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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)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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

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

*This announcement, for which the directors (the “**Directors**”) of 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 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>.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2021

	<i>NOTES</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Revenue	3	365,833	481,571
Other income	4	1,661	508
Other gains and losses, net	4	32	1,212
Impairment losses on financial assets, net	5	(47)	(833)
Employee benefit expenses	6	(249,988)	(388,463)
Selling and marketing expenses		(1,141)	(2,142)
Other operating expenses	6	(38,759)	(14,144)
Listing expenses		(4,655)	(15,525)
Finance costs	7	(130)	(2,066)
		<hr/>	<hr/>
Profit before taxation		72,806	60,118
Income tax expense	8	(6,594)	(13,030)
		<hr/>	<hr/>
Profit and total comprehensive income for the year		66,212	47,088
		<hr/> <hr/>	<hr/> <hr/>
Profit (loss) and total comprehensive income (expense) for the year attributable to:			
Owners of the Company		66,213	47,088
Non-controlling interests		(1)	–
		<hr/>	<hr/>
		66,212	47,088
		<hr/> <hr/>	<hr/> <hr/>
Earnings per share			
Basic (HK cents)	10	8.28	6.84
Diluted (HK cents)	10	N/A	6.84
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2021

	NOTES	2021 HK\$'000	2020 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		1,332	1,527
Right-of-use assets		3,419	452
Finance lease receivables		607	1,308
Deposits	11	9,605	6,759
Deferred tax asset		46	46
		<u>15,009</u>	<u>10,092</u>
CURRENT ASSETS			
Trade and other receivables and deposits	11	100,372	120,004
Finance lease receivables		701	673
Amount due from a non-controlling shareholder of a subsidiary	12	2	2
Amount due from a related company	12	303	112
Tax recoverable		8,173	401
Bank balances and cash		127,159	78,874
		<u>236,710</u>	<u>200,066</u>
CURRENT LIABILITIES			
Trade and other payables and accrued expenses	13	43,587	35,193
Amount due to a related company	14	93	94
Lease liabilities		1,703	712
Bank borrowings	15	–	12,000
Tax payables		1,721	9,532
		<u>47,104</u>	<u>57,531</u>
NET CURRENT ASSETS		<u>189,606</u>	<u>142,535</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>204,615</u>	<u>152,627</u>
NON-CURRENT LIABILITIES			
Lease liabilities		2,304	528
Other liabilities	13	123	123
		<u>2,427</u>	<u>651</u>
NET ASSETS		<u>202,188</u>	<u>151,976</u>
CAPITAL AND RESERVES			
Share capital	16	8,000	8,000
Reserves		194,189	143,976
Equity attributable to owners of the Company		202,189	151,976
Non-controlling interests		(1)	–
TOTAL EQUITY		<u>202,188</u>	<u>151,976</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2021

1. GENERAL

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 Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and 1/F, Hang Seng Castle Peak Road Building, 339 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong, respectively.

The Company is engaged in the provision of manpower support services and investment holding.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and 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 2020 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. REVENUE AND SEGMENT INFORMATION

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Types of services		
Provision of:		
General manned guarding services	160,147	344,726
Event and crisis security services	–	698
Manpower support services	176,709	106,735
Property management services	18,679	18,479
Car park management services	8,373	8,499
Cleaning services	1,859	1,997
Rental of car parks	–	431
Interest income from sub-leasing of car parks	66	6
	<hr/>	<hr/>
Total	365,833	481,571
	<hr/> <hr/>	<hr/> <hr/>
Timing of revenue recognition under HKFRS 15		
— Over time	365,767	481,134
Rental income	–	431
Interest income	66	6
	<hr/>	<hr/>
Total	365,833	481,571
	<hr/> <hr/>	<hr/> <hr/>

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 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, rental of car parks and interest income from sub-leasing of car parks.

Segment revenue and results

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

	Security services HK\$'000	Facility management services HK\$'000	Elimination HK\$'000	Total HK\$'000
Year ended 31 March 2021				
Revenue				
External revenue	336,856	28,977	–	365,833
Inter-segment revenue	14,711	7,826	(22,537)	–
	<u>351,567</u>	<u>36,803</u>	<u>(22,537)</u>	<u>365,833</u>
Segment results	103,399	16,106	–	119,505
Other income and gains				1,693
Impairment losses on financial assets, net				(47)
Other corporate expenses				(43,560)
Listing expenses				(4,655)
Finance costs				(130)
Profit before taxation				<u><u>72,806</u></u>
Year ended 31 March 2020				
Revenue				
External revenue	452,159	29,412	–	481,571
Inter-segment revenue	16,556	7,584	(24,140)	–
	<u>468,715</u>	<u>36,996</u>	<u>(24,140)</u>	<u>481,571</u>
Segment results	108,046	13,696	–	121,742
Other income and loss				488
Impairment losses on financial assets, net				(833)
Other corporate expenses				(43,688)
Listing expenses				(15,525)
Finance costs				(2,066)
Profit before taxation				<u><u>60,118</u></u>

4. OTHER INCOME/OTHER GAINS AND LOSSES, NET

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Bank interest income	59	168
Insurance received	962	130
Others	640	210
	<hr/>	<hr/>
Other income — total	<u>1,661</u>	<u>508</u>
Gain (loss) on disposal of property, plant and equipment	32	(20)
Gain on sub-leasing of car parks	—	1,232
	<hr/>	<hr/>
Other gains and losses, net — total	<u>32</u>	<u>1,212</u>

5. IMPAIRMENT LOSSES ON FINANCIAL ASSETS, NET

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Impairment (gains) losses on:		
— trade receivables	(149)	347
— uncertified revenue	(6)	(7)
— other receivables and deposits	202	—
	<hr/>	<hr/>
Write off of trade receivables	47	340
	<hr/>	<hr/>
	<u>47</u>	<u>833</u>

6. ANALYSIS OF EXPENSES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Directors' and chief executive's emoluments	16,778	15,435
Other staff salaries, wages and allowances and bonuses	223,648	362,444
Retirement benefit scheme contributions, excluding those for directors and chief executive	<u>9,562</u>	<u>10,584</u>
Total employee benefit expenses (<i>note</i>)	<u><u>249,988</u></u>	<u><u>388,463</u></u>
Other operating expenses include:		
Auditor's remuneration	1,200	1,570
Depreciation of property, plant and equipment	774	714
Depreciation of right-of-use assets	1,455	1,678
Subcontracting costs	<u>23,788</u>	<u>–</u>

Note: During the year ended 31 March 2021, the Group recognised government grants of HK\$39,701,000 in respect of COVID-19-related subsidies in relation to Employment Support Scheme provided by the Hong Kong government and net off against employee benefit expenses.

7. FINANCE COSTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest on bank borrowings	6	2,008
Interest on lease liabilities	<u>124</u>	<u>58</u>
	<u><u>130</u></u>	<u><u>2,066</u></u>

8. INCOME TAX EXPENSE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax		
— Current year	6,567	12,914
— Underprovision in prior years	<u>27</u>	<u>116</u>
	<u><u>6,594</u></u>	<u><u>13,030</u></u>

Hong Kong Profits Tax for both years is calculated at 16.5% of the estimated assessable profits for the year, 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%.

The Group's subsidiaries operating in Hong Kong are eligible for certain tax concessions. The maximum tax concessions eligible for each subsidiary is HK\$10,000 (2020: HK\$20,000) for the year ended 31 March 2021.

9. DIVIDEND

A final dividend for the year ended 31 March 2020 of HK2 cents per ordinary share totaling HK\$16,000,000, based on 800,000,000 ordinary shares, was recognised as distribution during the current year.

Subsequent to 31 March 2021, a final dividend for the year ended 31 March 2021 of HK3.25 cents per ordinary share totaling HK\$26,000,000, based on 800,000,000 ordinary shares, has been proposed by the board of directors and is subject to approval by the shareholders at the forthcoming annual general meeting.

10. EARNINGS PER SHARE

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Earnings		
Profit for the year attributable to owners of the Company	<u>66,213</u>	<u>47,088</u>
	2021	2020
Number of shares		
Weighted average number of ordinary shares	<u>800,000,000</u>	<u>688,524,590</u>

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the capitalisation issue had been effective on 1 April 2019.

No diluted earnings is presented as there were no potential ordinary shares in issue for the year ended 31 March 2021. The calculation of diluted earnings per share for the year ended 31 March 2020 does not assume the exercise of the offer size adjustment option granted and lapsed before the listing of the Company.

11. TRADE AND OTHER RECEIVABLES AND DEPOSITS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables (<i>note</i>)		
— Third parties	56,455	55,665
— Related parties	4,677	4,644
	<u>61,132</u>	<u>60,309</u>
Less: Loss allowance	(658)	(807)
	<u>60,474</u>	<u>59,502</u>
Uncertified revenue	34,786	47,488
Less: Loss allowance	(46)	(52)
	<u>34,740</u>	<u>47,436</u>
Deposits		
— Third parties	1,372	7,626
— Related parties	—	280
	<u>1,372</u>	<u>7,906</u>
Less: Loss allowance	(2)	—
	<u>1,370</u>	<u>7,906</u>
Other receivables and prepayments	2,446	5,160
Less: Loss allowance	(180)	—
	<u>2,266</u>	<u>5,160</u>
Prepayments for listing expenses	1,522	—
	<u>1,522</u>	<u>—</u>
Total trade and other receivables and deposits (shown under current assets)	<u><u>100,372</u></u>	<u><u>120,004</u></u>
Non-current deposits		
— Third parties	9,345	6,759
— Related parties	280	—
	<u>9,625</u>	<u>6,759</u>
Less: Loss allowance	(20)	—
	<u><u>9,605</u></u>	<u><u>6,759</u></u>

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

Note: Trade receivables

At 1 April 2019, trade receivables from contracts with customers amounted to HK\$49,421,000.

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
0–30 days	45,708	38,250
31–60 days	11,859	7,582
61–90 days	1,699	4,171
91–120 days	904	2,639
Over 120 days	304	6,860
	<u>60,474</u>	<u>59,502</u>

12. AMOUNT DUE FROM A NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY/A RELATED COMPANY

The amount due from a non-controlling shareholder of a subsidiary of the Company is non-trade nature, unsecured, interest-free and repayable on demand.

The amount due from Yan Yan Motors Limited, which is controlled by Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma, is non-trade nature, unsecured, interest-free and repayable on demand.

13. TRADE AND OTHER PAYABLES AND ACCRUED EXPENSES/OTHER LIABILITIES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade and other payables and accrued expenses — current		
Trade payables	6,234	–
Other payables and accrued expenses	1,801	3,300
Accrued listing expenses	380	–
Accrued staff costs	35,172	31,893
	<u>43,587</u>	<u>35,193</u>
Other liabilities — non-current		
Deposit received from customer under finance lease	123	123

At 31 March 2021, the Group's trade payables are aged within 30 days based on invoice date.

14. AMOUNT DUE TO A RELATED COMPANY

The amount due to Deluxe Tower Limited, which is controlled by Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma, is non-trade nature, unsecured, interest-free and repayable on demand.

15. BANK BORROWINGS

The Group's bank borrowings, which were unsecured, repayable within one year and contained a repayment on demand clause. At 31 March 2020, bank borrowings carried variable interest rate at one month Hong Kong Interbank Offered Rate plus 1.75%.

16. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
Ordinary shares of HK\$0.01 each		
At 1 April 2019	38,000,000	380
On 20 September 2019 (<i>note i</i>)	1,962,000,000	19,620
	<u>2,000,000,000</u>	<u>20,000</u>
At 31 March 2020 and 2021	<u>2,000,000,000</u>	<u>20,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 1 April 2019	1	–
Capitalisation issue on 22 October 2019 (<i>note i</i>)	599,999,999	6,000
Issue of shares on 22 October 2019 (<i>note ii</i>)	200,000,000	2,000
	<u>800,000,000</u>	<u>8,000</u>
At 31 March 2020 and 2021	<u>800,000,000</u>	<u>8,000</u>

Notes:

- (i) On 20 September 2019, a written resolution to increase the authorised share capital of the Company to HK\$20,000,000 by the creation of an additional 1,962,000,000 shares of the Company was passed. On 22 October 2019, 599,999,999 shares of the Company were issued through capitalisation of approximately HK\$5,999,999.99 standing to the credit of share premium of the Company.
- (ii) The shares of the Company have been listed on GEM of the Stock Exchange by way of share offer on 22 October 2019. 200,000,000 shares of the Company of HK\$0.01 each were issued at HK\$0.32 per share.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is an established facility services provider that specialises in providing security services and facility management services for the public and private sectors in Hong Kong. The Group has over 10 years of 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 year ended 31 March 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's revenue decreased by approximately HK\$115.7 million or 24.0% from approximately HK\$481.6 million for the year ended 31 March 2020 to approximately HK\$365.8 million for the year ended 31 March 2021, such decrease was mainly due to the combined effect of the Group's two business segments as explained below:

Security services

Revenue generated from the security services segment decreased by approximately HK\$115.3 million or 25.5% from approximately HK\$452.2 million for the year ended 31 March 2020 to approximately HK\$336.9 million for the year ended 31 March 2021. Such decrease was primarily due to (i) revenue derived from the general manned guarding services decreased by approximately HK\$184.6 million compared to the year ended 31 March 2020 which is mainly because of a decrease in demand for the Group's general manned guarding services relating to public order events from a Hong Kong railway corporation (the "**Railway Corporation**"); and (ii) partially off-set by an increase in revenue of approximately HK\$70.0 million in manpower support services mainly because of the provision of COVID-19 related manpower support services at the deep throat saliva specimen collection centres and deep throat saliva specimen collection and delivery services to the Universal Community Testing Programme 2020 (the "**Collection and Delivery Services**"), and logistics and related support services during the year ended 31 March 2021.

Facility management services

Revenue generated from the facility management services segment remained relatively stable at approximately HK\$29.4 million and HK\$29.0 million for the year ended 31 March 2020 and the year ended 31 March 2021, respectively.

Employee benefit expenses

Employee benefit expenses decreased by approximately HK\$138.5 million or 35.6% from approximately HK\$388.5 million for the year ended 31 March 2020 to approximately HK\$250.0 million for the year ended 31 March 2021. Such decrease was mainly due to: (i) decrease in total headcount for the general manned guarding services due to the decrease in demand for Group's general manned guarding services relating to public order events from the Railway Corporation; and (ii) government grants in relation to the Employment Support Scheme of approximately HK\$39.7 million recognised and net off against the employee benefit expenses for the year ended 31 March 2021.

Selling and marketing expenses

Selling and marketing expenses decreased by approximately HK\$1.0 million or 46.7% from approximately HK\$2.1 million for the year ended 31 March 2020 to approximately HK\$1.1 million for the year ended 31 March 2021. Such decrease was mainly due to the decrease in the commission paid to the Group's sales agents because of the decrease in deployment of the Group's security guards in the private sector.

Other operating expenses

Other operating expenses increased by approximately HK\$24.6 million or 174.0% from approximately HK\$14.1 million for the year ended 31 March 2020 to approximately HK\$38.8 million for the year ended 31 March 2021. Such increase was mainly due to subcontracting costs of approximately HK\$23.8 million incurred in the year ended 31 March 2021 as a result of the increase in the Group's provision of COVID-19 related general manned guarding services and manpower support services mainly in relation to the Collection and Delivery Services, and logistics and related support services.

Income tax expense

Income tax expenses decreased by approximately HK\$6.4 million or 49.4% from approximately HK\$13.0 million for the year ended 31 March 2020 to approximately HK\$6.6 million for the year ended 31 March 2021. The Group's profit before taxation for the year ended 31 March 2021 included a non-taxable government grant in relation to the Employment Support Scheme of approximately HK\$39.7 million recognised during the year ended 31 March 2021. As such, the Group's income tax expenses decreased for the year ended 31 March 2021.

Profit and total comprehensive income for the year

As a result of the foregoing, profit and total comprehensive income for the year increased by approximately HK\$19.1 million or 40.6% from approximately HK\$47.1 million for the year ended 31 March 2020 to approximately HK\$66.2 million for the year ended 31 March 2021. The Group's net profit margin increased from approximately 9.8% for the year ended 31 March 2020 to approximately 18.1% for the year ended 31 March 2021. Excluding the non-recurring GEM Listing expenses of approximately HK\$15.5 million incurred in the year ended 31 March 2020 and non-recurring listing expenses for the proposed transfer of listing of the shares of the Company (the "**Shares**") from GEM to the Main Board of the Stock Exchange of approximately HK\$4.7 million incurred in the year ended 31 March 2021, the Group's adjusted profit and total comprehensive income for the year would be approximately HK\$62.6 million for the year ended 31 March 2020 and HK\$70.9 million for the year ended 31 March 2021 whereas the Group's adjusted net profit margin would increase from approximately 13.0% for the year ended 31 March 2020 to approximately 19.4% for the year ended 31 March 2021. Excluding the government grant of approximately HK\$39.7 million for the year ended 31 March 2021, the Group's adjusted net profit margin would be approximately 8.5% for the year ended 31 March 2021. The decrease in the adjusted net profit margin for the year ended 31 March 2021 as compared to the year ended 31 March 2020 was mainly because the Group provided general manned guarding services to the Railway Corporation in relation to the public order events during the year ended 31 March 2020 where the margin for such services was relatively higher compared to other contracts.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's operation was financed principally by cash generated from its own business operations.

As at 31 March 2021, the Group had bank balances and cash of approximately HK\$127.2 million, representing an increase of approximately HK\$48.3 million or 61.2% from approximately HK\$78.9 million as at 31 March 2020.

As at 31 March 2021, the Group had net current assets and net assets of approximately HK\$189.6 million (31 March 2020: HK\$142.5 million) and approximately HK\$202.2 million (31 March 2020: HK\$152.0 million), respectively. As at 31 March 2021, the Group's current ratio, calculated based on current assets divided by current liabilities of the Group, was 5.0 times (31 March 2020: 3.5 times).

As at 31 March 2021, total borrowings of the Group amounted to approximately HK\$4.0 million (31 March 2020: HK\$13.2 million) and total equity was approximately HK\$202.2 million (31 March 2020: HK\$152.0 million). As at 31 March 2021, the Group's gearing ratio, calculated based on total borrowings divided by total equity, was 2.0% (31 March 2020: 8.7%).

As at 31 March 2021, the Group had bank facilities with a limit of HK\$80.0 million, of which HK\$29.4 million had been utilised.

As at 31 March 2021, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately HK\$202.2 million (31 March 2020: HK\$152.0 million), comprising issued share capital and reserves. Since the Company's shares were listed on GEM on 22 October 2019, there has been no change in the capital structure of the Group.

FOREIGN EXCHANGE RISK

The majority of the Group's business operations were conducted in Hong Kong. The transactions, monetary assets and liabilities of the Group were mainly denominated in Hong Kong dollars. During the year ended 31 March 2021, 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 year ended 31 March 2021.

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year ended 31 March 2021. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the board of Directors (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.

SEGMENT INFORMATION

Segment information for the Group is presented in note 3 on page 6.

PERFORMANCE BOND

As at 31 March 2021, the Group had an outstanding performance bond of approximately HK\$29.4 million (2020: HK\$29.4 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 the Railway Corporation, contracts relating to the Guangshen'gang XRL 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 during the year ended 31 March 2021.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

As at 31 March 2021, the Group did not hold any significant investments.

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 announcement.

SHARE CAPITAL

Details of the share capital are set out in note 16 on page 13.

PLEDGE OF ASSETS

There were no pledged assets as at 31 March 2021 (31 March 2020: Nil).

CAPITAL COMMITMENTS

As at 31 March 2021, the Group did not have any material capital commitment (31 March 2020: Nil).

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2021, the Group had 2,042 employees (31 March 2020: 1,941 employees). Staff costs of the Group, including Directors' remuneration, were approximately HK\$250.0 million for the year ended 31 March 2021 (31 March 2020: HK\$388.5 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 31 March 2021, the Group did not have any significant contingent liabilities or guarantees (31 March 2020: Nil). The Group is currently not involved in any material legal proceedings, nor is it aware of any proceedings or potential material legal proceedings.

FUTURE STRATEGIES AND PROSPECTS

The market size of security services in Hong Kong increased from approximately HK\$22.1 billion in 2015 to approximately HK\$29.1 billion in 2019, representing a compound annual growth rate (the "CAGR") of approximately 7.1%. The market size of Type I security work in Hong Kong is expected to grow to approximately HK\$32.9 billion in 2025, at a CAGR of approximately 7.3% from 2020 to 2025. It is further expected that the market size of security services in the public sector in Hong Kong will grow to approximately HK\$1,640.8 million in 2025, at a CAGR of approximately 6.0% from 2020 to 2025. Given the expected growth in both Type I security work and securities services in the Hong Kong public sector, the Group believes that there will be an increasing demand for its security services in the future to sustain its development.

The development of the security services industry is related to the expansion of infrastructure, transportation, buildings and real estate activities. Generally, the numbers of public facilities, commercials properties and residential properties would be able to indicate on the growth potential of the industry. With the gradual completion of these mega-scale railway and transportation infrastructure projects, demand for security services, especially crowd coordination and management services, in the public transportation sector is expected to grow significantly. In view of this favourable background, the demand for security services are forecasted to experience an outstanding growth.

Facility management is the integrated management of various activities or interactions arising from the use or occupation of premises. Facility management services generally include (i) property management services; (ii) car parking rental and management services; and (iii) cleaning services.

The market size of facility and venue management services in Hong Kong experienced a growth from approximately HK\$32.5 billion in 2015 to approximately HK\$40.2 billion in 2019, representing a CAGR of approximately 5.5% and is forecasted to reach approximately HK\$51.1 billion in 2025 with a CAGR of approximately 4.0% from 2020 to 2025. With the continued growth of property development market in Hong Kong, market for facility and venue management services, car parking rental and management services and cleaning services market maintain a stable growth rate. The facility and venue management services market is the largest part of the facility management services market in Hong Kong. The cleaning services market recorded a growth from approximately HK\$10.4 billion in 2015 to approximately HK\$13.8 billion in 2019, representing a CAGR of approximately 7.3%, while the car parking rental and management services market increased from approximately HK\$4.9 billion in 2015 to approximately HK\$6.0 billion in 2019, representing a CAGR of approximately 5.2%.

In view of the above-mentioned favourable backgrounds, the Group believes that the demand for security services and facility management services will experience an outstanding growth.

Looking ahead, the Group will continue to carry out its proven business strategies, and expand customer base by delivering high-quality services to meet their changing needs. In addition, to cope with the macroeconomic uncertainties aroused by the global outbreak of COVID-19 in the beginning of 2020, the Group will take effective cost control measures in order to raise its economic efficiency and sustain its long-term business growth.

USE OF PROCEEDS FROM THE LISTING

The Shares were listed on GEM on 22 October 2019 (the “**Listing Date**”). The Company received net proceeds (after deduction of listing expenses) from the GEM Listing of approximately HK\$32.0 million (the “**Net Proceeds**”).

As at 31 March 2021, 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**”):

	Actual net proceeds from the GEM Listing (HK\$'000)	Amount utilised as at 31 March 2021 (HK\$'000)	Amount unutilised as at 31 March 2021 (HK\$'000)	Expected timetable for the usage of the unutilised Net Proceeds as at 31 March 2021
Expanding our business in security services				
(i) Recruitment of security service personnel	5,600	2,800	2,800	N/A
(ii) Contract securities	7,600	5,300	2,300	On or before 31 March 2022
(iii) Acquisition of patrol vehicles	1,000	318	682	On or before 31 March 2022
	<u>14,200</u>	<u>8,418</u>	<u>5,782</u>	
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	156	844	On or before 31 March 2022
	<u>5,100</u>	<u>156</u>	<u>4,944</u>	
Improving operational efficiency and scalability				
(i) Upgrade of information technology infrastructure	3,000	183	2,817	On or before 31 March 2023
(ii) Establishment of a control room	2,000	–	2,000	On or before 31 March 2022
	<u>5,000</u>	<u>183</u>	<u>4,817</u>	
Payment for outstanding bank loan	4,500	4,500	–	N/A
General working capital	<u>3,200</u>	<u>1,920</u>	<u>1,280</u>	N/A
	<u><u>32,000</u></u>	<u><u>15,177</u></u>	<u><u>16,823</u></u>	

As at 31 March 2021, approximately HK\$15.2 million of the Net Proceeds from the GEM Listing had been utilised.

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 2021 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, after due and careful consideration, the Directors have decided to delay, for 12 months, the planned use of the unused Net Proceeds in relation to (i) the acquisition of machines and equipment; and (ii) the upgrade of information technology infrastructure, whereby such unused net proceeds are expected to be fully utilised by 31 March 2023.

As at the date of this announcement, 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. The unutilised Net Proceeds of approximately HK\$16.8 million have been placed as interest-bearing deposits with licensed banks in Hong Kong.

DISCLOSURE OF INTEREST

(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 31 March 2021, 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 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⁾	600,000,000	75.0%
Mr. Ma Kiu Sang (“ Mr. KS Ma ”) ^(2 & 3)	Interest in a controlled corporation ⁽³⁾ and under section 317 of the SFO ⁽²⁾	600,000,000	75.0%
Mr. Ma Kiu Mo (“ Mr. KM Ma ”) ^(2 & 4)	Interest in a controlled corporation ⁽⁴⁾ and under section 317 of the SFO ⁽²⁾	600,000,000	75.0%
Mr. Ma Kiu Man, Vince (“ Mr. Vince Ma ”) ^(2 & 5)	Interest in a controlled corporation ⁽⁵⁾ and under section 317 of the SFO ⁽²⁾	600,000,000	75.0%

Notes:

- 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.
- 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.
- 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.

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.
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.
6. Based on a total of 800,000,000 issued Shares as at 31 March 2021.

(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:

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.
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.
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.
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.

Save as disclosed above, as at 31 March 2021, none of the Directors or the chief executives of the Company had registered any interests and/or short positions in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register referred to in Section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

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

Insofar as is known to the Directors, as at 31 March 2021, the following persons or entities (not being Directors or chief executives 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	600,000,000	75.0%
Morewood	Interest in a controlled corporation ⁽¹⁾	600,000,000	75.0%
Mandarin	Interest in a controlled corporation ⁽²⁾	600,000,000	75.0%
Cambridge	Interest in a controlled corporation ⁽³⁾	600,000,000	75.0%
Ms. Cheng Pak Ching	Interest of spouse ⁽⁴⁾	600,000,000	75.0%
Ms. Chow Yick Tung	Interest of spouse ⁽⁵⁾	600,000,000	75.0%
Ms. Choi Lai Form	Interest of spouse ⁽⁶⁾	600,000,000	75.0%
Ms. Ho Yin Nei	Interest of spouse ⁽⁷⁾	600,000,000	75.0%

Notes:

1. The Company is owned as to 75.0% 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.
2. The Company is owned as to 75.0% 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.
3. The Company is owned as to 75.0% 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.
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.

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.
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.
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.
8. Based on a total of 800,000,000 issued Shares as at 31 March 2021.

Save as disclosed above and so far as is known to the Directors, as at 31 March 2021, the Directors were not aware of any other persons who had, or any other entities which had, or was deemed to have, interest 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.

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

ANNUAL GENERAL MEETING

The forthcoming annual general meeting is scheduled to be held on Friday, 17 September 2021 (the “**2021 AGM**”). Notice of the 2021 Annual General Meeting will be published and despatched to shareholders of the Company in due course.

PAYMENT OF FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK3.25 cents per ordinary share for the year ended 31 March 2021 (31 March 2020: HK2 cents per ordinary share) (the “**FY2021 Proposed Final Dividend**”). The FY2021 Proposed Final Dividend, if approved, shall be payable on Wednesday, 13 October 2021 and is subject to the approval of the shareholders of the Company at the 2021 AGM. The shareholders whose names appear on the register of members of the Company at the close of business on Thursday, 30 September 2021 will be entitled to the FY2021 Proposed Final Dividend.

CLOSURE OF REGISTER OF MEMBERS

a. For determining the entitlement of the shareholders to attend and vote at the 2021 AGM

The register of members of the Company will be closed from Tuesday, 14 September 2021 to Friday, 17 September 2021 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to determine the identity of members who are entitled to attend and vote at the 2021 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 13 September 2021.

b. For determining the entitlement to the FY2021 Proposed Final Dividend

The register of members of the Company will be closed from Friday, 24 September 2021 to Thursday, 30 September 2021 (both days inclusive), during which no transfer of shares of the Company will be registered. In order to be eligible for the FY2021 Proposed Final Dividend, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on Thursday, 23 September 2021.

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 year ended 31 March 2021.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the paragraphs headed “Disclosure of Interest — (A) Directors’ and Chief Executives’ Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations” and the “Share Option Scheme” in this announcement, at no time during the year ended 31 March 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 to acquire benefits by means of the acquisition of shares or underlying shares in, or debentures of, the Company or any of its 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 the Listing Date.

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

DIRECTORS’ SECURITIES TRANSACTIONS

The Group has adopted a code of conduct regarding Directors’ 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 all Directors, each of them has confirmed that he/she has complied with the Code of Conduct and the Required Standard of Dealings during the year ended 31 March 2021. Further, the Company was not aware of any non-compliance with the Required Standard Dealings regarding securities transactions by the Directors for the said period.

COMPETING INTERESTS

During the year ended 31 March 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, apart from the business operated by the Group, 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 announcement, the Company has maintained the prescribed public float required by the GEM Listing Rules for the year ended 31 March 2021.

INTERESTS OF THE COMPLIANCE ADVISER

As at the date of this announcement, 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.

AUDIT COMMITTEE

The Company has established an audit committee of the Board (the "**Audit Committee**") with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules and 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 members of the Audit Committee currently comprises three independent non-executive Directors, namely Dr. Ng Ka Sing, David, Ms. Chang Wai Ha and Mr. Yau Siu Yeung. Ms. Chang Wai Ha is the chairlady of the Audit Committee who possesses appropriate professional qualifications or accounting related financial management expertise.

The Audit Committee has considered and reviewed the Group's annual results for the year ended 31 March 2021, the accounting principles and practices adopted by the Company and the Group and discussed matters in relation to financial reporting with the management. The Audit Committee considers that the annual financial results for the year ended 31 March 2021 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made. The Audit Committee has reviewed the consolidated financial statements for the year ended 31 March 2021, including the accounting policies of the Group.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2021 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

EVENTS AFTER THE REPORTING PERIOD

Up to the date of this announcement, there was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors after the year ended 31 March 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 customers 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.

The Group sees a year ahead in which it 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.

On behalf of the Board
IWS Group Holdings Limited
Ma Ah Muk
Chairman

Hong Kong, 28 May 2021

As at the date of this announcement, 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.