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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 2020**

**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 2020*

	<i>NOTES</i>	<b>2020</b> <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Revenue	5	<b>481,571</b>	295,171
Other income	6	<b>508</b>	347
Other gains and losses, net	6	<b>1,212</b>	(2)
Impairment losses on trade receivables and uncertified revenue	7	<b>(833)</b>	(250)
Employee benefit expenses		<b>(388,463)</b>	(252,127)
Selling and marketing expenses		<b>(2,142)</b>	(2,507)
Administrative expenses		<b>(14,144)</b>	(8,418)
Listing expenses		<b>(15,525)</b>	(8,515)
Finance costs	8	<b>(2,066)</b>	(822)
Profit before taxation		<b>60,118</b>	22,877
Income tax expense	9	<b>(13,030)</b>	(5,128)
Profit and total comprehensive income for the year	10	<b>47,088</b>	17,749
Profit and total comprehensive income for the year attributable to:			
Owners of the Company		<b>47,088</b>	17,751
Non-controlling interests		<b>—*</b>	(2)
		<b>47,088</b>	17,749
Earnings per share	12		
Basic ( <i>HK cents</i> )		<b>6.84</b>	2.96
Diluted ( <i>HK cents</i> )		<b>6.84</b>	N/A

\* *Less than HK\$1,000*

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2020

	NOTES	2020 HK\$'000	2019 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		1,527	2,006
Right-of-use assets		452	–
Finance lease receivables		1,308	–
Deposits	13	6,759	1,643
Deferred tax asset		46	46
		<u>10,092</u>	<u>3,695</u>
<b>CURRENT ASSETS</b>			
Finance lease receivables		673	–
Trade and other receivables and deposits	13	120,004	123,923
Amount due from a non-controlling shareholder of a subsidiary	14	2	–
Amounts due from related companies	14	112	960
Tax recoverable		401	–
Bank balances and cash		78,874	27,096
		<u>200,066</u>	<u>151,979</u>
<b>CURRENT LIABILITIES</b>			
Other payables and accrued expenses		35,193	35,327
Amount due to a non-controlling shareholder of a subsidiary	15	–	7,198
Amount due to a related company	15	94	106
Lease liabilities		712	–
Bank borrowings	16	12,000	57,000
Tax payable		9,532	5,215
		<u>57,531</u>	<u>104,846</u>
<b>NET CURRENT ASSETS</b>		<u>142,535</u>	<u>47,133</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>152,627</u>	<u>50,828</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		528	–
Other liabilities		123	–
		<u>651</u>	<u>–</u>
<b>NET ASSETS</b>		<u>151,976</u>	<u>50,828</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	17	8,000	–*
Reserves		143,976	50,828
<b>TOTAL EQUITY</b>		<u>151,976</u>	<u>50,828</u>

\* Less than HK\$1,000

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2020

### 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 (the “**Listing**”). Its immediate and ultimate holding company is IWS Group Holdings Limited (“**IWS BVI**”), a company incorporated in the British Virgin Islands (the “**BVI**”) 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 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 an investment holding company and its subsidiaries are principally engaged in the provision of security services and facility management services in Hong Kong.

The functional currency of the Company is Hong Kong dollar (“**HK\$**”), which is the same as the presentation currency of the consolidated financial statements.

### 2. GROUP REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

In preparation of the Listing, the companies comprising the Group underwent a group reorganisation (the “**Reorganisation**”). Prior to the Reorganisation, International Wing Shing Security Management Limited (“**IWS Security**”), International Wing Shing Property Management Limited (“**IWS PM**”), IWS Cleaning Services Limited (“**IWS Cleaning**”) and IWS Carpark Management Limited (“**IWS Carpark**”) were owned and controlled by Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma.

The Reorganisation comprised the following steps:

- (i) On 18 May 2018, IWS Security Management Holdings Limited (“**IWS Security BVI**”), IWS Property Management Holdings Limited (“**IWS PM BVI**”), IWS Cleaning Services Holdings Limited (“**IWS Cleaning BVI**”) and IWS Carpark Management Holdings Limited (“**IWS Carpark BVI**”) (collectively as the “**BVI companies**”) were incorporated in the BVI with limited liability. On incorporation, each of the BVI companies has an authorised share capital of HK\$50,000 divided into 50,000 shares with a par value of HK\$1 each, of which one share was allotted and issued, credited as fully paid to the Company on the same date at par value. Accordingly, each of the BVI companies became a wholly owned subsidiary of the Company.
- (ii) On 25 May 2018, IWS Security BVI entered into a share sale and purchase agreement with Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma, pursuant to which Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma transferred a total of 3,000,000 shares each in IWS Security, aggregate of which represents the entire issued share capital of IWS Security, to IWS Security BVI in consideration of IWS Security BVI to allot and issue one share in its issued share capital to the Company and credited as fully paid at par at the direction of Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma.
- (iii) On 25 May 2018, IWS PM BVI entered into a share sale and purchase agreement with Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma, pursuant to which Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma transferred a total of 10,000 shares each in IWS PM, aggregate of which represents the entire issued share capital of IWS PM, to IWS PM BVI in consideration of IWS PM BVI to allot and issue one share in its issued share capital to the Company and credited as fully paid at par at the direction of Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma.

- (iv) On 25 May 2018, IWS Cleaning BVI entered into a share sale and purchase agreement with Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma, pursuant to which Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma transferred a total of 10,000 shares each in IWS Cleaning, aggregate of which represents the entire issued share capital of IWS Cleaning, to IWS Cleaning BVI in consideration of IWS Cleaning BVI to allot and issue one share in its issued share capital to the Company and credited as fully paid at par at the direction of Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma.
- (v) On 25 May 2018, IWS Carpark BVI entered into a share sale and purchase agreement with Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma, pursuant to which Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma transferred a total of 10,000 shares each in IWS Carpark, aggregate of which represents the entire issued share capital of IWS Carpark, to IWS Carpark BVI in consideration of IWS Carpark BVI to allot and issue one share in its issued share capital to the Company and credited as fully paid at par at the direction of Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma.

Pursuant to the Reorganisation detailed above, the Company became the holding company of the companies now comprising the Group on 25 May 2018. The Company and its subsidiaries have been under the common control of Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma throughout the year ended 31 March 2019 or since their respective dates of incorporation, where this is a shorter period. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity, accordingly, the consolidated financial statement for the year ended 31 March 2019 have been prepared under the principles of merger accounting in accordance with the Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 March 2019 include the results, changes in equity and cash flows of the companies now comprising the Group as if the current group structure had been in existence throughout the year ended 31 March 2019, or since their respective dates of incorporation, where this is a shorter period.

### **3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)**

#### **New and amendments to HKFRSs that are mandatorily effective for the current year**

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current year:

HKFRS 16	Leases
HK(IFRIC) — Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 — 2017 Cycle

Except as described below, the application of the other new and amendments to HKFRSs in the current year has 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.

## ***HKFRS 16 “Leases”***

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 “Leases” (“**HKAS 17**”), and the related interpretations.

### *Definition of a lease*

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) — Int 4 “Determining whether an Arrangement contains a Lease” and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 April 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

### *As a lessee*

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 April 2019.

As at 1 April 2019, the Group recognised lease liabilities and right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid or accrued lease payments by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained earnings and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- i. relied on the assessment of whether leases are onerous by applying HKAS 37 “Provisions, Contingent Liabilities and Contingent Assets” as an alternative of impairment review; and
- ii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied is 4.0%.

	<b>At 1 April 2019 HK\$'000</b>
Operating lease commitments disclosed as at 31 March 2019	2,272
Lease liabilities discounted at relevant incremental borrowing rates and as at 1 April 2019	<u>2,217</u>
Analysed as	
Current	1,734
Non-current	483
	<u>2,217</u>

The carrying amount of right-of-use assets as at 1 April 2019 comprises the following:

	<b>Right-of-use assets HK\$'000</b>
Right-of-use assets relating to operating leases of office premises and car parks recognised upon application of HKFRS 16	<u>2,217</u>
By class:	
Office premises	1,087
Car parks	1,130
	<u>2,217</u>

Before the application of HKFRS 16, the Group considered refundable rental deposits paid as rights and obligations under leases to which HKAS 17 applied under other receivables. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use of the underlying assets and were adjusted to reflect the discounting effect at transition. However, the adjustment on discounting effect is insignificant to be recognised at the date of initial recognition, 1 April 2019.

*As a lessor*

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

Before application of HKFRS 16, refundable rental deposits received were considered as obligations under leases to which HKAS 17 applied. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right-of-use assets and should be adjusted to reflect the discounting effect at transition. However, the adjustment on discounting effect is insignificant to be recognised at the date of initial application, 1 April 2019.

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 April 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 March 2019 <i>HK\$'000</i>	Adjustments <i>HK\$'000</i>	Carrying amounts under HKFRS 16 at 1 April 2019 <i>HK\$'000</i>
<b>Non-current assets</b>			
Right-of-use assets	–	2,217	2,217
	<u>–</u>	<u>2,217</u>	<u>2,217</u>
<b>Current liabilities</b>			
Lease liabilities	–	1,734	1,734
	<u>–</u>	<u>1,734</u>	<u>1,734</u>
<b>Non-current liabilities</b>			
Lease liabilities	–	483	483
	<u>–</u>	<u>483</u>	<u>483</u>

#### **New and amendments to HKFRSs in issue but not yet effective**

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts <sup>1</sup>
Amendments to HKFRS 3	Definition of a Business <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 1 and HKAS 8	Definition of Material <sup>4</sup>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform <sup>4</sup>
Amendments to HKFRS 16	COVID-19-Related Rent Concession <sup>5</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>2</sup> Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2020.

<sup>5</sup> Effective for annual periods beginning on or after 1 June 2020.

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, “the Amendments to References to the Conceptual Framework in HKFRS Standards”, will be effective for annual periods beginning on or after 1 January 2020.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.



### ***Amendments to HKAS 1 and HKAS 8 “Definition of Material”***

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgments. In particular, the amendments:

- include the concept of “obscuring” material information in which the effect is similar to omitting or misstating the information;
- replace threshold for materiality influencing users from “could influence” to “could reasonably be expected to influence”; and
- include the use of the phrase “primary users” rather than simply referring to “users” which was considered too broad when deciding what information to disclose in the financial statements.

The amendments also align the definition across all HKFRSs and will be mandatorily effective for the Group’s annual period beginning on 1 April 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

### ***Conceptual Framework for Financial Reporting 2018 (the “New Framework”) and the Amendments to References to the Conceptual Framework in HKFRS Standards***

The New Framework:

- reintroduces the terms stewardship and prudence;
- introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument;
- discusses historical cost and current value measures, and provides additional guidance on how to select a measurement basis for a particular asset or liability;
- states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances other comprehensive income will be used and only for income or expenses that arise from a change in the current value of an asset or liability; and
- discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

Consequential amendments have been made so that references in certain HKFRSs have been updated to the New Framework, whilst some HKFRSs are still referred to the previous versions of the framework. These amendments are effective for the Group’s annual period beginning on or after 1 April 2020. Other than specific standards which still refer to the previous versions of the framework, the Group will rely on the New Framework on its effective date in determining the accounting policies especially for transactions, events or conditions that are not otherwise dealt with under the accounting standards.

## **4. SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance.

## 5. REVENUE AND SEGMENT INFORMATION

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

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
<b>Types of services</b>		
Provision of:		
General manned guarding services	344,726	161,855
Event and crisis security services	698	385
Manpower support services	106,735	105,216
Property management services	18,479	12,958
Car park management services	8,499	10,101
Cleaning services	1,997	1,757
Hotel management services	–	2,160
Rental of car parks	431	739
Interest income from sub-leasing of car parks	6	–
	<u>481,571</u>	<u>295,171</u>
Total		
	<u>481,571</u>	<u>295,171</u>
Timing of revenue under HKFRS 15		
— Over time	481,134	294,432
Rental income	431	739
Interest income	6	–
	<u>481,571</u>	<u>295,171</u>
Total		
	<u>481,571</u>	<u>295,171</u>

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 as well as crowd coordination and management services for 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, hotel management services, rental of car parks and 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 <i>HK\$'000</i>	Facility management services <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Year ended 31 March 2020</b>				
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 trade receivables and uncertified revenue				(833)
Other corporate expenses				(43,688)
Listing expenses				(15,525)
Finance costs				(2,066)
Profit before taxation				<u>60,118</u>
<b>Year ended 31 March 2019</b>				
	Security services <i>HK\$'000</i>	Facility management services <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue				
External revenue	267,456	27,715	–	295,171
Inter-segment revenue	12,825	6,733	(19,558)	–
	<u>280,281</u>	<u>34,448</u>	<u>(19,558)</u>	<u>295,171</u>
Segment results	41,310	10,717	–	52,027
Other income and loss				345
Impairment losses on trade receivables and uncertified revenue				(250)
Other corporate expenses				(19,908)
Listing expenses				(8,515)
Finance costs				(822)
Profit before taxation				<u>22,877</u>

Inter-segment sales are charged at prevailing market rates.

## 6. OTHER INCOME/OTHER GAINS AND LOSSES, NET

### Other income

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Bank interest income	168	7
Others	340	340
	<u>508</u>	<u>347</u>

### Other gains and losses, net

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Loss on write-off/disposal of property, plant and equipment	(20)	(2)
Gain on sub-leasing of car parks	1,232	–
	<u>1,212</u>	<u>(2)</u>

## 7. IMPAIRMENT LOSSES ON TRADE RECEIVABLES AND UNCERTIFIED REVENUE

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Impairment losses recognised (reversed) on:		
— trade receivables	347	191
— uncertified revenue	(7)	59
	<u>340</u>	<u>250</u>
Write off of trade receivables	493	–
	<u>833</u>	<u>250</u>

## 8. FINANCE COSTS

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Interest on bank borrowings	2,008	822
Interest on lease liabilities	58	–
	<u>2,066</u>	<u>822</u>

## 9. INCOME TAX EXPENSE

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax		
— Current year	12,914	5,130
— Under-provision in prior years	116	—
Deferred tax:		
Current year	—	(2)
	<u>13,030</u>	<u>5,128</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

For the year ended 31 March 2020, Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits of one of the subsidiaries of the Company elected for two-tiered tax rates and at 16.5% on the estimated assessable profits above HK\$2 million of that subsidiary.

## 10. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Profit and total comprehensive income for the year has been arrived at after charging:		
Directors’ and chief executive’s emoluments	15,435	1,006
Other staff salaries, wages and allowances and bonus	362,444	241,781
Retirement benefit scheme contributions, excluding those for directors and chief executive	10,584	9,340
	<u>388,463</u>	<u>252,127</u>
Total employee benefits expenses		
	<u>388,463</u>	<u>252,127</u>
Auditor’s remuneration	1,570	200
Depreciation of property, plant and equipment	714	689
Depreciation of right-of-use assets	1,678	—
	<u>1,678</u>	<u>—</u>

## 11. DIVIDEND

No dividend has been declared or paid by the Company since its incorporation to 31 March 2020. The dividend declared and paid by the Company's subsidiaries to the then shareholders during the year ended 31 March 2019 before the completion of Reorganisation was HK\$8,000,000. The rate of dividend and the number of shares ranking for dividend are not presented as such information is not meaningful.

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 has been proposed by the board of directors of the Company and is subject to approval by the shareholders at the forthcoming annual general meeting.

## 12. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Profit for the year attributable to owners of the Company and earnings for the purpose of basic earnings per share	<u>47,088</u>	<u>17,751</u>
	Number of shares	
	2020	2019
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>688,524,590</u>	<u>600,000,000</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 reorganisation and the capitalisation issue (details as disclosed in note 17) had been effective on 1 April 2018.

The calculation of diluted earnings per share for the current year does not assume the exercise of the offer size adjustment option granted and lapsed before the Listing. No diluted earnings per share for the year ended 31 March 2019 were presented as there were no potential ordinary shares in issue for the year ended 31 March 2019.

### 13. TRADE AND OTHER RECEIVABLES AND DEPOSITS

	2020 HK\$'000	2019 HK\$'000
Trade receivables ( <i>Note</i> )		
— Third parties	55,665	47,726
— Related parties	4,644	2,155
	<u>60,309</u>	<u>49,881</u>
Less: Loss allowance	(807)	(460)
	<u>59,502</u>	49,421
Uncertified revenue	47,488	57,680
Less: Loss allowance	(52)	(59)
	<u>47,436</u>	<u>57,621</u>
Deposits		
— Third parties	7,626	10,411
— Related parties	280	280
	<u>7,906</u>	10,691
Other receivables and prepayments	5,160	1,902
Prepayments for listing expenses and issue costs	—	360
Deferred issue costs	—	3,928
Total trade and other receivables and deposits (shown under current assets)	<u><u>120,004</u></u>	<u><u>123,923</u></u>
Non-current deposits		
— Third parties	6,759	1,643
	<u><u>6,759</u></u>	<u><u>1,643</u></u>

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

The Group allows credit periods of 30–120 days to the customers.

*Note:*

At 1 April 2018, trade receivables from contracts with customers amounted to HK\$27,306,000.

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:

	2020 HK\$'000	2019 HK\$'000
0–30 days	38,250	40,698
31–60 days	7,582	1,586
61–90 days	4,171	1,089
91–120 days	2,639	1,471
Over 120 days	6,860	4,577
	<u><u>59,502</u></u>	<u><u>49,421</u></u>

**14. AMOUNT(S) DUE FROM A NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY/ RELATED COMPANIES**

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.

Details of the amounts due from related companies are as follows:

Name of related companies	At 31 March		Maximum amount outstanding during the year ended 31 March	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Yan Yan Motors Limited	112	960	1,346	2,288
Deluxe Tower Limited	–	–	–	121
IWS BVI	–*	–*	–*	–*
	<u>112</u>	<u>960</u>		

\* Less than HK\$1,000

The amounts due from related companies of the Group are non-trade nature, unsecured, interest-free and repayable on demand. The above related companies are controlled by Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma.

**15. AMOUNT DUE TO A NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY/ A RELATED COMPANY**

	2020	2019
	HK\$'000	HK\$'000
<b>Amount due to a non-controlling shareholder of a subsidiary:</b>		
Oblivian Limited	–	7,198
<b>Amount due to a related company:</b>		
Deluxe Tower Limited	94	106

All the amounts due to a related company and a non-controlling shareholder of a subsidiary are non-trade nature, unsecured, interest-free and repayable on demand.

**16. BANK BORROWINGS**

The Group's bank borrowings, which are unsecured, are repayable within one year and contain 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% (2019: 1.75%). The range of effective interest rates on the Group's borrowings was ranged from 2.82% to 4.74% (2019: 2.63% to 3.94%) per annum.

At 31 March 2019, the Group's bank borrowings were guaranteed by Mr. Ma Ah Muk and Mr. KS Ma. Such personal guarantee has been released during the year ended 31 March 2020.



## 17. SHARE CAPITAL

The issued share capital as at 1 April 2018 represented the combined share capital of IWS PM, IWS Security, IWS Carpark and IWS Cleaning.

The share capital of the Group as at 31 March 2019 represented the issued share capital of the Company following the completion of Reorganisation on 25 May 2018 as detailed in note 2.

Details of the share capital of the Company are disclosed as follows:

	Number of shares	Amount <i>HK\$'000</i>
<b>Authorised:</b>		
Ordinary shares of HK\$0.01 each		
At 1 April 2018 and 31 March 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	<u>2,000,000,000</u>	<u>20,000</u>
<b>Issued and fully paid:</b>		
Ordinary shares of HK\$0.01 each		
At 1 April 2018 and 31 March 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	<u>800,000,000</u>	<u>8,000</u>

\* *Less than HK\$1,000*

*Notes:*

- (i) On 20 September 2019, the shareholders of the Company passed 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. 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 account 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 a placing price of HK\$0.32 per share.

The new shares rank pari passu with the existing shares.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

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

The year 2019 was fruitful for the Group as it was listed on GEM of the Stock Exchange, a milestone of great significance in its history.

For the year ended 31 March 2020, the Group delivered a satisfying positive performance amid the unstable economic and social environment in Hong Kong, demand for the Group's security and facility management services continued to grow. This is attributable to the well-established "IWS" brand, which stands for quality security services to its customers in Hong Kong.

### FINANCIAL OVERVIEW

#### Revenue

The Group derives revenue from providing security services and facility management services across both the public and private sectors in Hong Kong. The Group's revenue increased by approximately HK\$186.4 million, or 63.1% from approximately HK\$295.2 million for the year ended 31 March 2019 to approximately HK\$481.6 million for the year ended 31 March 2020.

#### *Security services*

Revenue generated from the security services segment increased by approximately HK\$184.7 million or 69.1% from approximately HK\$267.5 million for the year ended 31 March 2019 to approximately HK\$452.2 million for the year ended 31 March 2020, which was primarily due to general manned guarding services generating revenue of approximately HK\$344.7 million for the year ended 31 March 2020, representing an increase of approximately 113.0% from approximately HK\$161.9 million for the year ended 31 March 2019. The increase was primarily due to the revenue of approximately (i) HK\$5.5 million derived from the ongoing Guangshengang XRL Contract ("**XRL Contracts**") with a Hong Kong railway corporation (the "**Railway Corporation**"); and (ii) HK\$177.4 million derived from temporary ad-hoc security guarding services from the Railway Corporation during the year ended 31 March 2020.

#### *Facility management services*

Revenue generated from facility management services increased by approximately HK\$1.7 million, or 6.1% from approximately HK\$27.7 million for the year ended 31 March 2019 to approximately HK\$29.4 million for the year ended 31 March 2020. The increase was primarily due to increase in revenue derived from property management services and cleaning services in the year ended 31 March 2020.

## **Employee benefit expenses**

Employee benefit expenses increased by approximately 54.1% from approximately HK\$252.1 million for the year ended 31 March 2019 to approximately HK\$388.5 million for the year ended 31 March 2020 mainly due to (i) increase in total headcount for the temporary ad-hoc security guarding services contract from the Railway Corporation and the XRL Contracts; and (ii) bonus of approximately HK\$15.4 million payable to senior management of the Group.

## **Selling and marketing expenses**

Selling and marketing expenses remained relatively stable at HK\$2.1 million for the year ended 31 March 2020 as compared to HK\$2.5 million for the year ended 31 March 2019.

## **Administrative expenses**

Administrative expenses increased by approximately HK\$5.7 million, or 68.0% from approximately HK\$8.4 million for the year ended 31 March 2019 to approximately HK\$14.1 million for the year ended 31 March 2020. This increase was mainly due to (i) an increase in auditors' remuneration of approximately HK\$1.4 million; (ii) an increase in legal and professional fees of approximately HK\$2.8 million resulting from listing, and (iii) an increase in cleaning services fees of approximately HK\$1.0 million as a result of the increase of new contracts for facility management services.

## **Income tax expense**

Income tax expenses increased by approximately HK\$7.9 million, or 154.1% from approximately HK\$5.1 million for the year ended 31 March 2019 to approximately HK\$13.0 million for the year ended 31 March 2020. The increase was primarily due to combined effects of the increase in profit before taxation and listing expenses incurred during the year ended 31 March 2020, which was not deductible for tax purpose. The effective tax rate was approximately 22.4% and 21.7% for the years ended 31 March 2019 and 2020, respectively. Excluding the non-recurring listing expenses of approximately HK\$8.5 million and HK\$15.5 million incurred for the years ended 31 March 2019 and 2020 respectively, which was non-deductible for taxation purpose, the effective tax rate would be approximately 16.3% and 17.2%, respectively, which is in line with the prevailing rate.

## **Profit and total comprehensive income for the year**

As a result of the above-mentioned factors, profit and total comprehensive income for the year increased by approximately HK\$29.3 million, or 165.3% from approximately HK\$17.7 million for the year ended 31 March 2019 to approximately HK\$47.1 million for the year ended 31 March 2020. Net profit margin increased from approximately 6.0% for the year ended 31 March 2019 to approximately 9.8% for the year ended 31 March 2020. Excluding the non-recurring listing expenses of approximately HK\$8.5 million and HK\$15.5 million incurred for the years ended 31 March 2019 and 2020, respectively, profit and total comprehensive income for the year amounted to approximately HK\$62.6 million for the year ended 31 March 2020 and net profit margin increased to approximately 13.0% for the year ended 31 March 2020 compared to approximately 8.9% for the year ended 31 March 2019.

## **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 31 March 2020, the Group had bank balances and cash of approximately HK\$78.9 million, representing an increase of approximately HK\$51.8 million or 191.1% from approximately HK\$27.1 million as at 31 March 2019.

As at 31 March 2020, the Group had net current assets and net assets of approximately HK\$142.5 million (31 March 2019: HK\$47.1 million) and approximately HK\$152.0 million (31 March 2019: HK\$50.8 million), respectively. As at 31 March 2020, its current ratio, calculated based on current assets divided by current liabilities of the Group, was 3.5 times (31 March 2019: 1.4 times).

As at 31 March 2020, total borrowings of the Group amounted to approximately HK\$12.0 million (31 March 2019: HK\$57.0 million) and total equity was approximately HK\$152.0 million (31 March 2019: HK\$50.8 million). As at 31 March 2020, the Group's gearing ratio, calculated based on total borrowings divided by total equity, was approximately 7.9% (31 March 2019: 112.1%).

As at 31 March 2020, the Group had bank facilities with a limit of HK\$140.0 million (including a temporary increase of facility limit of HK\$60.0 million) of which HK\$41.4 million had been utilised.

As at 31 March 2020, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately HK\$152.0 million (31 March 2019: approximately HK\$50.8 million), comprising issued share capital and reserves. Since its 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.

## **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 2020, there was no material impact to 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 2020.

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 2020. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

## **SEGMENT INFORMATION**

Segment information for the Group is presented in note 5 on pages 10 to 11.

## **PERFORMANCE BOND**

As at 31 March 2020, the Group had an outstanding performance bond of approximately 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, the XRL Contracts 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 2020.

## **SIGNIFICANT INVESTMENTS HELD BY THE GROUP**

As at 31 March 2020, 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 on page 17.

## **PLEDGE OF ASSETS**

There were no pledged assets as at 31 March 2020 (31 March 2019: Nil).

## **CAPITAL COMMITMENTS**

As at 31 March 2020, the Group did not have any material capital commitment (31 March 2019: Nil).

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 March 2020, the Group had 1,941 employees (31 March 2019: 2,178 employees). Staff costs of the Group, including Directors' remuneration, were approximately HK\$388.5 million for the year ended 31 March 2020 (31 March 2019: HK\$252.1 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 2020, the Group did not have any significant contingent liabilities or guarantees (31 March 2019: Nil). The Group is not currently 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\$19.2 billion in 2013 to approximately HK\$27.1 billion in 2019, representing a CAGR of approximately 7.1%. It is expected that the market size of security services in Hong Kong would reach approximately HK\$38.3 billion in 2023, at the CAGR of approximately 7.2% from 2019 to 2023.

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, commercial 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, the needs for security services, especially crowd coordination and management services, in the public transportation sector is expected to grow significantly. Under 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 facility management market in Hong Kong has experienced a growth from approximately HK\$42.2 billion in 2013 to approximately HK\$56.6 billion in 2019, representing a CAGR of approximately 6.0%. Supported by the strong demand for housing and the expediting of land supply, the facility management market is expected to maintain a growing trend and reach approximately HK\$77.2 billion by 2023, representing a CAGR of approximately 6.5% from HK\$60.1 billion in 2019 to HK\$77.2 billion in 2023.

Under these favourable backgrounds, the Group believes that the demand for security services and facility management 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 continuous Sino-U.S. trade tensions and the global outbreak of Coronavirus Disease 2019 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 of the Company were listed on GEM of the Stock Exchange (the “**Listing**”) on 22 October 2019 (the “**Listing Date**”). The Company received net proceeds (after deduction of listing expenses) from the Listing of approximately HK\$32.0 million.

After the Listing, the Group had utilised and will continue utilising such 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 net proceeds from the Listing from the date of the Listing to 31 March 2020 were used as follows:

	<b>Actual net proceeds from the Listing</b> <i>(HK\$'000)</i>	<b>Amount utilised as at 31 March 2020</b> <i>(HK\$'000)</i>	<b>Balance as at 31 March 2020</b> <i>(HK\$'000)</i>
<b>Expanding our business in security services</b>			
(i) Recruitment of security service personnel	5,600	–	5,600
(ii) Contract securities	7,600	3,000	4,600
(iii) Acquisition of patrol vehicles	1,000	–	1,000
	<u>14,200</u>	<u>3,000</u>	<u>11,200</u>
<b>Enhancing our capability in providing facility management services</b>			
(i) Acquisition of machines and equipment	4,100	–	4,100
(ii) Expansion of our operation team and sales and marketing team	1,000	–	1,000
	<u>5,100</u>	<u>–</u>	<u>5,100</u>
<b>Improving operational efficiency and scalability</b>			
(i) Upgrade of information technology infrastructure	3,000	–	3,000
(ii) Establishment of a control room	2,000	–	2,000
	<u>5,000</u>	<u>–</u>	<u>5,000</u>
<b>Payment for outstanding bank loan</b>	4,500	4,500	–
<b>General working capital</b>	3,200	640	2,560
	<u>32,000</u>	<u>8,140</u>	<u>23,860</u>

As at 31 March 2020, approximately HK\$8.1 million of the net proceeds from the Listing had been utilised.

As at 31 March 2020, the unutilised net proceeds of approximately HK\$23.9 million were deposited in a licensed bank 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 2020, 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 <sup>(6)</sup>
Mr. Ma Ah Muk <sup>(1)</sup>	Interest under section 317 of the SFO <sup>(1)</sup>	600,000,000	75.0%
Mr. Ma Kiu Sang (“Mr. KS Ma”) <sup>(2 &amp; 3)</sup>	Interest in a controlled corporation <sup>(3)</sup> and under section 317 of the SFO <sup>(2)</sup>	600,000,000	75.0%
Mr. Ma Kiu Mo (“Mr. KM Ma”) <sup>(2 &amp; 4)</sup>	Interest in a controlled corporation <sup>(4)</sup> and under section 317 of the SFO <sup>(2)</sup>	600,000,000	75.0%
Mr. Ma Kiu Man, Vince (“Mr. Vince Ma”) <sup>(2 &amp; 5)</sup>	Interest in a controlled corporation <sup>(5)</sup> and under section 317 of the SFO <sup>(2)</sup>	600,000,000	75.0%



*Notes:*

1. Pursuant to a deed of confirmation dated 28 May 2018 executed by Mr. Ma Ah Muk, Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma, whereby they confirmed, among others, the existence of their acting in concert arrangement (the “**Deed of AIC Confirmation**”), Mr. Ma Ah Muk is deemed to be interested in all the shares of the Company (“**Shares**”) held by Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma, through Morewood Asset Holdings Limited (森業資產控股有限公司) (“**Morewood**”), Mandarin Asset Holdings Limited (文華資產控股有限公司) (“**Mandarin**”) and Cambridge Investment (BVI) Limited (劍橋投資(BVI)有限公司) (“**Cambridge**”), respectively, by virtue of Section 317 of the SFO.
2. Mr. Ma Ah Muk, Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma are persons acting in concert pursuant to the Deed of AIC Confirmation and accordingly each of them is deemed to be interested in all the Shares held by the others through their respective shareholding interests in Morewood, Mandarin, Cambridge, which in turn hold IWS Group Holdings Limited (“**IWS BVI**”) by virtue of Section 317 of the SFO.
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.
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 2020.

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

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

Name of Director	Name of associated corporation	Nature of interest/ holding capacity	Number of shares interested	Approximate percentage of shareholding
Mr. KS Ma	Morewood	Beneficial owner <sup>(1)</sup>	1	100%
	IWS BVI	Interest in a controlled corporation and under section 317 of SFO <sup>(2)</sup>	3	100%
Mr. KM Ma	Mandarin	Beneficial owner <sup>(3)</sup>	1	100%
	IWS BVI	Interest in a controlled corporation and under section 317 of SFO <sup>(2)</sup>	3	100%
Mr. Vince Ma	Cambridge	Beneficial owner <sup>(4)</sup>	1	100%
	IWS BVI	Interest in a controlled corporation and under section 317 of SFO <sup>(2)</sup>	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 2020, 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 2020, the following entities (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions (directly or indirectly) in the shares or underlying shares of the Company that would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

**Long position in the shares of the Company**

<b>Name of Shareholder</b>	<b>Nature of interest/holding capacity</b>	<b>Number of ordinary Shares held</b>	<b>Approximate percentage of issued share capital of the Company <sup>(8)</sup></b>
IWS BVI	Beneficial owner	600,000,000	75.0%
Morewood	Interest in a controlled corporation <sup>(1)</sup>	600,000,000	75.0%
Mandarin	Interest in a controlled corporation <sup>(2)</sup>	600,000,000	75.0%
Cambridge	Interest in a controlled corporation <sup>(3)</sup>	600,000,000	75.0%
Ms. Cheng Pak Ching	Interest of spouse <sup>(4)</sup>	600,000,000	75.0%
Ms. Chow Yick Tung	Interest of spouse <sup>(5)</sup>	600,000,000	75.0%
Ms. Choi Lai Form	Interest of spouse <sup>(6)</sup>	600,000,000	75.0%
Ms. Ho Yin Nei	Interest of spouse <sup>(7)</sup>	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 2020.

Save as disclosed above and so far as is known to the Directors, as at 31 March 2020, 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 a share option scheme (the “**Share Option Scheme**”) which was approved and adopted by the shareholders of the Company by way of written resolutions passed on 20 September 2019 for a term of ten years from the date of adoption of the Share Option Scheme. 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.

No share option has been granted, agreed to be granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption.

## **ANNUAL GENERAL MEETING**

The forthcoming annual general meeting is scheduled to be held on Wednesday, 23 September 2020 (the “**2020 AGM**”). Notice of the 2020 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 HK2 cents per ordinary share for the year ended 31 March 2020 (31 March: nil) (the “**FY2020 Proposed Final Dividend**”). The FY2020 Proposed Final Dividend, if approved, shall be payable on Friday, 23 October 2020 and is subject to the approval of the shareholders of the Company at the 2020 AGM. The shareholders whose names appear on the register of members of the Company at the close of business on Tuesday, 6 October 2020 will be entitled to the FY2020 Proposed Final Dividend.

## **CLOSURE OF REGISTER OF MEMBERS**

### **a. For determining the entitlement of the shareholders to attend and vote at the 2020 AGM**

The register of members of the Company will be closed from Friday, 18 September 2020 to Wednesday, 23 September 2020 (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 2020 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 Thursday, 17 September 2020.

### **b. For determining the entitlement to the FY2020 Proposed Final Dividend**

The register of members of the Company will be closed from Wednesday, 30 September 2020 to Tuesday, 6 October 2020 (both days inclusive), during which no transfer of shares of the Company will be registered. In order to be eligible for the FY2020 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 Tuesday, 29 September 2020.

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

Since the Listing Date to 31 March 2020, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

## **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 2020 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 throughout the period from the Listing Date to the date of this announcement.

## **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 from the Listing Date to 31 March 2020. 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**

Since the Listing Date and up to the date of this announcement, 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 period from the Listing Date and up to the date of this announcement.

## **INTERESTS OF THE COMPLIANCE ADVISER**

Since 23 September 2019 (being its date of appointment) to 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 2020, 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 2020 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 2020, 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 2020 as set out in this 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 this 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 2020.

## 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, 8 June 2020

*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.*