

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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: 6663)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

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 interim results of the Group for the six months ended 30 September 2022. This announcement, containing the full text of the interim report of the Company for the six months ended 30 September 2022 (the “**Interim Report 2022**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to the information to accompany a preliminary announcement of interim results. Printed version of the Interim Report 2022 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, 25 November 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.



CONTENTS

	PAGE(S)
CORPORATE INFORMATION	2
FINANCIAL HIGHLIGHTS	3
MANAGEMENT DISCUSSION AND ANALYSIS	5
CORPORATE GOVERNANCE AND OTHER INFORMATION	10
REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	19
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	20
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	21
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	22
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	23
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	24

A large, light gray watermark of the IWS logo is centered on the page. It features the letters 'IWS' in a bold, italicized, sans-serif font, enclosed within a double-lined oval border.

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

RISK MANAGEMENT COMMITTEE

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

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

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

HEADQUARTER 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
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

STOCK CODE

6663

WEBSITE

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



FINANCIAL HIGHLIGHTS

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

	Six months ended 30 September	
	2022 (HK\$'000) (Unaudited)	2021 (HK\$'000) (Unaudited)
Revenue	193,410	252,711
Profit before taxation	14,928	38,027
Profit and total comprehensive income for the period	12,462	30,160

ADJUSTED NET PROFIT AND EXCLUDING GOVERNMENT GRANTS

	Six months ended 30 September	
	2022 (HK\$'000) (Unaudited)	2021 (HK\$'000) (Unaudited)
Profit and total comprehensive income for the period	12,462	30,160
Adjustment for listing expenses	–	8,718
Adjusted net profit	12,462	38,878
Less: government grants	(2,836)	–
Adjusted net profit and excluding government grants	9,626	38,878

SELECTED UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ITEMS

	As at 30 September 2022 (HK\$'000) (Unaudited)	As at 31 March 2022 (HK\$'000) (Audited)
	Non-current assets	10,979
Current assets	276,844	284,678
Current liabilities	85,726	59,495
Net current assets	191,118	225,183
Non-current liabilities	78	655
Net assets/Total equity	202,019	232,757

FINANCIAL HIGHLIGHTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 September	
	2022 (HK\$'000) (Unaudited)	2021 (HK\$'000) (Unaudited)
Net cash used in operating activities	(1,155)	(6,389)
Net cash from (used in) investing activities	40	(1,123)
Net cash used in financing activities	(906)	(819)
Net decrease in cash and cash equivalents	(2,021)	(8,331)
Cash and cash equivalents at beginning of the period	117,067	127,159
Cash and cash equivalents at end of the period	115,046	118,828

KEY FINANCIAL RATIOS

	As at 30 September 2022/ For the six months ended 30 September 2022	As at 30 September 2021/ For the six months ended 30 September 2021
Adjusted net profit margin (%)	5.0⁽¹⁾	15.4 ⁽¹⁾
Adjusted return on equity (%)	9.5⁽¹⁾⁽²⁾	37.6 ⁽¹⁾⁽²⁾
Adjusted return on total assets (%)	6.7⁽¹⁾⁽²⁾	27.6 ⁽¹⁾⁽²⁾
Interest coverage (times)	467.5	560.2
Current ratio (times)	3.2	3.6
Quick ratio (times)	3.2	3.6
Gearing ratio (%)	0.5	1.7
Average trade receivables turnover days (days)	142	84
Average trade payables turnover days (days)	3	28

Notes:

- Ratio calculation excluded the non-recurring listing expenses of approximately HK\$8.7 million for the six months ended 30 September 2021 and government grants of approximately HK\$2.8 million for the six months ended 30 September 2022.
- Annualised profit for the six months ended 30 September 2021 and 2022 has been used for ratio calculation.

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 during large-scale events and emergency and critical incidents in Hong Kong.

For the six months ended 30 September 2022, 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.

There was no material change in the principal business of the Group during the six months ended 30 September 2022.

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 decreased by approximately HK\$59.3 million, or 23.5% from approximately HK\$252.7 million for the six months ended 30 September 2021 to approximately HK\$193.4 million for the six months ended 30 September 2022.

Security services

Revenue generated from the security services segment decreased by approximately HK\$56.9 million or 23.9% from approximately HK\$238.1 million for the six months ended 30 September 2021 to approximately HK\$181.3 million for the six months ended 30 September 2022. Such decrease was primarily due to a decrease in revenue derived from manpower support services, representing a decrease of approximately HK\$62.7 million or 43.3% as compared with the respective figures for the six months ended 30 September 2021 because of a reduced demand after cessation of the Group's provision of COVID-19 detection support services to the community testing centers set up by a government department responsible for healthcare policies and the provision of basic healthcare services in Hong Kong for specimen submission and distribution points of deep throat saliva specimen collection packs following the outbreak of COVID-19 (the "**COVID-19 Detection Support Services**").

Facility management services

Revenue generated from facility management services decreased by approximately HK\$2.5 million, or 16.8% from approximately HK\$14.6 million for the six months ended 30 September 2021 to approximately HK\$12.1 million for the six months ended 30 September 2022. Such decrease was mainly due to the termination of several property and car park management contracts.

MANAGEMENT DISCUSSION AND ANALYSIS

Employee benefit expenses

Employee benefit expenses decreased by approximately HK\$6.1 million, or 3.8% from approximately HK\$158.3 million for the six months ended 30 September 2021 to approximately HK\$152.2 million for the six months ended 30 September 2022 mainly due to (i) a decrease in total headcount for the several expired and terminated services contracts; and (ii) an increase in government grants from the Employment Support Scheme of approximately HK\$2.8 million which is net off against the employee benefit expenses for the six months ended 30 September 2022.

Selling and marketing expenses

Selling and marketing expenses increased by approximately HK\$0.2 million or 20.2% from approximately HK\$0.7 million for the six months ended 30 September 2021 to approximately HK\$0.9 million for the six months ended 30 September 2022. Such increase was mainly due to the increase in the commission paid to the Group's sales agents because of the increase in deployment of the Group's security guards in the private sector.

Subcontracting costs

Subcontracting costs decreased by approximately HK\$21.2 million, or 54.4% from approximately HK\$39.0 million for the six months ended 30 September 2021 to approximately HK\$17.8 million for the six months ended 30 September 2022. Such decrease was mainly due to the combined effect of (i) a decrease in costs related to the COVID-19 Detection Support Services of approximately HK\$39.0 million; and (ii) an increase in costs related to the expenses for several COVID-19 related manpower support services such as restriction-testing declaration, delivery of wristband and user pack and on-site support services on wristband-related operation for compulsory quarantine support of approximately HK\$17.8 million.

Other operating expenses

Other operating expenses increased by approximately HK\$0.4 million, or 6.3% from approximately HK\$7.7 million for the six months ended 30 September 2021 to approximately HK\$8.1 million for the six months ended 30 September 2022. Such increase was mainly due to (i) an increase in provision for auditor's remuneration and legal and professional fees for alteration of the Company's memorandum and articles of association of approximately HK\$0.2 million; and (ii) an increase in uniform expenses of HK\$0.2 million.

Income tax expense

Income tax expenses decreased by approximately HK\$5.4 million, or 68.7% from approximately HK\$7.9 million for the six months ended 30 September 2021 to approximately HK\$2.5 million for the six months ended 30 September 2022. The decrease was primarily due to the decrease in assessable profits for the six months ended 30 September 2022. The effective tax rate was approximately 20.7% and 16.5% for the six months ended 30 September 2021 and 2022, respectively. Excluding the non-recurring listing expenses of approximately HK\$8.7 million incurred for the six months ended 30 September 2021, which was non-deductible for taxation purpose, the effective tax rate would be approximately 16.8% and 16.5% for the six months ended 30 September 2021 and 2022, 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\$17.7 million, or 58.7% from approximately HK\$30.2 million for the six months ended 30 September 2021 to approximately HK\$12.5 million for the six months ended 30 September 2022. Net profit margin decreased from approximately 11.9% for the six months ended 30 September 2021 to approximately 6.4% for the six months ended 30 September 2022.

Excluding the non-recurring listing expenses for the transfer of listing of the shares of the Company from GEM to the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) of approximately HK\$8.7 million incurred in the six months ended 30 September 2021 and the government grant income of approximately HK\$2.8 million recognised during the six months ended 30 September 2022, adjusted profit and total comprehensive income for the six months ended 30 September 2022 amounted to approximately HK\$9.6 million, representing a decrease of approximately 75.2% from approximately HK\$38.9 million for the six months ended 30 September 2021 and net profit margin decreased to approximately 5.0% for the six months ended 30 September 2022 compared with approximately 15.4% for the six months ended 30 September 2021.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group’s operation was financed principally by cash generated from its own business operations and bank borrowings.

As at 30 September 2022, the Group had bank balances and cash of approximately HK\$115.0 million, representing a decrease of approximately HK\$2.1 million or 1.7% from approximately HK\$117.1 million as at 31 March 2022.

As at 30 September 2022, the Group had net current assets and net assets of approximately HK\$191.1 million (31 March 2022: HK\$225.2 million) and approximately HK\$202.0 million (31 March 2022: HK\$232.8 million), respectively. As at 30 September 2022, its current ratio, calculated based on current assets divided by current liabilities of the Group, was approximately 3.2 times as compared to approximately 4.8 times as at 31 March 2022.

As at 31 March and 30 September 2022, total borrowings of the Group amounted to HK\$2.3 million and HK\$1.0 million, respectively, and total equity was approximately HK\$202.0 million (31 March 2022: HK\$232.8 million). The Group’s gearing ratio, calculated based on total borrowings divided by total equity, was 0.5% (31 March 2022: 1.0%) as at 30 September 2022.

As at 30 September 2022, the Group’s borrowing that is repayable within one year amounted to approximately HK\$0.9 million (as at 31 March 2022: approximately HK\$1.7 million), and its borrowing that is repayable over one year amounted to approximately HK\$0.1 million (as at 31 March 2022: approximately HK\$0.6 million). There is no material seasonality of borrowing requirements for the Group.

As at 30 September 2022, the Group had bank facilities with a limit of HK\$80.0 million of which HK\$37.5 million had been utilised.

As at 30 September 2022, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately HK\$202.0 million (31 March 2022: approximately HK\$232.8 million), comprising issued share capital and reserves. Since the Company’s shares were listed on GEM of the Stock Exchange on 22 October 2019, there has been no change in the capital structure of the Group. The listing of the ordinary shares of the Company was successfully transferred from GEM to the Main Board of the Stock Exchange on 7 March 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN EXCHANGE RISK

The majority of the Group's business operations was conducted in Hong Kong. The transactions, monetary assets and liabilities of the Group were mainly denominated in Hong Kong dollars. During the six months ended 30 September 2022, there was no material impact on the Group arising from the fluctuation in the foreign exchange rates. The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the six months ended 30 September 2022.

CREDIT RISK

The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. The Group normally provides services to customers or projects from the public sector in Hong Kong and the directors of the Company believe the risk of non-recoverability is generally low. At 30 September 2022, the Group's trade receivables amounted to approximately HK\$136.2 million. The Group has been closely following up with the customers on those receivables especially those amounts with longer age. There were subsequent settlements from the customers and the Group will continue to follow up on the full settlement.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the six months ended 30 September 2022. 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.

PERFORMANCE BOND

As at 30 September 2022, the Group had outstanding performance bonds of approximately HK\$37.5 million issued by the Group's bank with corporate guarantees from the Company to fulfil the obligation of providing contract securities using existing bank facilities for contracts with a bus company, a Hong Kong railway corporation, the ongoing Guangshengang XRL Contract and the contracts with the Hong Kong Government in the Group's normal course of business.

ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There were no material acquisitions and disposals of subsidiaries, associates and joint ventures for the six months ended 30 September 2022.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

As at 30 September 2022, the Group did not hold any significant investments.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE PLANS FOR MATERIAL INVESTMENTS ON CAPITAL ASSETS

There is no plan authorised by the Board for material investments or additions of capital assets as at the date of this report.

SHARE CAPITAL

Details of the share capital are set out in note 12 to the unaudited condensed consolidated financial statements.

PLEDGE OF ASSETS

There were no pledged assets as at 30 September 2022 (31 March 2022: Nil).

CAPITAL COMMITMENTS

As at 30 September 2022, the Group did not have any material capital commitment (31 March 2022: Nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2022, the Group had 2,160 employees (31 March 2022: 2,372 employees). Staff costs of the Group, including Directors' remuneration, were approximately HK\$152.2 million for the six months ended 30 September 2022 (30 September 2021: HK\$158.3 million). To ensure that it is able to attract and retain staff capable of attaining the best performance levels, remuneration packages are reviewed regularly. In addition, discretionary bonus is offered to eligible employees subject to the Group's results and individual performance.

CONTINGENT LIABILITIES

As at 30 September 2022, the Group did not have any significant contingent liabilities or guarantees (31 March 2022: Nil). The Group is not currently involved in any material legal proceedings, nor is it aware of any proceedings or potential material legal proceedings.

OUTLOOK

The Group's successful listing on GEM and the transfer of listing of its shares from GEM to the Main Board of the Stock Exchange 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 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.

Looking ahead, the Group will expand the scope of its security services business, enhance its capability in providing facility management services, improve its 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DISCLOSURE OF INTERESTS

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

As at 30 September 2022 and up to the date of this report, the interests or short positions of the Directors and chief executives 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 are 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 Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in the Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "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 (the **"Deed of AIC Confirmation"**) and as amended by a supplemental deed of confirmation dated 21 February 2022 (the **"Supplemental Deed of AIC Confirmation"**), whereby they confirmed, among others, the existence of their acting in concert arrangement, 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 and in turn 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 as at 30 September 2022.

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 30 September 2022, 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 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 is 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 is 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 is 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 as at 30 September 2022.

Save as disclosed above and to the best knowledge of the Directors, as at 30 September 2022, no person, other than the Directors and chief executive of the Company whose interests are set out in the sub-section headed "(A) Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" above, had notified the Company of an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register required to be kept by the Company pursuant 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 "D. SHARE OPTION SCHEME" in Appendix IV to the listing document of the Company dated 28 February 2022 (the "**Listing Document**").

As at 30 September 2022, no share option has been granted or agreed to be granted under the Share Option Scheme. There was no share option outstanding as at the beginning and at the end of the six months ended 30 September 2022.



CORPORATE GOVERNANCE AND OTHER INFORMATION

USE OF PROCEEDS FROM THE LISTING

The Shares were listed on GEM of the Stock Exchange on 22 October 2019 and its listing was successfully transferred to the Main Board of the Stock Exchange on 7 March 2022. The Company received net proceeds (after deduction of listing expenses) from the listing of the Shares on GEM of the Stock Exchange (the “**GEM Listing**”) of approximately HK\$32.0 million (the “**Net Proceeds**”).

As at 30 September 2022, the Group had partially utilised the Net Proceeds in the manner consistent with that mentioned in the section headed “Statement of Business Objectives and Use of Proceeds” of the prospectus of the Company dated 30 September 2019 (the “**Prospectus**”) and the section headed “Business — IMPLEMENTATION OF BUSINESS STRATEGIES AND USE OF PROCEEDS — Use of proceeds” of the Listing Document:

	Actual Net Proceeds from the GEM Listing (HK\$'000)	Amount utilised as at 30 September 2022 (HK\$'000)	Amount unutilised as at 30 September 2022 (HK\$'000)	Expected timetable for the usage of the unutilised Net Proceeds as of 30 September 2022
Expanding our business in security services				
(i) Recruitment of security service personnel	5,600	5,600	–	N/A
(ii) Contract securities	7,600	7,600	–	N/A
(iii) Acquisition of patrol vehicles	1,000	1,000	–	N/A
	14,200	14,200	–	
Enhancing our capability in providing facility management services				
(i) Acquisition of machines and equipment	4,100	–	4,100	On or before 31 March 2023
(ii) Expansion of our operation team and sales and marketing team	1,000	1,000	–	N/A
	5,100	1,000	4,100	
Improving operational efficiency				
(i) Upgrade of information technology infrastructure	3,000	403	2,597	On or before 31 March 2023
(ii) Establishment of a control room	2,000	771	1,229	On or before 31 March 2023
	5,000	1,174	3,826	
Payment for outstanding bank loan				
	4,500	4,500	–	N/A
General working capital				
	3,200	3,200	–	N/A
	32,000	24,074	7,926	

CORPORATE GOVERNANCE AND OTHER INFORMATION

As at 30 September 2022, approximately HK\$24.1 million of the Net Proceeds from the GEM Listing had been utilised.

As disclosed in the paragraph headed “USE OF PROCEEDS FROM THE LISTING” in the section headed “MANAGEMENT DISCUSSION AND ANALYSIS” in the Company’s annual report 2022, given that (i) the outbreak of COVID-19 and the Group’s failure to secure new facility management services tenders submitted as of the year ended 31 March 2022 which affected its plan to acquire machines and equipment to enhance its capability in providing facility management services; and (ii) the outbreak of COVID-19 which hindered the installation of the mobile application modules to improve operational efficiency and scalability, and also hindered the process of renovating and setting up the control room, and thereafter, the identification and recruitment of the security personnel licensed to provide Type III security work where the number of such security personnel in the market is limited, after due and careful consideration, in March 2022 the Directors decided to delay, for 12 months, the planned use of the unused Net Proceeds in relation to (a) the acquisition of machines and equipment; (b) the upgrade of information technology infrastructure; and (c) the establishment of a control room whereby such unused Net Proceeds are expected to be fully utilised by 31 March 2023.

As at the date of this report, save as the above-mentioned adjustments, there was no change in the intended use of Net Proceeds and the expected timetable as previously disclosed in the section headed “Statement of Business Objectives and Use of Proceeds” of the Prospectus and the section headed “Business — IMPLEMENTATION OF BUSINESS STRATEGIES AND USE OF PROCEEDS — Use of proceeds” of the Listing Document. The unutilised Net Proceeds of approximately HK\$7.9 million have been placed as interest-bearing deposits with licensed banks in Hong Kong.

INTERIM DIVIDEND

The Board did not recommend the payment of interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: Nil).

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 September 2022.

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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The Company has adopted the principles and code provisions of the Corporate Governance Code contained in Appendix 14 (the “**CG Code**”) to the Listing Rules as the basis of the Company’s corporate governance practices, and the CG Code has been applicable to the Company with effect from 7 March 2022 (the “**Listing Date**”).

In the opinion of the Board, the Company has complied with the code provisions in the CG Code during the six months ended 30 September 2022.

CHANGES IN DIRECTORS’ INFORMATION

Mr. Ma Kiu Sang, Ms. Chang Wai Ha and Mr. Yau Siu Yeung, who stood for re-election at the 2022 annual general meeting held on 16 September 2022, were re-elected with the approval of the shareholders.

There is no change in Directors’ biographical details which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the annual report of the Company for the year ended 31 March 2022.

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 set out in the Model Code. The Company had made specific enquiries to the Directors and all Directors have confirmed that they have fully complied with the Code of Conduct and Model Code during the six months ended 30 September 2022.

COMPETING INTERESTS

During the six months ended 30 September 2022, 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 Listing Rules) had any position or interest in a business or company that competes or may compete with the business of the Group or give rise to any concern regarding conflict of interests.

SUFFICIENCY OF PUBLIC FLOAT

Based on the publicly available information 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 Listing Rules for the six months ended 30 September 2022.

SEGMENT INFORMATION

Segment information for the Group is presented as disclosed in note 4 to the unaudited condensed consolidated financial statements.

EVENT AFTER THE REPORTING PERIOD

Up to the date of this report, there was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors after 30 September 2022.

CORPORATE GOVERNANCE AND OTHER INFORMATION

CONSTITUTIONAL DOCUMENTS

On 16 September 2022, a special resolution was passed at the Company's annual general meeting to adopt the second amended and restated memorandum and articles of association in order to conform to the core shareholder protection standards set out in Appendix 3 to the Listing Rules and to be in line with the relevant requirements of the Listing Rules and the applicable laws of the Cayman Islands. The amendments also provided flexibility on the conduct of general meetings, which could be held as a physical meeting in any part of the world and at one or more locations, as a hybrid meeting or as an electronic meeting. Other minor amendments to the memorandum and articles of association were also made to introduce corresponding as well as house-keeping changes.

REVIEW OF UNAUDITED CONDENSED CONSOLIDATED 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 D.3.3 and D.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 six months ended 30 September 2022 in conjunction with the Company's external auditor. 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 financial position as at 30 September 2022 and results for the six months ended 30 September 2022.

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

Hong Kong, 25 November 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

德勤

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 condensed consolidated financial statements of IWS Group Holdings Limited (the “**Company**”) and its subsidiaries set out on pages 20 to 30, which comprise the condensed consolidated statement of financial position as of 30 September 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements 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” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

25 November 2022

INspire HK

躍動香港

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

For the six months ended 30 September 2022

	NOTES	Six months ended 30 September	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	4	193,410	252,711
Other income		628	188
Other gain		23	–
Impairment losses on financial assets		(113)	(390)
Employee benefit expenses		(152,173)	(158,266)
Selling and marketing expenses		(873)	(726)
Subcontracting costs		(17,798)	(39,045)
Other operating expenses		(8,144)	(7,659)
Listing expenses		–	(8,718)
Finance costs		(32)	(68)
Profit before taxation		14,928	38,027
Income tax expense	5	(2,466)	(7,867)
Profit and total comprehensive income for the period attributable to owners of the Company	6	12,462	30,160
Earnings per share			
Basic (<i>HK cents</i>)	8	1.56	3.77



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2022

	NOTES	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,399	1,830
Right-of-use assets		955	2,256
Deposits	10	8,382	3,900
Deferred tax asset		243	243
		10,979	8,229
CURRENT ASSETS			
Trade and other receivables and deposits	10	159,570	165,079
Amount due from a non-controlling shareholder of a subsidiary		2	2
Amounts due from related companies		2,168	2,188
Tax recoverable		58	342
Bank balances and cash		115,046	117,067
		276,844	284,678
CURRENT LIABILITIES			
Trade and other payables and accrued expenses	11	28,035	44,754
Amount due to related company		–	58
Lease liabilities		884	1,656
Dividend payable		43,200	–
Tax payables		13,607	13,027
		85,726	59,495
NET CURRENT ASSETS		191,118	225,183
TOTAL ASSETS LESS CURRENT LIABILITIES		202,097	233,412
NON-CURRENT LIABILITIES			
Lease liabilities		78	655
NET ASSETS		202,019	232,757
CAPITAL AND RESERVES			
Share capital	12	8,000	8,000
Reserves		194,021	224,759
Equity attributable to owners of the Company		202,021	232,759
Non-controlling interests		(2)	(2)
TOTAL EQUITY		202,019	232,757

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	Attributable to owners of the Company					Non-controlling interest	Total
	Share capital	Share premium	Merger reserve	Retained earnings	Sub-total		
	HK\$'000 (Note 12)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2022 (audited)	8,000	80,804	(31,714)	175,669	232,759	(2)	232,757
Profit and total comprehensive income for the period	-	-	-	12,462	12,462	-	12,462
Dividend (Note 7)	-	-	-	(43,200)	(43,200)	-	(43,200)
At 30 September 2022 (unaudited)	8,000	80,804	(31,714)	144,931	202,021	(2)	202,019
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	-	-	-	30,160	30,160	-	30,160
Dividend (Note 7)	-	-	-	(26,000)	(26,000)	-	(26,000)
At 30 September 2021 (unaudited)	8,000	80,804	(31,714)	149,259	206,349	(1)	206,348



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
OPERATING ACTIVITIES		
Operating cash flows before movements in working capital	16,253	39,718
Decrease (increase) in trade and other receivables and deposits	913	(40,666)
Decrease in other payables and accrued expenses	(16,719)	(5,788)
Other operating cash flows	(1,602)	347
NET CASH USED IN OPERATING ACTIVITIES	(1,155)	(6,389)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(32)	(1,331)
Repayment from related companies	2,188	2,992
Advance to related companies	(2,168)	(2,785)
Interest received	52	1
NET CASH FROM (USED IN) INVESTING ACTIVITIES	40	(1,123)
FINANCING ACTIVITIES		
Interest paid	(32)	(68)
Repayment of lease liabilities	(816)	(901)
Advance from related companies	–	243
Repayment to related companies	(58)	(93)
NET CASH USED IN FINANCING ACTIVITIES	(906)	(819)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,021)	(8,331)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	117,067	127,159
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by bank balances and cash	115,046	118,828

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2022

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 and subsequently its listing was transferred to the Main Board of the Stock Exchange on 7 March 2022. 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 interim report.

The Group is principally engaged in the provision of security services and facility management services in Hong Kong.

2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

3. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2022 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 March 2022.

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.



NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2022

4. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue

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

	Six months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Provision of:		
General manned guarding services	99,059	93,199
Event and crisis security services	10	32
Manpower support services	82,195	144,883
Property management services	9,173	9,550
Car park management services	1,941	4,121
Cleaning services	1,032	903
Interest income from sub-leasing of car parks	–	23
	193,410	252,711

Segment information

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 analysis of segment assets or segment liabilities is presented as such information is not regularly provided to the CODM. 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 (Continued)

For the six months ended 30 September 2022

4. 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.

	Security services <i>HK\$'000</i>	Facility management services <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Six months ended 30 September 2022 (unaudited)				
Revenue				
External revenue	181,264	12,146	–	193,410
Inter-segment revenue	8,280	4,083	(12,363)	–
	189,544	16,229	(12,363)	193,410
Segment results	25,782	5,931	–	31,713
Other income				628
Impairment losses on financial assets				(113)
Other corporate expenses				(17,268)
Finance costs				(32)
Profit before taxation				14,928
Six months ended 30 September 2021 (unaudited)				
Revenue				
External revenue	238,114	14,597	–	252,711
Inter-segment revenue	8,250	3,919	(12,169)	–
	246,364	18,516	(12,169)	252,711
Segment results	57,500	6,577	–	64,077
Other income				188
Impairment losses on financial assets				(390)
Other corporate expenses				(17,062)
Listing expenses				(8,718)
Finance costs				(68)
Profit before taxation				38,027

Inter-segment revenue are charged at prevailing market rates.

Segment results represent profits earned from each segment without allocation of other income, 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.



NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2022

5. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the reporting 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

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit and total comprehensive income for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	463	449
Depreciation of right-of-use assets	791	785
Government grants (net off against employee benefit expenses)	(2,836)	–

7. DIVIDENDS

During the current interim period, a final dividend of HK5.40 cents per share, in an aggregate amount of HK\$43,200,000, in respect of the year ended 31 March 2022 (six months ended 30 September 2021: HK\$26,000,000) was declared and approved by the shareholders of the Company on 16 September 2022 and paid on 12 October 2022.

The Board did not recommend the payment of interim dividend for the six months ended 30 September 2022 (six months ended 30 September 2021: nil).

8. EARNINGS PER SHARE

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

	Six months ended 30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Earnings		
Profit for the period attributable to owners of the Company	12,462	30,160
	Six months ended 30 September	
	2022	2021
	(Unaudited)	(Unaudited)
Number of shares		
Weighted average number of ordinary shares	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.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2022

9. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group had additions to property, plant and equipment amounting to HK\$32,000 (six months ended 30 September 2021: HK\$1,331,000).

10. TRADE AND OTHER RECEIVABLES AND DEPOSITS

	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Trade receivables		
— Third parties	130,087	126,763
— Related companies	7,591	6,110
	137,678	132,873
Less: Loss allowance	(1,527)	(1,402)
	136,151	131,471
Uncertified revenue	11,298	21,377
Less: Loss allowance	(11)	(22)
	11,287	21,355
Deposits		
— Third parties	7,992	7,402
— Related companies	181	—
	8,173	7,402
Less: Loss allowance	(11)	(8)
	8,162	7,394
Other receivables and prepayments	4,000	4,889
Less: Loss allowance	(30)	(30)
	3,970	4,859
Total trade and other receivables and deposits (shown under current assets)	159,570	165,079
Non-current deposits		
— Third parties	8,388	3,729
— Related companies	—	181
	8,388	3,910
Less: Loss allowance	(6)	(10)
	8,382	3,900

All the related companies are companies controlled by Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma.



NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2022

10. TRADE AND OTHER RECEIVABLES AND DEPOSITS (Continued)

The following is an ageing analysis of trade receivables, net of loss allowance, presented based on the invoice dates at the end of the reporting period:

	As at 30 September 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
0–30 days	60,556	73,311
31–60 days	13,671	21,726
61–90 days	6,126	12,151
91–120 days	14,932	5,882
Over 120 days	40,866	18,401
	136,151	131,471

The Group continues to provide services to customers or projects from the public sector in Hong Kong and the Group's customer base has no material change during the current period. The basis of determining the inputs and assumptions and the estimation techniques used in the condensed consolidated financial statements for the six months ended 30 September 2022 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2022.

11. TRADE AND OTHER PAYABLES AND ACCRUED EXPENSES

Included in the amount are trade payables and accrued staff costs amounting to HK\$290,000 (31 March 2022: HK\$272,000) and HK\$25,169,000 (31 March 2022: HK\$39,457,000) respectively. The Group's trade payables are aged within 30 days based on invoice date.

12. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2021 (audited), 31 March 2022 (audited) and 30 September 2022 (unaudited)	2,000,000,000	20,000
Issued and fully paid:		
At 1 April 2021 (audited), 31 March 2022 (audited) and 30 September 2022 (unaudited)	800,000,000	8,000

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2022

13. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The management of the Group considers that the carrying amounts of the financial assets and financial liabilities of the Group recorded at amortised cost in the condensed consolidated financial statements at the end of the reporting period approximate their fair values.

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on a discounted cash flow analysis.

14. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the current interim period, the Group has revenue derived from security services and facility management services provided to certain companies controlled by Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma at an aggregate amount of HK\$10,173,000 (six months ended 30 September 2021: HK\$11,138,000). The Group did not have other significant related party transactions.

15. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by the board of directors on 25 November 2022.