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IWS Group Holdings Limited
國際永勝集團控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8441)

**THIRD QUARTERLY RESULTS ANNOUNCEMENT
FOR THE NINE MONTHS ENDED 31 DECEMBER 2021**

FINANCIAL HIGHLIGHTS

Summary of the results of the third quarterly results of the Group for the nine months ended 31 December 2021 compared to that of the nine months ended 31 December 2020 is as follows:

- The Group's revenue increased by approximately HK\$118.1 million, or 47.1% from approximately HK\$250.6 million to approximately HK\$368.7 million.
- Excluding the non-recurring listing expenses for the proposed transfer of listing of the shares of the Company from GEM to the Main Board of the Stock Exchange of approximately HK\$9.5 million incurred in the nine months ended 31 December 2021 and government grant income of approximately HK\$38.6 million recognised during the nine months ended 31 December 2020, adjusted profit and total comprehensive income increased by approximately HK\$26.0 million, or 109.8% from approximately HK\$23.6 million to approximately HK\$49.6 million.
- The Board did not recommend the payment of dividend for the nine months ended 31 December 2021.

The board (the “**Board**”) of directors (the “**Directors**”) of IWS Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited consolidated third quarterly results of the Group for the nine months ended 31 December 2021. This announcement, containing the full text of the third quarterly report of the Company for the nine months ended 31 December 2021 (the “**2021 Third Quarterly Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited in relation to preliminary announcement of third quarterly results. Printed version of the 2021 Third Quarterly Report will be despatched to the shareholders of the Company in due course.

By Order of the Board
IWS Group Holdings Limited
Ma Ah Muk
Executive Director and Chairman

Hong Kong, 11 February 2022

As at the date of this announcement, the executive Directors of the Company are Mr. Ma Ah Muk, Mr. Ma Kiu Sang, Mr. Ma Kiu Mo, Mr. Ma Kiu Man, Vince and Mr. Ma Yung King, Leo; and the independent non-executive Directors of the Company are Dr. Ng Ka Sing, David, Ms. Chang Wai Ha and Mr. Yau Siu Yeung.

This announcement, for which the Directors 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 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 Company Announcements” page of the GEM website at <http://www.hkgem.com> for a minimum period of seven days from the date of its publication and on the Company’s website at <http://www.iws.com.hk>.

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

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

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

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This report, for which the directors (the "**Directors**") of IWS Group Holdings Limited (the "**Company**") 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 Company and its subsidiaries (collectively referred to as 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

BOARD OF DIRECTORS

Executive Directors

Mr. Ma Ah Muk (*Chairman*)
Mr. Ma Kiu Sang
Mr. Ma Kiu Mo
Mr. Ma Kiu Man, Vince
Mr. Ma Yung King, Leo

Independent non-executive Directors

Dr. Ng Ka Sing, David
Ms. Chang Wai Ha
Mr. Yau Siu Yeung

AUDIT COMMITTEE

Ms. Chang Wai Ha (*Chairlady*)
Dr. Ng Ka Sing, David
Mr. Yau Siu Yeung

REMUNERATION COMMITTEE

Mr. Yau Siu Yeung (*Chairman*)
Mr. Ma Ah Muk
Dr. Ng Ka Sing, David
Ms. Chang Wai Ha

NOMINATION COMMITTEE

Mr. Yau Siu Yeung (*Chairman*)
Mr. Ma Ah Muk
Mr. Ma Kiu Sang
Dr. Ng Ka Sing, David
Ms. Chang Wai Ha

AUTHORISED REPRESENTATIVES

Mr. Ma Yung King, Leo
Mr. Wong Chi Kong

COMPLIANCE OFFICER

Mr. Ma Yung King, Leo

COMPANY SECRETARY

Mr. Wong Chi Kong

LEGAL ADVISER

Iu, Lai & Li Solicitors and Notaries

COMPLIANCE ADVISER

Red Solar Capital Limited

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor
35/F, One Pacific Place
88 Queensway
Hong Kong

PRINCIPAL BANKER

Hang Seng Bank Limited

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

1/F, Hang Seng Castle Peak Road Building
339 Castle Peak Road
Cheung Sha Wan, Kowloon
Hong Kong

REGISTERED OFFICE

Cricket Square, Hutchins Drive
PO Box 2681, Grand Cayman
KY1-1111
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

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54 Hopewell Centre
183 Queen's Road East
Hong Kong

STOCK CODE

8441

WEBSITE

<http://www.iws.com.hk>

FINANCIAL HIGHLIGHTS

SELECTED UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ITEMS

	Three months ended		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	115,949	76,996	368,660	250,591
Profit before taxation	12,220	15,964	50,247	67,604
Profit and total comprehensive income for the period	9,901	15,174	40,061	62,228

ADJUSTED NET PROFIT AND EXCLUDING GOVERNMENT GRANTS

	Three months ended		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit and total comprehensive income for the period	9,901	15,174	40,061	62,228
Adjustment for listing expenses	816	–	9,534	–
Adjusted net profit	10,717	15,174	49,595	62,228
Less: government grants	–	(12,672)	–	(38,586)
Adjusted net profit and excluding government grants	10,717	2,502	49,595	23,642

KEY FINANCIAL RATIOS

	For the nine months ended	For the nine months ended
	31 December	31 December
	2021	2020
Adjusted net profit margin (%)	13.5¹	24.8
Interest coverage (times)	529.9	727.9

Note:

- Ratio calculation excluded the non-recurring listing expenses of approximately HK\$9.5 million for the nine months ended 31 December 2021.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is an established facility services provider, who specialises in providing security services with a growing focus on facility management services for the public and private sectors in Hong Kong. The Group has over 10 years' experience in providing security services at railway stations and facilities, sea, land and railway immigration control points and public amenities as well as crowd coordination and management services for large-scale events and emergency and critical incidents in Hong Kong.

For the nine months ended 31 December 2021, amid the outbreak of COVID-19, and unstable economic and social environment in Hong Kong, the Group delivered a satisfying positive performance and demand for the Group's security and facility management services continued to grow. This is attributable to the well-established "IWS" brand, which stands for quality security services to its customers in Hong Kong.

FINANCIAL OVERVIEW

Revenue

The Group derives revenue from providing security services and facility management services across public and private sectors in Hong Kong. The Group's revenue increased by approximately HK\$118.1 million, or 47.1% from approximately HK\$250.6 million for the nine months ended 31 December 2020 to approximately HK\$368.7 million for the nine months ended 31 December 2021.

Security services

Revenue generated from the security services segment increased by approximately HK\$118.6 million or 51.8% from approximately HK\$228.9 million for the nine months ended 31 December 2020 to approximately HK\$347.4 million for the nine months ended 31 December 2021. Such increase was primarily due to:

- (i) an increase in revenue derived from general manned guarding services, representing an increase of approximately HK\$26.5 million or 22.8% as compared with the respective figure for the nine months ended 31 December 2020 because of (a) an increase in revenue derived from the provision of security services at the site of the three-runway system project at the Hong Kong International Airport (the "**Three-runway system project**") by not less than HK\$22.9 million; and (b) an increase in revenue derived from one of the largest bus companies in Hong Kong providing bus services to the general public in relation to provision of security guarding services at its headquarters and six depots by not less than HK\$3.4 million; and
- (ii) an increase in revenue derived from manpower support services, representing an increase of approximately HK\$91.9 million or 81.8% as compared with the respective figure for the nine months ended 31 December 2020 because of (a) an increase in revenue derived from the provision of COVID-19 detection support services at the community testing centers set up by a government department responsible for healthcare policies and the provision of basic healthcare services in Hong Kong (the "**Health Authority**") for specimen submission and distribution points of deep throat saliva specimen collection packs following the outbreak of COVID-19 of approximately HK\$101.0 million; and (b) an increase in revenue derived from a Hong Kong railway corporation for the provision of station assistants services of approximately HK\$17.8 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Facility management services

Revenue generated from facility management services remained relatively stable which decreased by approximately HK\$0.5 million, or 2.2% from approximately HK\$21.7 million for the nine months ended 31 December 2020 to approximately HK\$21.2 million for the nine months ended 31 December 2021.

Employee benefit expenses

Employee benefit expenses increased by approximately HK\$75.0 million, or 45.2% from approximately HK\$166.1 million for the nine months ended 31 December 2020 to approximately HK\$241.2 million for the nine months ended 31 December 2021 mainly due to (i) increase in total headcount for the newly awarded general manned guarding services contracts including the Three-runway system project by approximately HK\$31.4 million; and (ii) decrease in government grants from the Employment Support Scheme of approximately HK\$38.6 million resulting in compensation for employee benefit expenses being net off against the employee benefit expenses for the nine months ended 31 December 2020 while there were no such government grants during the nine months ended 31 December 2021.

Selling and marketing expenses

Selling and marketing expenses increased by approximately HK\$0.4 million or 45.9% from approximately HK\$0.8 million for the nine months ended 31 December 2020 to approximately HK\$1.2 million for the nine months ended 31 December 2021 mainly due to the increase in demand for security services in the private sector.

Other operating expenses

Other operating expenses increased by approximately HK\$48.3 million, or 274.8% from approximately HK\$17.6 million for the nine months ended 31 December 2020 to approximately HK\$65.9 million for the nine months ended 31 December 2021. Such increase was mainly due to subcontracting costs of approximately HK\$54.1 million incurred during the nine months ended 31 December 2021 as a result of the increase in new manpower support services at the community testing centres for specimens submission and distribution points of deep throat saliva specimen collection packs to the Health Authority.

Income tax expense

Income tax expenses increased by approximately HK\$4.8 million, or 89.5% from approximately HK\$5.4 million for the nine months ended 31 December 2020 to approximately HK\$10.2 million for the nine months ended 31 December 2021. The increase was primarily due to combined effects of the increase in assessable profit where non-taxable government grant income was received or receivable during the nine months ended 31 December 2020 and non-deductible, non-recurring listing expenses was incurred during the nine months ended 31 December 2021. The effective tax rate was approximately 8.0% and 20.3% for the nine months ended 31 December 2020 and 2021, respectively. Excluding (i) the non-taxable government grant income of approximately HK\$38.6 million recognised for the nine months ended 31 December 2020; and (ii) the non-recurring listing expenses of approximately HK\$9.5 million incurred for the nine months ended 31 December 2021, which was non-deductible for taxation purpose, the effective tax rate would be approximately 18.5% and 17.0% for the nine months ended 31 December 2020 and 2021, respectively, which is in line with the prevailing rate.



MANAGEMENT DISCUSSION AND ANALYSIS

Profit and total comprehensive income for the period

As a result of the above-mentioned factors, profit and total comprehensive income for the period decreased by approximately HK\$22.2 million, or 35.6% from approximately HK\$62.2 million for the nine months ended 31 December 2020 to approximately HK\$40.1 million for the nine months ended 31 December 2021. Net profit margin decreased from approximately 24.8% for the nine months ended 31 December 2020 to approximately 10.9% for the nine months ended 31 December 2021.

Excluding the non-recurring listing expenses for the proposed transfer of listing of the shares of the Company from GEM to the Main Board of the Stock Exchange of approximately HK\$9.5 million incurred in the nine months ended 31 December 2021 and government grant income of HK\$38.6 million recognised during the nine months ended 31 December 2020, adjusted profit and total comprehensive income for the nine months ended 31 December 2021 amounted to approximately HK\$49.6 million and net profit margin increased to approximately 13.5% for the nine months ended 31 December 2021 compared with approximately 9.4% for the nine months ended 31 December 2020.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTEREST

(A) DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2021 and up to the date of this report, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and 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 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 Rule 5.46 of the GEM Listing Rules were as follows:

(i) Long position in the shares of the Company

Name of Directors	Nature of interest/ holding capacity	Number of ordinary Shares held	Approximate percentage of issued share capital of the Company ⁽⁶⁾
Mr. Ma Ah Muk ⁽¹⁾	Interest under section 317 of the SFO ⁽¹⁾	560,000,000	70.0%
Mr. Ma Kiu Sang ("Mr. KS Ma") ^(2 & 3)	Interest in a controlled corporation ⁽³⁾ and under section 317 of the SFO ⁽²⁾	560,000,000	70.0%
Mr. Ma Kiu Mo ("Mr. KM Ma") ^(2 & 4)	Interest in a controlled corporation ⁽⁴⁾ and under section 317 of the SFO ⁽²⁾	560,000,000	70.0%
Mr. Ma Kiu Man, Vince ("Mr. Vince Ma") ^(2 & 5)	Interest in a controlled corporation ⁽⁵⁾ and under section 317 of the SFO ⁽²⁾	560,000,000	70.0%



CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

Note 1: Pursuant to a deed of confirmation dated 28 May 2018 executed by Mr. Ma Ah Muk, Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma, whereby they confirmed, among others, the existence of their acting in concert arrangement (the "**Deed of AIC Confirmation**"), Mr. Ma Ah Muk is deemed to be interested in all the shares of the Company ("**Shares**") held by Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma, through Morewood Asset Holdings Limited (森業資產控股有限公司) ("**Morewood**"), Mandarin Asset Holdings Limited (文華資產控股有限公司) ("**Mandarin**") and Cambridge Investment (BVI) Limited (劍橋投資(BVI)有限公司) ("**Cambridge**"), respectively, by virtue of Section 317 of the SFO.

Note 2: Mr. Ma Ah Muk, Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma are persons acting in concert pursuant to the Deed of AIC Confirmation and accordingly each of them is deemed to be interested in all the Shares held by the others through their respective shareholding interests in Morewood, Mandarin, Cambridge, which in turn hold IWS Group Holdings Limited ("**IWS BVI**") by virtue of Section 317 of the SFO.

Note 3: IWS BVI is owned as to 33.3% by Morewood, a company wholly and beneficially owned by Mr. KS Ma; therefore, each of Morewood and Mr. KS Ma is deemed to be interested in all the Shares held by IWS BVI pursuant to the SFO.

Note 4: IWS BVI is owned as to 33.3% by Mandarin, a company wholly and beneficially owned by Mr. KM Ma; therefore, each of Mandarin and Mr. KM Ma is deemed to be interested in all the Shares held by IWS BVI pursuant to the SFO.

Note 5: IWS BVI is owned as to 33.3% by Cambridge, a company wholly and beneficially owned by Mr. Vince Ma; therefore, each of Cambridge and Mr. Vince Ma is deemed to be interested in all the Shares held by IWS BVI pursuant to the SFO.

Note 6: Based on a total of 800,000,000 issued shares of the Company as at 31 December 2021.

CORPORATE GOVERNANCE AND OTHER INFORMATION

(ii) Long position in the shares of the associated corporation of the Company

Name of Director	Name of associated corporation	Nature of interest/ holding capacity	Number of shares interested	Approximate percentage of shareholding
Mr. Ma Ah Muk	IWS BVI	Interest in a controlled corporation and under section 317 of SFO ⁽²⁾	3	100%
	Morewood	Interest under section 317 of SFO ⁽²⁾	1	100%
	Mandarin	Interest under section 317 of SFO ⁽²⁾	1	100%
	Cambridge	Interest under section 317 of SFO ⁽²⁾	1	100%
Mr. KS Ma	Morewood	Beneficial owner ⁽¹⁾	1	100%
	IWS BVI	Interest in a controlled corporation and under section 317 of SFO ⁽²⁾	3	100%
Mr. KM Ma	Mandarin	Beneficial owner ⁽³⁾	1	100%
	IWS BVI	Interest in a controlled corporation and under section 317 of SFO ⁽²⁾	3	100%
Mr. Vince Ma	Cambridge	Beneficial owner ⁽⁴⁾	1	100%
	IWS BVI	Interest in a controlled corporation and under section 317 of SFO ⁽²⁾	3	100%

Notes:

Note 1: The disclosed interest represents the interest in IWS BVI, the associated corporation which is 33.33% owned by Morewood, a company wholly owned by Mr. KS Ma.

Note 2: Mr. Ma Ah Muk, Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma are persons acting in concert pursuant to the Deed of AIC Confirmation and accordingly each of them is deemed to be interested in all the Shares held by the others through their respective shareholding interests in Morewood, Mandarin, Cambridge and in IWS BVI by virtue of section 317 of the SFO.

Note 3: The disclosed interest represents the interest in IWS BVI, the associated corporation which is 33.33% owned by Mandarin, a company wholly owned by Mr. KM Ma.

Note 4: The disclosed interest represents the interest in IWS BVI, the associated corporation which is 33.33% owned by Cambridge, a company wholly owned by Mr. Vince Ma.



CORPORATE GOVERNANCE AND OTHER INFORMATION

(B) SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES OR UNDERLYING SHARES OF THE COMPANY

Insofar it is known to the Directors, as at 31 December 2021, the following persons or entities (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:

Long position in the shares of the Company

Name of Shareholder	Nature of interest/holding capacity	Number of ordinary Shares held	Approximate percentage of issued share capital of the Company ⁽⁸⁾
IWS BVI	Beneficial owner	560,000,000	70.0%
Morewood	Interest in a controlled corporation ⁽¹⁾	560,000,000	70.0%
Mandarin	Interest in a controlled corporation ⁽²⁾	560,000,000	70.0%
Cambridge	Interest in a controlled corporation ⁽³⁾	560,000,000	70.0%
Ms. Cheng Pak Ching	Interest of spouse ⁽⁴⁾	560,000,000	70.0%
Ms. Chow Yick Tung	Interest of spouse ⁽⁵⁾	560,000,000	70.0%
Ms. Choi Lai Form	Interest of spouse ⁽⁶⁾	560,000,000	70.0%
Ms. Ho Yin Nei	Interest of spouse ⁽⁷⁾	560,000,000	70.0%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

Note 1: The Company will be owned as to 70.0% by IWS BVI, which is owned as to 33.33% by Morewood, which is wholly owned by Mr. KS Ma. By virtue of the SFO, Morewood is deemed to be interested in the Shares held by IWS BVI.

Note 2: The Company will be owned as to 70.0% by IWS BVI, which is owned as to 33.33% by Mandarin, which is wholly owned by Mr. KM Ma. By virtue of the SFO, Mandarin is deemed to be interested in the Shares held by IWS BVI.

Note 3: The Company will be owned as to 70.0% by IWS BVI, which is owned as to 33.33% by Cambridge, which is wholly owned by Mr. Vince Ma. By virtue of the SFO, Cambridge is deemed to be interested in the Shares held by IWS BVI.

Note 4: Ms. Cheng Pak Ching is the spouse of Mr. Ma Ah Muk. By virtue of the SFO, Ms. Cheng Pak Ching is deemed to be interested in all the Shares in which Mr. Ma Ah Muk is interested.

Note 5: Ms. Chow Yick Tung is the spouse of Mr. KS Ma. By virtue of the SFO, Ms. Chow Yick Tung is deemed to be interested in all the Shares in which Mr. KS Ma is interested.

Note 6: Ms. Choi Lai Form is the spouse of Mr. KM Ma. By virtue of the SFO, Ms. Choi Lai Form is deemed to be interested in all the Shares in which Mr. KM Ma is interested.

Note 7: Ms. Ho Yin Nei is the spouse of Mr. Vince Ma. By virtue of the SFO, Ms. Ho Yin Nei is deemed to be interested in all the Shares in which Mr. Vince Ma is interested.

Note 8: Based on a total of 800,000,000 issued shares of the Company as at 31 December 2021.

Save as disclosed above and so far as is known to the Directors, as at 31 December 2021, the Directors were not aware of any other persons who had, or any other entities which had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company that would fall to be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “**Share Option Scheme**”) on 20 September 2019. The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentive or rewards for their contributions to the Group. For the principal terms of the Share Option Scheme, please refer to “E. SHARE OPTION SCHEME” in Appendix IV to the prospectus of the Company dated 30 September 2019.

As at 31 December 2021, no share option has been granted or agreed to be granted under the Share Option Scheme.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIVIDEND

The Board did not recommend the payment of any dividend for the nine months ended 31 December 2021 (nine months ended 31 December 2020: Nil).

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 December 2021.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the paragraphs headed "Disclosure of Interest — (A) Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" and "Share Option Scheme" in this report, at no time during the nine months ended 31 December 2021 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or the chief executive or their respective associates of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any associated corporation.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Directors believe that sound and reasonable corporate governance practices are essential in providing a framework for the Company to safeguard the interest of the Shareholders, to enhance corporate value, to formulate its policies, and to enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules (the "**CG Code**") as the basis of the Company's corporate governance practices, and the CG Code has been applicable to the Company with effect from 22 October 2019, being the date of the listing of the Company's Shares on GEM.

In the opinion of the Board, the Company has complied with the code provisions in the CG Code during the nine months ended 31 December 2021.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 5.48 to 5.67 of the GEM Listing Rules (the "**Required Standard Dealings**"). The Company has made specific enquiries to the Directors and all Directors have confirmed that they have fully complied with the Code of Conduct and Required Standard Dealings during the nine months ended 31 December 2021.

COMPETING INTERESTS

During the nine months ended 31 December 2021, insofar as the Directors are aware, none of the Directors, the controlling shareholders and substantial shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules) have had any position or interest in a business or company, that competes or is likely to compete, directly or indirectly with the business of the Group or give rise to any concern regarding conflict of interests.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of the Directors as at date of this report, the Company has maintained the prescribed public float required by the GEM Listing Rules for the nine months ended 31 December 2021.

SEGMENT INFORMATION

Segment information for the Group is presented as disclosed in note 3 to the unaudited condensed consolidated financial statements.

INTERESTS OF THE COMPLIANCE ADVISER

As at the date of this report, as notified by the Company's compliance adviser, Red Solar Capital Limited (the "**Compliance Adviser**"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser on 23 September 2019, neither the Compliance Adviser nor any of its directors, employees or close associates (as defined in the GEM Listing Rules) has had any interests in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation to the Company, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.



CORPORATE GOVERNANCE AND OTHER INFORMATION

REVIEW OF FINANCIAL STATEMENTS

The Company has established an audit committee on 20 September 2019 (the “**Audit Committee**”) with its written terms of reference in compliance with paragraphs C.3.3 and C.3.7 of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control systems of the Group. The Audit Committee consists of three independent non-executive Directors, namely Ms. Chang Wai Ha, Dr. Ng Ka Sing, David and Mr. Yau Siu Yeung. Ms. Chang Wai Ha currently serves as the chairlady of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2021. Based on the review and discussions with the management, the Audit Committee was satisfied that the unaudited condensed consolidated financial statements were prepared in accordance with applicable accounting standards and fairly present the Group’s results for the nine months ended 31 December 2021.

OUTLOOK

The Group’s successful listing increases its transparency and has achieved a strong degree of trust, presenting an even better corporate image to both its existing and potential clients in order to capture the rich potential in the security services and facility and venue management services markets in Hong Kong. This potential is driven by the continuous increase in real estate projects and large-scale events, rising land and housing supply, increase in parking spaces and demand for more sophisticated facility management services.

On 11 June 2021, the Company submitted a formal application (the “**Application**”) to the Stock Exchange in respect of the proposed transfer of listing from GEM to the Main Board of the Stock Exchange. As six months had passed since the submission of the Application, the Application automatically lapsed. The Company resubmitted a formal renewal of application to the Stock Exchange on 14 December 2021 in respect of it. For details, please refer to the announcement issued by the Company dated 11 June 2021 and 14 December 2021.

Looking ahead, the Group will expand the scope of its security services business, enhance its capability in providing facility management services, improve operational efficiency and scalability, and selectively pursue strategic acquisition and investment opportunities, all aimed at the ultimate goal of becoming the leading integrated facility management services provider in Hong Kong.

By Order of the Board

IWS Group Holdings Limited

Ma Ah Muk

Executive Director and Chairman

Hong Kong, 11 February 2022

As at the date of this report, the executive Directors are Mr. Ma Ah Muk, Mr. Ma Kiu Sang, Mr. Ma Kiu Mo, Mr. Ma Kiu Man, Vince and Mr. Ma Yung King, Leo, and the independent non-executive Directors are Ms. Chang Wai Ha, Dr. Ng Ka Sing, David and Mr. Yau Siu Yeung.

REPORT ON REVIEW OF QUARTERLY FINANCIAL INFORMATION

Deloitte.

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TO THE BOARD OF DIRECTORS OF IWS GROUP HOLDINGS LIMITED

國際永勝集團控股有限公司

(incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the quarterly financial information of IWS Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 17 to 24, which comprise the condensed consolidated statement of profit or loss and other comprehensive income and statement of changes in equity for the nine-month period ended 31 December 2021, and certain explanatory notes. The directors are responsible for the preparation and presentation of this quarterly financial information in accordance with the basis of preparation set out in note 2 to the quarterly financial information. Our responsibility is to express a conclusion on the quarterly financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (“**HKSRE 2410**”) issued by the Hong Kong Institute of Certified Public Accountants. A review of quarterly financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the quarterly financial information is not prepared, in all material respects, in accordance with the basis of preparation as set out in note 2 to the quarterly financial information.

OTHER MATTER

The comparative condensed consolidated statement of profit or loss and other comprehensive income and statement of changes in equity for the nine-month period ended 31 December 2020, and the condensed consolidated statements of profit or loss and other comprehensive income for each of the three-month periods ended 31 December 2021 and 2020 and the relevant explanatory notes included in these quarterly financial information have not been reviewed in accordance with HKSRE 2410.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

11 February 2022

WorldClass

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

For the nine months ended 31 December 2021

	NOTES	Three months ended 31 December		Nine months ended 31 December	
		2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue	3	115,949	76,996	368,660	250,591
Other income	4	198	298	386	1,617
Other gain and loss	4	(497)	32	(497)	32
Impairment losses on financial assets		–	–	(390)	–
Employee benefit expenses		(82,893)	(55,567)	(241,159)	(166,136)
Selling and marketing expenses		(463)	(270)	(1,189)	(815)
Other operating expenses		(19,231)	(5,483)	(65,935)	(17,592)
Listing expenses		(816)	–	(9,534)	–
Finance costs		(27)	(42)	(95)	(93)
Profit before taxation		12,220	15,964	50,247	67,604
Income tax expense	5	(2,319)	(790)	(10,186)	(5,376)
Profit and total comprehensive income for the period attributable to owners of the Company	6	9,901	15,174	40,061	62,228
Earnings per share					
Basic (HK cents)	8	1.24	1.90	5.01	7.78

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2021

	Attributable to owners of the Company					Non-controlling interest	Total
	Share capital	Share premium	Merger reserve	Retained earnings	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1 April 2020 (audited)	8,000	80,804	(31,714)	94,886	151,976	–	151,976
Profit and total comprehensive income for the period	–	–	–	62,228	62,228	–	62,228
Dividend (Note 7)	–	–	–	(16,000)	(16,000)	–	(16,000)
At 31 December 2020 (unaudited)	8,000	80,804	(31,714)	141,114	198,204	–	198,204
At 1 April 2021 (audited)	8,000	80,804	(31,714)	145,099	202,189	(1)	202,188
Profit and total comprehensive income for the period	–	–	–	40,061	40,061	–	40,061
Dividend (Note 7)	–	–	–	(26,000)	(26,000)	–	(26,000)
At 31 December 2021 (unaudited)	8,000	80,804	(31,714)	159,160	216,250	(1)	216,249



NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2021

1. GENERAL INFORMATION

IWS Group Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 23 March 2018. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 22 October 2019. Its immediate and ultimate holding company is IWS Group Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, shareholders of which are the respective wholly owned entities of Mr. Ma Kiu Sang (“**Mr. KS Ma**”), Mr. Ma Kiu Mo (“**Mr. KM Ma**”) and Mr. Ma Kiu Man, Vince (“**Mr. Vince Ma**”). Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma have been controlling the companies comprising the Company and its subsidiaries (collectively referred to as the “**Group**”) collectively. The addresses of the registered office and the principal place of business of the Company are disclosed in the section headed “Corporate Information” of this third quarterly report.

The Company is engaged in the provision of manpower support services and investment holding. Its subsidiaries are principally engaged in the provision of security services and facility management services in Hong Kong.

2. BASIS OF PREPARATION

The quarterly financial information has been prepared on the historical cost basis. The Hong Kong Institute of Certified Public Accountants has issued a number of amendments to Hong Kong Financial Reporting Standards (“**HKFRSS**”) that are first effective for the current accounting period. The adoption of these amendments to HKFRSSs have no material effect on the quarterly financial information.

The accounting policies and methods of computation used in the quarterly financial information for the nine months ended 31 December 2021 are the same as those followed in the preparation of the consolidated financial statements of the Group for the year ended 31 March 2021. The quarterly financial information includes the applicable disclosure required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange. However, it does not contain sufficient information to constitute an interim financial report as defined in HKFRSSs.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2021

3. REVENUE AND SEGMENT INFORMATION

An analysis of the Group's revenue by types of services is as follows:

	Three months ended		Nine months ended	
	31 December		31 December	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Provision of:				
General manned guarding services	49,859	41,060	143,058	116,528
Event and crisis security services	95	–	127	–
Manpower support services	59,362	28,686	204,245	112,350
Property management services	4,811	4,683	14,361	13,985
Carpark management services	1,320	2,086	5,441	6,282
Cleaning services	498	466	1,401	1,394
Interest income from sub-leasing of car parks	4	15	27	52
Total	115,949	76,996	368,660	250,591

The Group's operating segments are determined based on information reported to the chief executive, being the chief operating decision maker ("CODM") of the Group, for the purposes of resource allocation and performance assessment based on the types of services provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group's reportable and operating segments under HKFRS 8 *Operating Segments* are as follows:

- (i) Security services — provision of general manned guarding services, event and crisis security services and manpower support services at railway stations and facilities, sea, land and railway immigration control points and public amenities and during large-scale events and emergency and critical incidents in Hong Kong.
- (ii) Facility management services — provision of property management services, car park management services, cleaning services and interest income from sub-leasing of car parks.



NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2021

3. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

Nine months ended 31 December 2021 (unaudited)

	Security services <i>HK\$'000</i>	Facility management services <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue				
External revenue	347,430	21,230	–	368,660
Inter-segment revenue	12,981	5,879	(18,860)	–
	360,411	27,109	(18,860)	368,660
Segment results	78,933	9,285	–	88,218
Other income and loss				(111)
Impairment losses on financial assets				(390)
Other corporate expenses				(27,841)
Listing expenses				(9,534)
Finance costs				(95)
Profit before taxation				50,247

Nine months ended 31 December 2020 (unaudited)

	Security services <i>HK\$'000</i>	Facility management services <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue				
External revenue	228,878	21,713	–	250,591
Inter-segment revenue	10,309	5,866	(16,175)	–
	239,187	27,579	(16,175)	250,591
Segment results	84,582	11,571	–	96,153
Other income and gain				1,649
Other corporate expenses				(30,105)
Finance costs				(93)
Profit before taxation				67,604

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2021

3. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

Inter-segment revenue are charged at prevailing market rates.

Segment results represent profits earned from each segment without allocation of other income, other gain and loss, impairment losses on financial assets, other corporate expenses, listing expenses and finance costs. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

4. OTHER INCOME/OTHER GAIN AND LOSS

Other income

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Bank interest income	–	2	1	57
Others	198	296	385	1,560
	198	298	386	1,617

Other gain and loss

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Gain on disposal of property, plant and equipment	–	32	–	32
Loss on early termination of lease contracts	(497)	–	(497)	–
	(497)	32	(497)	32



NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2021

5. INCOME TAX EXPENSE

	Three months ended 31 December		Nine months ended 31 December	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

Current tax:

Hong Kong Profits Tax

— Current period

	2,319	790	10,186	5,376
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Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the period, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rates regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

6. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

	Three months ended 31 December		Nine months ended 31 December	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

Profit and total comprehensive income for the period has been arrived at after charging (crediting):

Depreciation of property,

plant and equipment

	264	206	713	564
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Depreciation of right-of-use assets

	405	369	1,190	1,087
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Subcontracting costs

	15,007	955	54,052	6,090
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Government grants (net off against

employee benefit expenses) (*Note*)

	–	(12,672)	–	(38,586)
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Note: During the nine months ended 31 December 2020, the Group recognised government grants in respect of COVID-19-related subsidies in relation to Employment Support Scheme provided by the Hong Kong government.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2021

7. DIVIDEND

During the nine months ended 31 December 2021, a final dividend of HK3.25 cents per share, in aggregate amount of HK\$26,000,000, in respect of the year ended 31 March 2021 (year ended 31 March 2020: HK\$16,000,000) was declared, approved by, and paid to the shareholders.

The Board did not recommend the payment of dividend for the nine months ended 31 December 2021 (nine months ended 31 December 2020: Nil).

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the following data:

	Three months ended 31 December		Nine months ended 31 December	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Earnings				
Profit for the period attributable to owners of the Company	9,901	15,174	40,061	62,228
Number of shares				
Weighted average number of ordinary shares	800,000,000	800,000,000	800,000,000	800,000,000

No diluted earnings per share is presented as there were no potential ordinary shares in issue during the periods.