the city of Japan
"Properties"	collectively, the Property A and the Property B
"Property A"	the property located at 3-Chome-62, Nakahama, Joto District, Osaka, Japan* (日本大阪市城東区中浜三丁目62番)
"Property B"	the property located at 2-Chome-16-4, Oimazatominami, Higashinari District, Osaka, Japan* (日本大阪市東城区大今里南二丁目16番4)

"Purchaser"	Project Across Company Limited, a company incorporated in Hong Kong and is a wholly-owned subsidiary of the Company
"Sale and Purchase Agreement A"	the agreement dated 17 January 2025 between the Purchaser and the Vendor in relation to the sale and purchase of the Property A
"Sale and Purchase Agreement B"	the agreement dated 17 January 2025 between the Purchaser and the Vendor in relation to the sale and purchase of the Property B
"Sale and Purchase Agreement(s)"	collectively, the Sale and Purchase Agreement A and the Sale and Purchase Agreement B
"Shareholders"	shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor"	ジョイライフ株式会社, a company established in Japan
"%"	per cent.

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

Hong Kong, 17 January 2025

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. 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.

This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the day of its publication. This announcement will also be published on the Company's website at http://www.ims512.com.

For the purpose of this announcement, conversion of JPY to HK$ is based on the exchange rate of JPY1 to HK$0.049. No representation is made that such amounts were or could be exchanged at this rate.

* *For identification purpose only*