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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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 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>.

FINANCIAL HIGHLIGHTS

Selected Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income Items

	Three months ended		Six months ended	
	30 September		30 September	
	2020	2019	2020	2019
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	98,826	106,073	173,595	187,524
Profit before taxation	40,667	13,774	51,640	15,563
Profit and total comprehensive income for the period	37,009	11,207	47,054	11,806

Adjusted Net Profit

	Three months ended		Six months ended	
	30 September		30 September	
	2020	2019	2020	2019
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit and total comprehensive income for the period	37,009	11,207	47,054	11,806
Adjustment for listing expenses	–	1,198	–	6,006
Adjusted net profit	37,009	12,405	47,054	17,812

Selected Unaudited Condensed Consolidated Statements of Financial Position Items

	As at	As at
	30 September	31 March
	2020	2020
	(HK\$'000)	(HK\$'000)
	(Unaudited)	(Audited)
Non-current assets	13,962	10,092
Current assets	223,291	200,066
Current liabilities	50,859	57,531
Net current assets	172,432	142,535
Non-current liabilities	3,364	651
Net assets/Total equity	183,030	151,976

Unaudited Condensed Consolidated Statement of Cash Flows

	Six months ended	
	30 September	
	2020	2019
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
	(Unaudited)	(Unaudited)
Net cash from operating activities	49,931	26,637
Net cash (used in)/from investing activities	(15)	734
Net cash used in financing activities	(12,565)	(14,170)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	37,351	13,201
Cash and cash equivalents at beginning of period	78,874	27,096
	<hr/>	<hr/>
Cash and cash equivalents at end of period	116,225	40,297
	<hr/> <hr/>	<hr/> <hr/>

Key Financial Ratios

	As at	As at
	30 September	30 September
	2020/	2019/
	For the six	For the six
	months ended	months ended
	30 September	30 September
	2020	2019
Adjusted net profit margin (%)	27.1	9.5 ⁽¹⁾
Adjusted return on equity (%)	25.7⁽²⁾	56.7 ^(1&2)
Adjusted return on total assets (%)	19.8⁽²⁾	22.1 ^(1&2)
Interest coverage (times)	1,013.5	24.8
Current ratio (times)	4.4	1.6
Quick ratio (times)	4.4	1.6
Gearing ratio (%)	N/A	73.4
Net debt to equity ratio (%)	N/A	9.1
Average trade receivables turnover days (days)	106	99
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Notes:

- Ratio calculation excluded the non-recurring listing expenses of approximately HK\$6.0 million for the six months ended 30 September 2019.
- Annualised profit for the six months ended 30 September 2019 and 2020 has been used for ratio calculation.

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

For the six months ended 30 September 2020

	NOTES	Three months ended 30 September		Six months ended 30 September	
		2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Revenue	4	98,826	106,073	173,595	187,524
Other income	5	734	20	1,319	64
Other loss	5	–	–	–	(20)
Employee benefit expenses		(50,815)	(86,824)	(110,569)	(158,364)
Selling and marketing expenses		(218)	(555)	(545)	(1,117)
Administrative expenses		(7,825)	(3,244)	(12,109)	(5,613)
Listing expenses		–	(1,198)	–	(6,006)
Finance costs	6	(35)	(498)	(51)	(905)
Profit before taxation		40,667	13,774	51,640	15,563
Income tax expense	7	(3,658)	(2,567)	(4,586)	(3,757)
Profit and total comprehensive income for the period attributable to owners of the Company	8	<u>37,009</u>	<u>11,207</u>	<u>47,054</u>	<u>11,806</u>
Earnings per share Basic (<i>HK cents</i>)	10	<u>4.63</u>	<u>1.87</u>	<u>5.88</u>	<u>1.97</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2020

		As at 30 September 2020 HK\$'000 (Unaudited)	As at 31 March 2020 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		1,350	1,527
Right-of-use assets		4,156	452
Finance lease receivable		961	1,308
Deposits	<i>11</i>	7,449	6,759
Deferred tax asset		46	46
		<hr/> 13,962	<hr/> 10,092
CURRENT ASSETS			
Trade and other receivables and deposits	<i>11</i>	106,104	120,004
Finance lease receivable		687	673
Amount due from a non-controlling shareholder of a subsidiary	<i>12</i>	2	2
Amounts due from related companies	<i>12</i>	–	112
Tax receivable		273	401
Bank balances and cash		116,225	78,874
		<hr/> 223,291	<hr/> 200,066
CURRENT LIABILITIES			
Other payables and accrued expenses		20,129	35,193
Amounts due to related parties	<i>13</i>	421	94
Lease liabilities		1,580	712
Dividend payable		16,000	–
Bank borrowings		–	12,000
Tax payables		12,729	9,532
		<hr/> 50,859	<hr/> 57,531
NET CURRENT ASSETS		<hr/> 172,432	<hr/> 142,535
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 186,394	<hr/> 152,627

		As at 30 September 2020 HK\$'000 (Unaudited)	As at 31 March 2020 HK\$'000 (Audited)
NON-CURRENT LIABILITIES			
Lease liabilities		3,241	528
Other liabilities		123	123
		<u>3,364</u>	<u>651</u>
NET ASSETS		<u>183,030</u>	<u>151,976</u>
CAPITAL AND RESERVES			
Share capital	<i>14</i>	8,000	8,000
Reserves		175,030	143,976
TOTAL EQUITY		<u>183,030</u>	<u>151,976</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2020

	Attributable to owners of the Company				Sub-total HK\$'000	Non- controlling interest HK\$'000	Total HK\$'000
	Share capital HK\$'000 (Note 14)	Share premium HK\$'000	Merger reserve HK\$'000 (Note)	Retained earnings HK\$'000			
At 1 April 2019 (audited)	–	34,744	(31,714)	47,798	50,828	–	50,828
Profit and total comprehensive income for the period	–	–	–	11,806	11,806	–	11,806
At 30 September 2019 (unaudited)	–	34,744	(31,714)	59,604	62,634	–	62,634
At 1 April 2020 (audited)	8,000	80,804	(31,714)	94,886	151,976	–*	151,976
Profit and total comprehensive income for the period	–	–	–	47,054	47,054	–*	47,054
Dividend	–	–	–	(16,000)	(16,000)	–	(16,000)
At 30 September 2020 (unaudited)	8,000	80,804	(31,714)	125,940	183,030	–*	183,030

* Less than HK\$1,000

Note: Merger reserve represents the difference between the amount of share capital and share premium of the Company issued, and the combined share capital of 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**”) exchanged in connection with the group reorganisation.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS*For the six months ended 30 September 2020*

	Six months ended	
	30 September	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Operating cash flows before movements in working capital	52,713	17,686
Decrease in trade and other receivables	13,210	1,282
(Decrease)/increase in other payables and accrued expenses	(15,064)	11,221
Other operating cash flows	(928)	(3,552)
	<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	49,931	26,637
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(182)	(101)
Proceeds received from disposal of property, plant and equipment	–	2
Repayment from related companies	3,592	3,627
Advance to related companies	(3,480)	(2,803)
Interest received	55	9
	<hr/>	<hr/>
NET CASH (USED IN)/FROM INVESTING ACTIVITIES	(15)	734
FINANCING ACTIVITIES		
Issue costs paid	–	(1,426)
Interest paid	(51)	(905)
Repayment of lease liabilities	(841)	(839)
Advance from related parties	397	471
Repayment to related parties	(70)	(471)
New bank loans raised	–	48,000
Repayment of bank loans	(12,000)	(59,000)
	<hr/>	<hr/>
NET CASH USED IN FINANCING ACTIVITIES	(12,565)	(14,170)
NET INCREASE IN CASH AND CASH EQUIVALENTS	37,351	13,201
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	78,874	27,096
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CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by bank balances and cash	116,225	40,297
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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2020

1. GENERAL INFORMATION

IWS Group Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 23 March 2018. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 22 October 2019. Its immediate and ultimate holding company is IWS Group Holdings Limited (“**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 Company and its subsidiary (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 an investment holding company and its subsidiaries are principally engaged in the provision of security services and facility management services in Hong Kong.

2. BASE OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

3. PRINCIPAL ACCOUNTING POLICIES

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

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”) and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2020 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 March 2020.

Application of amendments to HKFRSs

In the current interim period, 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 period beginning on or after 1 April 2020 for the preparation of the Group’s condensed consolidated financial statements:

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

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

Impacts of application of Amendments to HKAS 1 and HKAS 8 “Definition of Material”

The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity”. The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current period had no impact on the condensed consolidated financial statements. Changes in presentation and disclosures on the application of the amendments, if any, will be reflected on the consolidated financial statements for the year ending 31 March 2021.

Accounting policies newly applied by the Group

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Grants relating to compensation of expenses are deducted from the related expenses.

4. REVENUE AND SEGMENT INFORMATION

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

	Three months		Six months	
	ended 30 September		ended 30 September	
	2020	2019	2020	2019
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Types of services and rental				
Provision of:				
General manned guarding services	37,559	71,658	75,468	117,481
Event and crisis security services	–	98	–	500
Manpower support services	53,999	26,966	83,664	54,798
Property management services	4,683	4,810	9,302	9,518
Car park management services	2,096	1,871	4,196	3,913
Cleaning services	471	485	928	944
Rental of car parks	–	185	–	370
Interest income from sub-leasing of car parks	18	–	37	–
Total	98,826	106,073	173,595	187,524

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, 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 operating segments.

Six months ended 30 September 2020 (unaudited)

	Security services <i>HK\$'000</i>	Facility management services <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue				
External sales	159,132	14,463	–	173,595
Inter-segment sales	6,588	3,907	(10,495)	–
	<u>165,720</u>	<u>18,370</u>	<u>(10,495)</u>	<u>173,595</u>
Segment results	62,111	8,024	–	70,135
Other income				1,319
Other corporate expenses				(19,763)
Finance costs				<u>(51)</u>
Profit before taxation				<u><u>51,640</u></u>

Six months ended 30 September 2019 (unaudited)

	Security services <i>HK\$'000</i>	Facility management services <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue				
External sales	172,779	14,745	–	187,524
Inter-segment sales	9,328	1,770	(11,098)	–
	<u>182,107</u>	<u>16,515</u>	<u>(11,098)</u>	<u>187,524</u>
Segment results	27,337	7,118	–	34,455
Other income				64
Other corporate expenses				(12,045)
Listing expenses				(6,006)
Finance costs				<u>(905)</u>
Profit before taxation				<u>15,563</u>

Inter-segment sales are charged at prevailing market rates.

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

5. OTHER INCOME/OTHER LOSS

Other income

	Three months ended 30 September		Six months ended 30 September	
	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Unaudited)
Bank interest income	21	5	55	9
Others	713	15	1,264	55
	<u>734</u>	<u>20</u>	<u>1,319</u>	<u>64</u>

Other loss

	Three months ended 30 September		Six months ended 30 September	
	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Unaudited)
Loss on disposal of property, plant and equipment	–	–	–	20
	<u>–</u>	<u>–</u>	<u>–</u>	<u>20</u>

6. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Unaudited)
Interest on bank borrowings	–	482	6	869
Interest on lease liabilities	35	16	45	36
	<u>35</u>	<u>498</u>	<u>51</u>	<u>905</u>

7. INCOME TAX EXPENSE

	Three months ended 30 September		Six months ended 30 September	
	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Unaudited)
Current tax:				
Hong Kong Profits Tax				
— Current period	3,658	2,567	4,586	3,757
	<u>3,658</u>	<u>2,567</u>	<u>4,586</u>	<u>3,757</u>

8. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

	Three months ended 30 September		Six months ended 30 September	
	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)	2019 <i>HK\$'000</i> (Unaudited)
Profit and total comprehensive income for the period has been arrived at after charging (crediting):				
Depreciation of property, plant and equipment	184	174	358	348
Depreciation of right-of-use assets	360	431	718	859
Government grants (net off against employee benefit expenses) (<i>Note</i>)	(19,787)	–	(25,914)	–
	<u>(19,787)</u>	<u>–</u>	<u>(25,914)</u>	<u>–</u>

Note: During the interim period, the Group recognised government grants of HK\$25,914,000 in respect of COVID-19-related subsidies in relation to Employment Support Scheme provided by the Hong Kong government.

9. INTERIM DIVIDEND

During the current interim period, a final dividend of HK2 cents per share, in aggregate amount of HK\$16,000,000, in respect of the year ended 31 March 2020 (2019: nil) was declared and approved by the shareholders.

The Board did not recommend the payment of interim dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: nil).

10. EARNINGS PER SHARE

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

	Three months ended 30 September		Six months ended 30 September	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company and earnings for the purpose of basic earnings per share	<u>37,009</u>	<u>11,207</u>	<u>47,054</u>	<u>11,806</u>
Number of shares				
	Three months ended 30 September		Six months ended 30 September	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>800,000,000</u>	<u>600,000,000</u>	<u>800,000,000</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 had been effective on 1 April 2019.

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

11. TRADE AND OTHER RECEIVABLES AND DEPOSITS

	As at 30 September 2020 <i>HK\$'000</i> (Unaudited)	As at 31 March 2020 <i>HK\$'000</i> (Audited)
Trade receivables		
— Third parties	72,811	55,665
— Related parties	<u>3,290</u>	<u>4,644</u>
	76,101	60,309
Less: Loss allowance	<u>(807)</u>	<u>(807)</u>
	<u>75,294</u>	<u>59,502</u>
Uncertified revenue	18,103	47,488
Less: Loss allowance	<u>(52)</u>	<u>(52)</u>
	<u>18,051</u>	<u>47,436</u>
Deposits		
— Third parties	921	7,626
— Related parties	<u>181</u>	<u>280</u>
	<u>1,102</u>	<u>7,906</u>
Other receivables and prepayments	<u>11,657</u>	<u>5,160</u>
Total trade and other receivables and deposits (shown under current assets)	<u><u>106,104</u></u>	<u><u>120,004</u></u>
Non-current deposits		
— Third parties	7,350	6,759
— Related parties	<u>99</u>	<u>—</u>
	<u><u>7,449</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, directors of the Company.

Trade receivables

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:

	As at 30 September 2020 <i>HK\$'000</i> (Unaudited)	As at 31 March 2020 <i>HK\$'000</i> (Audited)
0–30 days	61,136	38,250
31–60 days	7,229	7,582
61–90 days	1,694	4,171
91–120 days	1,349	2,639
Over 120 days	3,886	6,860
	<u>75,294</u>	<u>59,502</u>

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

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

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

13. AMOUNTS DUE TO RELATED PARTIES

All the amounts due to related parties are non-trade nature, unsecured, interest-free and repayable on demand.

14. SHARE CAPITAL

	Number of shares	Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2019	38,000,000	380
At 30 September 2019 (unaudited), 31 March 2020 (audited) and 30 September 2020 (unaudited)	<u>2,000,000,000</u>	<u>20,000</u>
Issued and fully paid:		
At 1 April 2019 and 30 September 2019 (unaudited)	<u>1</u>	<u>—*</u>
At 31 March 2020 (audited) and 30 September 2020 (unaudited)	<u>800,000,000</u>	<u>8,000</u>

* *Less than HK\$1,000*

15. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

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

16. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the current interim period, the Group has revenue derived from security services and facility management services provided to companies controlled by Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma with an aggregate amount of HK\$10,411,000 (2019: HK\$10,068,000). The Group did not have other significant related party transactions.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

For the six months ended 30 September 2020, amid the outbreak of COVID-19, and unstable economic and social environment in Hong Kong, the Group delivered a satisfying positive performance and demand for the Group's security and facility management services continued to grow. This is attributable to the well-established "IWS" brand, which stands for quality security services to its customers in Hong Kong.

FINANCIAL OVERVIEW

Revenue

The Group derives revenue from providing security services and facility management services across public and private sectors in Hong Kong. The Group's revenue decreased by approximately HK\$13.9 million, or 7.4% from approximately HK\$187.5 million for the six months ended 30 September 2019 to approximately HK\$173.6 million for the six months ended 30 September 2020.

Security services

Revenue generated from the security services segment decreased by approximately HK\$13.6 million or 7.9% from approximately HK\$172.8 million for the six months ended 30 September 2019 to approximately HK\$159.1 million for the six months ended 30 September 2020, which is primarily due to general manned guarding services generating revenue of approximately HK\$75.5 million for the six months ended 30 September 2020, representing a decrease of approximately 35.8% from approximately HK\$117.5 million for the six months ended 30 September 2019. The decrease was primarily due to (i) the decrease in revenue derived from the ongoing Guangshengang XRL Contract (the "**XRL Contract**") with a Hong Kong railway corporation (the "**Railway Corporation**") due to the temporary suspension of Hong Kong West Kowloon Station in view of the measures to contain the COVID-19 outbreak during the six months ended 30 September 2020 where the revenue generated amounted to approximately HK\$59.8 million during the six months ended 30 September 2020; and (ii) the decrease in revenue derived from ad-hoc security services relating to public order events due to less ad-hoc security services was provided during the six months ended 30 September 2020, where the revenue generated amounted to approximately HK\$1.1 million during the six months ended 30 September 2020.

Facility management services

Revenue generated from facility management services decreased by approximately HK\$0.2 million, or 1.9% from approximately HK\$14.7 million for the six months ended 30 September 2019 to approximately HK\$14.5 million for the six months ended 30 September 2020. The decrease was primarily due to more ad-hoc services which were provided to customers during the six months ended 30 September 2019.

Employee benefit expenses

Employee benefit expenses decreased by approximately HK\$47.8 million, or 30.2% from approximately HK\$158.4 million for the six months ended 30 September 2019 to approximately HK\$110.6 million for the six months ended 30 September 2020 mainly due to (i) decrease in total headcount for ad-hoc security services contracts and the XRL Contract; and (ii) government grants from the Employment Support Scheme of approximately HK\$25.9 million resulting in compensation for employee benefit expenses being net off against the employee benefit expenses.

Selling and marketing expenses

Selling and marketing expenses decreased by approximately HK\$0.6 million or 51.2% from approximately HK\$1.1 million for the six months ended 30 September 2019 to approximately HK\$0.5 million for the six months ended 30 September 2020 mainly due to the recent COVID-19 outbreak which affects the demand for security services in the private sector.

Administrative expenses

Administrative expenses increased by approximately HK\$6.5 million, or 115.7% from approximately HK\$5.6 million for the six months ended 30 September 2019 to approximately HK\$12.1 million for the six months ended 30 September 2020. This increase was mainly due to (i) an increase in legal and professional fees of approximately HK\$1.7 million resulting from listing compliance advisory fee and professional fee for new projects and tenders; and (ii) an increase in rental car and equipment, travelling and transportation services fees of approximately HK\$4.8 million as a result of the increase in new manpower support services related to provision of manpower at the deep throat saliva specimen collection centres and deep throat saliva specimen collection and delivery services.

Income tax expense

Income tax expenses increased by approximately HK\$0.8 million, or 22.1% from approximately HK\$3.8 million for the six months ended 30 September 2019 to approximately HK\$4.6 million for the six months ended 30 September 2020. The increase was primarily due to combined effects of the increase in assessable profit where non-taxable government grant income was received or receivable during the six months ended 30 September 2020 and non-deductible, non-recurring listing expenses was incurred during the six months ended 30 September 2019. The effective tax rate was approximately 24.1% and 8.9% for the six months ended 30 September 2019 and 2020, respectively. Excluding (i) the non-taxable government grant income of approximately HK\$25.9 million recognised for the six months ended 30 September 2020; and (ii) the non-recurring listing expenses of approximately HK\$6.0 million incurred for the six months ended 30 September 2019, which was non-deductible for taxation purpose, the effective tax rate would be approximately 17.4% and 17.8% for the six months ended 30 September 2019 and 2020, respectively, which is in line with the prevailing rate.

Profit and total comprehensive income for the period

As a result of the above-mentioned factors, profit and total comprehensive income for the period increased by approximately HK\$35.2 million, or 298.6% from approximately HK\$11.8 million for the six months ended 30 September 2019 to approximately HK\$47.1 million for the six months ended 30 September 2020. Net profit margin increased from approximately 6.3% for the six months ended 30 September 2019 to approximately 27.1% for the six months ended 30 September 2020. Excluding the non-recurring listing expenses of approximately HK\$6.0 million incurred in the six months ended 30 September 2019, adjusted profit and total comprehensive income for the six months ended 30 September 2019 amounted to approximately HK\$21.6 million and net profit margin increased to approximately 27.1% for the six months ended 30 September 2020 compared with approximately 9.5% for the six months ended 30 September 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 30 September 2020, the Group had bank balances and cash of approximately HK\$116.2 million, representing an increase of approximately HK\$37.4 million or 47.4% from approximately HK\$78.9 million as at 31 March 2020.

As at 30 September 2020, the Group had net current assets and net assets of approximately HK\$172.4 million (31 March 2020: HK\$142.5 million) and approximately HK\$183.0 million (31 March 2020: HK\$152.0 million), respectively. As at 30 September 2020, its current ratio calculated based on current assets divided by current liabilities of the Group was approximately 4.4 times as compared to approximately 3.5 times as at 31 March 2020.

As at 30 September 2020, total borrowings of the Group amounted to nil (31 March 2020: HK\$12.0 million) and total equity was approximately HK\$183.0 million (31 March 2020: HK\$152.0 million). The Group's gearing ratio, calculated based on total borrowings divided by total equity, was nil (31 March 2020: 7.9 times) as at 30 September 2020.

As at 30 September 2020, the Group had bank facilities with a limit of HK\$80.0 million of which HK\$29.4 million had been utilised.

As at 30 September 2020, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately HK\$183.0 million (31 March 2020: approximately HK\$152.0 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 six months ended 30 September 2020, there was no material impact on the Group arising from the fluctuation in the foreign exchange rates. The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the six months ended 30 September 2020.

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

PERFORMANCE BOND

As at 30 September 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 Contract and the contracts with the Hong Kong Government in the Group's normal course of business.

ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There were no material acquisitions and disposals of subsidiaries, associates and joint ventures for the six months ended 30 September 2020.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

As at 30 September 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 14 to the unaudited condensed consolidated financial statements.

PLEDGE OF ASSETS

There were no pledged assets as at 30 September 2020 (31 March 2020: Nil).

CAPITAL COMMITMENTS

As at 30 September 2020, the Group did not have any material capital commitment (31 March 2020: Nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2020, the Group had 1,611 employees (31 March 2020: 1,941 employees). Staff costs of the Group, including Directors' remuneration, were approximately HK\$110.6 million for the six months ended 30 September 2020 (30 September 2019: HK\$158.4 million). To ensure that it is able to attract and retain staff capable of attaining the best performance levels, remuneration packages are reviewed regularly. In addition, discretionary bonus is offered to eligible employees subject to the Group's results and individual performance.

CONTINGENT LIABILITIES

As at 30 September 2020, the Group did not have any significant contingent liabilities or guarantees (31 March 2020: Nil). The Group is not currently involved in any material legal proceedings, nor is it aware of any proceedings or potential material legal proceedings.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 30 September 2020 and up to the date of this announcement, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”)), which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the 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:

- Note 1:* Pursuant to a deed of confirmation dated 28 May 2018 executed by Mr. Ma Ah Muk, Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma, whereby they confirmed, among others, the existence of their acting in concert arrangement (the “**Deed of AIC Confirmation**”), Mr. Ma Ah Muk is deemed to be interested in all the shares of the Company (“**Shares**”) held by Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma, through Morewood Asset Holdings Limited (森業資產控股有限公司) (“**Morewood**”), Mandarin Asset Holdings Limited (文華資產控股有限公司) (“**Mandarin**”) and Cambridge Investment (BVI) Limited (劍橋投資(BVI)有限公司) (“**Cambridge**”), respectively, by virtue of Section 317 of the SFO.
- Note 2:* Mr. Ma Ah Muk, Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma are persons acting in concert pursuant to the Deed of AIC Confirmation and accordingly each of them is deemed to be interested in all the Shares held by the others through their respective shareholding interests in Morewood, Mandarin, Cambridge and in turn holding IWS Group Holdings Limited (“**IWS BVI**”) by virtue of Section 317 of the SFO.
- Note 3:* IWS BVI is owned as to 33.3% by Morewood, a company wholly and beneficially owned by Mr. KS Ma; therefore, each of Morewood and Mr. KS Ma is deemed to be interested in all the Shares held by IWS BVI pursuant to the SFO.
- Note 4:* IWS BVI is owned as to 33.3% by Mandarin, a company wholly and beneficially owned by Mr. KM Ma; therefore, each of Mandarin and Mr. KM Ma is deemed to be interested in all the Shares held by IWS BVI pursuant to the SFO.
- Note 5:* IWS BVI is owned as to 33.3% by Cambridge, a company wholly and beneficially owned by Mr. Vince Ma; therefore, each of Cambridge and Mr. Vince Ma is deemed to be interested in all the Shares held by IWS BVI pursuant to the SFO.
- Note 6:* Based on a total of 800,000,000 issued Shares as at 30 September 2020.

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

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

Notes:

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

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

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

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

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

Insofar it as is known to the Directors, as at 30 September 2020, the following persons or entities (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions (directly or indirectly) in the shares or underlying shares of the Company that would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long position in the shares of the Company

Name of Shareholder	Nature of interest/holding capacity	Number of ordinary Shares held	Approximate percentage of issued share capital of the Company ⁽⁸⁾
IWS BVI	Beneficial owner	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:

Note 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.

Note 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.

Note 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.

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

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

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

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

Note 8: Based on a total of 800,000,000 issued Shares as at 30 September 2020.

Save as disclosed above and to the best knowledge of the Directors, as at 30 September 2020, no person, other than the Directors and chief executive of the Company whose interests are set out in the sub-section headed “(A) Directors’ and Chief Executives’ Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations” above, had notified the Company of an interest or short position in the shares or underlying shares of the Company that was required to be recorded in the register required to be kept by the Company pursuant section 336 of the SFO.

SHARE OPTION SCHEME

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

As at 30 September 2020, no share option has been granted or agreed to be granted under the Share Option Scheme.

USE OF PROCEEDS FROM THE LISTING

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

As at 30 September 2020, 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:

	Actual Net Proceeds from the Listing (HK\$'000)	Amount utilised as at 30 September 2020 (HK\$'000)	Balance as at 30 September 2020 (HK\$'000)	Expected timetable for the usage of the unutilised Net Proceeds as of 30 September 2020
Expanding our business in security services				
(i) Recruitment of security service personnel	5,600	1,400	4,200	N/A
(ii) Contract securities	7,600	3,378	4,222	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>5,096</u>	<u>9,104</u>	
Enhancing our capability in providing facility management services				
(i) Acquisition of machines and equipment	4,100	—	4,100	On or before 31 March 2022
(ii) Expansion of our operation team and sales and marketing team	1,000	35	965	On or before 31 March 2022
	<u>5,100</u>	<u>35</u>	<u>5,065</u>	
Improving operational efficiency				
(i) Upgrade of information technology infrastructure	3,000	131	2,869	On or before 31 March 2022
(ii) Establishment of a control room	2,000	—	2,000	On or before 31 March 2022
	<u>5,000</u>	<u>131</u>	<u>4,869</u>	
Payment for outstanding bank loan	4,500	4,500	—	N/A
General working capital	<u>3,200</u>	<u>1,280</u>	<u>1,920</u>	N/A
	<u><u>32,000</u></u>	<u><u>11,042</u></u>	<u><u>20,958</u></u>	

As at 30 September 2020, approximately HK\$11.0 million of the Net Proceeds from the Listing had been utilised. As at the date of this announcement, 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\$21.0 million have been placed as interest-bearing deposits with licensed banks in Hong Kong.

INTERIM DIVIDEND

The Board did not recommend the payment of interim dividend for the six months ended 30 September 2020 (six months ended 30 September 2019: Nil).

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 September 2020.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than disclosed in “(A) Directors’ and Chief Executives’ Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations” above, at no time during the six months ended 30 September 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 of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any associated corporation.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

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

In the opinion of the Board, the Company has complied with the code provisions in the CG Code during the six months ended 30 September 2020.

The Company was incorporated in the Cayman Islands on 23 March 2018 as an exempted company with limited liability, and the Shares were listed on GEM of the Stock Exchange on the Listing Date.

CHANGES IN DIRECTOR'S INFORMATION

There is no change in Directors' biographical details which is required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules since the date of the annual report of the Company for the year ended 31 March 2020.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors (the “**Code of Conduct**”) on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Required Standard Dealings**”). The Company had made specific enquiries to the Directors and all Directors have confirmed that they have fully complied with the Code of Conduct and Required Standard Dealings during the six months ended 30 September 2020.

COMPETING INTERESTS

During the six months ended 30 September 2020, in so far 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) had any position or interest in a business or company that competes or may compete with the business of the Group or give rise to any concern regarding conflict of interests.

SUFFICIENCY OF PUBLIC FLOAT

Based on the publicly available information to the Company and within the knowledge of the Directors as at date of this announcement, the Company has maintained the prescribed public float required by the GEM Listing Rules for the six months ended 30 September 2020.

SEGMENT INFORMATION

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

EVENT AFTER THE REPORTING PERIOD

Up to the date of this 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 six months ended 30 September 2020.

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) 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.

REVIEW OF FINANCIAL STATEMENTS

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

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2020 in conjunction with the Company’s external auditor. Based on the review and discussions with the management, the Audit Committee was satisfied that the unaudited condensed consolidated financial statements were prepared in accordance with applicable accounting standards and fairly present the Group’s financial position and results for the six months ended 30 September 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 clients in order to capture the rich potential in the security services and facility and venue management services markets in Hong Kong. This potential is driven by the continuous increase in real estate projects and large-scale events, rising land and housing supply, increase in parking spaces and demand for more sophisticated facility management services.

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

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

Hong Kong, 6 November 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.