



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 REPORT

2021

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

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

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

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This report, for which the directors (the "**Directors**") of IWS Group Holdings Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company and its subsidiaries (collectively referred to as the "**Group**"). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

CONTENTS

	PAGE(S)
CORPORATE INFORMATION	3
FINANCIAL HIGHLIGHTS	4
MANAGEMENT DISCUSSION AND ANALYSIS	6
CORPORATE GOVERNANCE AND OTHER INFORMATION	10
REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	19
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	20
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	21
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	22
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	23
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	24



IWS



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Independent non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

AUTHORISED REPRESENTATIVES

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

COMPLIANCE OFFICER

Mr. Ma Yung King, Leo

COMPANY SECRETARY

Mr. Wong Chi Kong

LEGAL ADVISER

Iu, Lai & Li Solicitors and Notaries

COMPLIANCE ADVISER

Red Solar Capital Limited

AUDITOR

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

PRINCIPAL BANKER

Hang Seng Bank Limited

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

REGISTERED OFFICE

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

8441

WEBSITE

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

FINANCIAL HIGHLIGHTS

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

	Three months ended 30 September		Six months ended 30 September	
	2021 (HK\$'000) (Unaudited)	2020 (HK\$'000) (Unaudited)	2021 (HK\$'000) (Unaudited)	2020 (HK\$'000) (Unaudited)
Revenue	134,526	98,826	252,711	173,595
Profit before taxation	23,033	40,667	38,027	51,640
Profit and total comprehensive income for the period	18,980	37,009	30,160	47,054

ADJUSTED NET PROFIT AND EXCLUDING GOVERNMENT GRANTS

	Three months ended 30 September		Six months ended 30 September	
	2021 (HK\$'000) (Unaudited)	2020 (HK\$'000) (Unaudited)	2021 (HK\$'000) (Unaudited)	2020 (HK\$'000) (Unaudited)
Profit and total comprehensive income for the period	18,980	37,009	30,160	47,054
Adjustment for listing expenses	560	–	8,718	–
Adjusted net profit	19,540	37,009	38,878	47,054
Less: government grants	–	(19,787)	–	(25,914)
Adjusted net profit and excluding government grants	19,540	17,222	38,878	21,140

SELECTED UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ITEMS

	As at 30 September 2021 (HK\$'000) (Unaudited)	As at 31 March 2021 (HK\$'000) (Audited)
Non-current assets	15,341	15,009
Current assets	265,606	236,710
Current liabilities	72,846	47,104
Net current assets	192,760	189,606
Non-current liabilities	1,753	2,427
Net assets/Total equity	206,348	202,188



FINANCIAL HIGHLIGHTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 September	
	2021 (HK\$'000) (Unaudited)	2020 (HK\$'000) (Unaudited)
Net cash (used in) from operating activities	(6,389)	49,931
Net cash used in investing activities	(1,123)	(15)
Net cash used in financing activities	(819)	(12,565)
Net (decrease) increase in cash and cash equivalents	(8,331)	37,351
Cash and cash equivalents at beginning of period	127,159	78,874
Cash and cash equivalents at end of period	118,828	116,225

KEY FINANCIAL RATIOS

	As at 30 September 2021/ For the six months ended 30 September 2021	As at 30 September 2020/ For the six months ended 30 September 2020
Adjusted net profit margin (%)	15.4⁽¹⁾	12.2 ⁽¹⁾
Adjusted return on equity (%)	37.6⁽¹⁾⁽²⁾	23.0 ⁽¹⁾⁽²⁾
Adjusted return on total assets (%)	27.6⁽¹⁾⁽²⁾	17.8 ⁽¹⁾⁽²⁾
Interest coverage (times)	560.2	1,013.5
Current ratio (times)	3.6	4.4
Quick ratio (times)	3.6	4.4
Gearing ratio (%)	1.7	2.6
Average trade receivables turnover days (days)	84	106
Average trade payables turnover days (days)	28	N/A

Notes:

- Ratio calculation excluded the non-recurring listing expenses of approximately HK\$8.7 million for the six months ended 30 September 2021 and government grants of HK\$25.9 million for the six months ended 30 September 2020.
- Annualised profit for the six months ended 30 September 2020 and 2021 has been used for ratio calculation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

For the six months ended 30 September 2021, amid the outbreak of COVID-19, and unstable economic and social environment in Hong Kong, the Group delivered a satisfying positive performance and demand for the Group's security and facility management services continued to grow. This is attributable to the well-established "IWS" brand, which stands for quality security services to its customers in Hong Kong.

FINANCIAL OVERVIEW

Revenue

The Group derives revenue from providing security services and facility management services across public and private sectors in Hong Kong. The Group's revenue increased by approximately HK\$79.1 million, or 45.6% from approximately HK\$173.6 million for the six months ended 30 September 2020 to approximately HK\$252.7 million for the six months ended 30 September 2021.

Security services

Revenue generated from the security services segment increased by approximately HK\$79.0 million or 49.6% from approximately HK\$159.1 million for the six months ended 30 September 2020 to approximately HK\$238.1 million for the six months ended 30 September 2021. Such increase was primarily due to (i) an increase in revenue derived from general manned guarding services, representing an increase of approximately HK\$17.7 million or 23.5% as compared with the respective figures for the six months ended 30 September 2020 because of (a) an increase in revenue derived from the provision of security services at the site of the three-runway system project at the Hong Kong International Airport (the "**Three-runway system project**") by not less than HK\$13.0 million; and (b) an increase in revenue derived from one of the largest bus companies in Hong Kong providing bus services to the general public in relation to provision of security guarding services at its headquarters and six depots by not less than HK\$1.3 million; (ii) an increase in revenue derived from manpower support services, representing an increase of approximately HK\$61.2 million or 73.2% as compared with the respective figures for the six months ended 30 September 2020 because of (a) an increase in revenue derived from the provision of COVID-19 detection support services at the community testing centers set up by a government department responsible for healthcare policies and the provision of basic healthcare services in Hong Kong (the "**Health Authority**") for specimen submission and distribution points of deep throat saliva specimen collection packs following the outbreak of COVID-19 (the "**COVID-19 Detection Support Services**") of approximately HK\$70.4 million; and (b) an increase in revenue derived from a Hong Kong railway corporation for the provision of station assistants services of approximately HK\$11.0 million.

Facility management services

Revenue generated from facility management services remained relatively stable which increased by approximately HK\$0.1 million, or 0.9% from approximately HK\$14.5 million for the six months ended 30 September 2020 to approximately HK\$14.6 million for the six months ended 30 September 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Employee benefit expenses

Employee benefit expenses increased by approximately HK\$47.7 million, or 43.1% from approximately HK\$110.6 million for the six months ended 30 September 2020 to approximately HK\$158.3 million for the six months ended 30 September 2021 mainly due to (i) increase in total headcount for the newly awarded general manned guarding services contracts including the Three-runway system project by approximately HK\$18.5 million; and (ii) decrease in 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 for the six months ended 30 September 2020.

Selling and marketing expenses

Selling and marketing expenses increased by approximately HK\$0.2 million or 33.2% from approximately HK\$0.5 million for the six months ended 30 September 2020 to approximately HK\$0.7 million for the six months ended 30 September 2021 mainly due to the increase in demand for security services in the private sector.

Other operating expenses

Other operating expenses increased by approximately HK\$34.6 million, or 285.7% from approximately HK\$12.1 million for the six months ended 30 September 2020 to approximately HK\$46.7 million for the six months ended 30 September 2021. Such increase was mainly due to subcontracting costs of approximately HK\$39.0 million incurred during the six months ended 30 September 2021 as a result of the increase in new manpower support services at the community testing centres for specimens submission and distribution points of deep throat saliva specimen collection packs to the Health Authority.

Income tax expense

Income tax expenses increased by approximately HK\$3.3 million, or 71.5% from approximately HK\$4.6 million for the six months ended 30 September 2020 to approximately HK\$7.9 million for the six months ended 30 September 2021. The increase was primarily due to combined effects of the increase in assessable profit where non-taxable government grant income was received or receivable during the six months ended 30 September 2020 and non-deductible, non-recurring listing expenses was incurred during the six months ended 30 September 2021. The effective tax rate was approximately 8.9% and 20.7% for the six months ended 30 September 2020 and 2021, 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\$8.7 million incurred for the six months ended 30 September 2021, which was non-deductible for taxation purpose, the effective tax rate would be approximately 17.8% and 16.8% for the six months ended 30 September 2020 and 2021, 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 decreased by approximately HK\$16.9 million, or 35.9% from approximately HK\$47.1 million for the six months ended 30 September 2020 to approximately HK\$30.2 million for the six months ended 30 September 2021. Net profit margin decreased from approximately 27.1% for the six months ended 30 September 2020 to approximately 11.9% for the six months ended 30 September 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

Excluding the non-recurring listing expenses for the proposed transfer of listing of the shares of the Company from GEM to the Main Board of the Stock Exchange of approximately HK\$8.7 million incurred in the six months ended 30 September 2021 and government grant income of HK\$25.9 million recognised during the six months ended 30 September 2020, adjusted profit and total comprehensive income for the six months ended 30 September 2021 amounted to approximately HK\$38.9 million and net profit margin increased to approximately 15.4% for the six months ended 30 September 2021 compared with approximately 12.2% for the six months ended 30 September 2020.

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 2021, the Group had bank balances and cash of approximately HK\$118.8 million, representing a decrease of approximately HK\$8.3 million or 6.6% from approximately HK\$127.2 million as at 31 March 2021.

As at 30 September 2021, the Group had net current assets and net assets of approximately HK\$192.8 million (31 March 2021: HK\$189.6 million) and approximately HK\$206.3 million (31 March 2021: HK\$202.2 million), respectively. As at 30 September 2021, its current ratio calculated based on current assets divided by current liabilities of the Group was approximately 3.6 times as compared to approximately 5.0 times as at 31 March 2021.

As at 31 March and 30 September 2021, total borrowings of the Group amounted to HK\$3.5 million and HK\$4.0 million, respectively and total equity was approximately HK\$206.3 million (31 March 2021: HK\$202.2 million). The Group's gearing ratio, calculated based on total borrowings divided by total equity, was 1.7% (31 March 2021: 2.0%) as at 30 September 2021.

As at 30 September 2021, the Group had bank facilities with a limit of HK\$80.0 million of which HK\$30.1 million had been utilised.

As at 30 September 2021, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately HK\$206.3 million (31 March 2021: approximately HK\$202.2 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 2021, there was no material impact on the Group arising from the fluctuation in the foreign exchange rates. The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the six months ended 30 September 2021.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the six months ended 30 September 2021. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board 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.

MANAGEMENT DISCUSSION AND ANALYSIS

PERFORMANCE BOND

As at 30 September 2021, the Group had outstanding performance bonds of approximately HK\$30.1 million issued by the Group's bank with corporate guarantees from the Company to fulfil the obligation of providing contract securities using existing bank facilities for contracts with a bus company, a Hong Kong railway corporation, the ongoing Guangshengang XRL Contract and the contracts with the Hong Kong Government in the Group's normal course of business.

ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There were no material acquisitions and disposals of subsidiaries, associates and joint ventures for the six months ended 30 September 2021.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

As at 30 September 2021, the Group did not hold any significant investments.

FUTURE PLANS FOR MATERIAL INVESTMENTS ON CAPITAL ASSETS

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

SHARE CAPITAL

Details of the share capital are set out in note 15 to the unaudited condensed consolidated financial statements.

PLEDGE OF ASSETS

There were no pledged assets as at 30 September 2021 (31 March 2021: Nil).

CAPITAL COMMITMENTS

As at 30 September 2021, the Group did not have any material capital commitment (31 March 2021: Nil).

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2021, the Group had 2,601 employees (31 March 2021: 2,042 employees). Staff costs of the Group, including Directors' remuneration, were approximately HK\$158.3 million for the six months ended 30 September 2021 (30 September 2020: HK\$110.6 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 2021, the Group did not have any significant contingent liabilities or guarantees (31 March 2021: 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 2021 and up to the date of this report, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")), which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the 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%



CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

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

Note 2: Mr. Ma Ah Muk, Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma are persons acting in concert pursuant to the Deed of AIC Confirmation and accordingly each of them is deemed to be interested in all the Shares held by the others through their respective shareholding interests in Morewood, Mandarin, Cambridge 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 2021.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

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

Notes:

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

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

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

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



CORPORATE GOVERNANCE AND OTHER INFORMATION

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

Insofar it is known to the Directors, as at 30 September 2021, the following persons or entities (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions (directly or indirectly) in the shares or underlying shares of the Company that would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long position in the shares of the Company

Name of Shareholder	Nature of interest/holding capacity	Number of ordinary Shares held	Approximate percentage of issued share capital of the Company ⁽²⁾
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%

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 2021.

Save as disclosed above and to the best knowledge of the Directors, as at 30 September 2021, 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 2021, no share option has been granted or agreed to be granted under the Share Option Scheme.



CORPORATE GOVERNANCE AND OTHER INFORMATION

USE OF PROCEEDS FROM THE LISTING

The Shares were listed on GEM of the Stock Exchange on 22 October 2019 (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 2021, the Group had partially utilised the Net Proceeds in the manner consistent with that mentioned in the section headed “Statement of Business Objectives and Use of Proceeds” of the Prospectus:

	Actual Net Proceeds from the GEM Listing (HK\$'000)	Amount utilised as at 30 September 2021 (HK\$'000)	Amount unutilised as at 30 September 2021 (HK\$'000)	Expected timetable for the usage of the unutilised Net Proceeds as of 30 September 2021
Expanding our business in security services				
(i) Recruitment of security service personnel	5,600	4,200	1,400	On or before 31 March 2022
(ii) Contract securities	7,600	5,748	1,852	On or before 31 March 2022
(iii) Acquisition of patrol vehicles	1,000	1,000	–	N/A
	14,200	10,948	3,252	
Enhancing our capability in providing facility management services				
(i) Acquisition of machines and equipment	4,100	–	4,100	On or before 31 March 2023
(ii) Expansion of our operation team and sales and marketing team	1,000	663	337	On or before 31 March 2022
	5,100	663	4,437	
Improving operational efficiency				
(i) Upgrade of information technology infrastructure	3,000	237	2,763	On or before 31 March 2023
(ii) Establishment of a control room	2,000	541	1,459	On or before 31 March 2023
	5,000	778	4,222	
Payment for outstanding bank loan	4,500	4,500	–	N/A
General working capital	3,200	2,560	640	On or before 31 March 2022
	32,000	19,449	12,551	

As at 30 September 2021, approximately HK\$19.4 million of the Net Proceeds from the GEM Listing had been utilised.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Given that (i) the outbreak of COVID-19 and the Group's failure to secure new facility management services tenders submitted as of the year ended 31 March 2021 which affected its plan to acquire machines and equipment to enhance its capability in providing facility management services; (ii) the outbreak of COVID-19 which hindered the installation of the mobile application modules to improve operational efficiency and scalability, and also hindered the process of renovating and setting up the control room, and thereafter, the identification and recruitment of the security personnel licensed to provide Type III security work where the number of such security personnel in the market is limited, after due and careful consideration, the Directors have decided to delay, for 12 months, the planned use of the unused Net Proceeds in relation to (i) the acquisition of machines and equipment; (ii) the upgrade of information technology infrastructure; and (iii) the establishment of a control room whereby such unused Net Proceeds are expected to be fully utilised by 31 March 2023.

As at the date of this report, save as the above-mentioned adjustments, there was no change in the intended use of Net Proceeds and the expected timetable as previously disclosed in the section headed "Statement of Business Objectives and Use of Proceeds" of the Prospectus. The unutilised Net Proceeds of approximately HK\$12.6 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 2021 (six months ended 30 September 2020: 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 2021.

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 2021 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or the chief executive or their respective associates of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any associated corporation.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

The Company has adopted the principles and code provisions of the Corporate Governance Code contained in Appendix 15 to the GEM Listing Rules (the "**CG Code**") as the basis of the Company's corporate governance practices, and the CG Code has been applicable to the Company with effect from 22 October 2019 (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 2021.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 2021.

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 2021.

COMPETING INTERESTS

During the six months ended 30 September 2021, 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 report, the Company has maintained the prescribed public float required by the GEM Listing Rules for the six months ended 30 September 2021.

SEGMENT INFORMATION

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

EVENT AFTER THE REPORTING PERIOD

Up to the date of this report, there was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors after the six months ended 30 September 2021.

INTERESTS OF THE COMPLIANCE ADVISER

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

REVIEW OF FINANCIAL STATEMENTS

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

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2021 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 2021.

OUTLOOK

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

On 11 June 2021, the Company submitted a formal application to the Stock Exchange in respect of the proposed transfer of listing from GEM to the Main Board of the Stock Exchange. For details, please refer to the announcement issued by the Company dated 11 June 2021.

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

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

Hong Kong, 5 November 2021

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

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Deloitte.

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TO THE BOARD OF DIRECTORS OF IWS GROUP HOLDINGS LIMITED

國際永勝集團控股有限公司

(incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of IWS Group Holdings Limited (the “Company”) and its subsidiaries set out on pages 20 to 32, which comprise the condensed consolidated statement of financial position as of 30 September 2021 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

5 November 2021

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

For the six months ended 30 September 2021

	NOTES	Three months ended 30 September		Six months ended 30 September	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue	4	134,526	98,826	252,711	173,595
Other income	5	168	734	188	1,319
Impairment losses on financial assets		(390)	–	(390)	–
Employee benefit expenses		(86,623)	(50,815)	(158,266)	(110,569)
Selling and marketing expenses		(399)	(218)	(726)	(545)
Other operating expenses		(23,656)	(7,825)	(46,704)	(12,109)
Listing expenses		(560)	–	(8,718)	–
Finance costs	6	(33)	(35)	(68)	(51)
Profit before taxation		23,033	40,667	38,027	51,640
Income tax expense	7	(4,053)	(3,658)	(7,867)	(4,586)
Profit and total comprehensive income for the period attributable to owners of the Company	8	18,980	37,009	30,160	47,054
Earnings per share					
Basic (HK cents)	10	2.37	4.63	3.77	5.88



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2021

	NOTES	As at 30 September 2021 HK\$'000 (Unaudited)	As at 31 March 2021 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	11	2,214	1,332
Right-of-use assets		3,065	3,419
Finance lease receivables		245	607
Deposits	12	9,771	9,605
Deferred tax asset		46	46
		15,341	15,009
CURRENT ASSETS			
Trade and other receivables and deposits	12	140,482	100,372
Finance lease receivables		716	701
Amount due from a non-controlling shareholder of a subsidiary	13	2	2
Amounts due from related companies	13	96	303
Tax recoverable		5,482	8,173
Bank balances and cash		118,828	127,159
		265,606	236,710
CURRENT LIABILITIES			
Trade and other payables and accrued expenses	14	37,799	43,587
Amounts due to related companies	13	243	93
Lease liabilities		1,907	1,703
Dividend payable		26,000	–
Tax payables		6,897	1,721
		72,846	47,104
NET CURRENT ASSETS		192,760	189,606
TOTAL ASSETS LESS CURRENT LIABILITIES		208,101	204,615
NON-CURRENT LIABILITIES			
Lease liabilities		1,630	2,304
Other liabilities		123	123
		1,753	2,427
NET ASSETS		206,348	202,188
CAPITAL AND RESERVES			
Share capital	15	8,000	8,000
Reserves		198,349	194,189
Equity attributable to owners of the Company		206,349	202,189
Non-controlling interests		(1)	(1)
TOTAL EQUITY		206,348	202,188

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	Attributable to owners of the Company					Non-controlling interest	Total
	Share capital	Share premium	Merger reserve	Retained earnings	Sub-total		
	HK\$'000 (Note 14)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2020 (audited)	8,000	80,804	(31,714)	94,886	151,976	–	151,976
Profit and total comprehensive income for the period	–	–	–	47,054	47,054	–	47,054
Dividend (Note 9)	–	–	–	(16,000)	(16,000)	–	(16,000)
At 30 September 2020 (unaudited)	8,000	80,804	(31,714)	125,940	183,030	–	183,030
At 1 April 2021 (audited)	8,000	80,804	(31,714)	145,099	202,189	(1)	202,188
Profit and total comprehensive income for the period	–	–	–	30,160	30,160	–	30,160
Dividend (Note 9)	–	–	–	(26,000)	(26,000)	–	(26,000)
At 30 September 2021 (unaudited)	8,000	80,804	(31,714)	149,259	206,349	(1)	206,348



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

	Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
OPERATING ACTIVITIES		
Operating cash flows before movements in working capital	39,718	52,713
(Increase) decrease in trade and other receivables and deposits	(40,666)	13,210
Decrease in other payables and accrued expenses	(5,788)	(15,064)
Other operating cash flows	347	(928)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	(6,389)	49,931
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,331)	(182)
Repayment from related companies	2,992	3,592
Advance to related companies	(2,785)	(3,480)
Interest received	1	55
NET CASH USED IN INVESTING ACTIVITIES	(1,123)	(15)
FINANCING ACTIVITIES		
Interest paid	(68)	(51)
Repayment of lease liabilities	(901)	(841)
Advance from related companies	243	397
Repayment to related companies	(93)	(70)
Repayment of bank loans	–	(12,000)
NET CASH USED IN FINANCING ACTIVITIES	(819)	(12,565)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(8,331)	37,351
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	127,159	78,874
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by bank balances and cash	118,828	116,225

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2021

1. GENERAL INFORMATION

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

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

2. BASIS OF PREPARATION

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

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2021 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 March 2021.

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2021 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The application of 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.



NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2021

4. REVENUE AND SEGMENT INFORMATION

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

	Three months ended 30 September		Six months ended 30 September	
	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)
Provision of:				
General manned guarding services	49,232	37,559	93,199	75,468
Event and crisis security services	32	–	32	–
Manpower support services	77,856	53,999	144,883	83,664
Property management services	4,894	4,683	9,550	9,302
Car park management services	2,038	2,096	4,121	4,196
Cleaning services	463	471	903	928
Interest income from sub-leasing of car parks	11	18	23	37
	134,526	98,826	252,711	173,595

The Group's operating segments are determined based on information reported to the chief executive, being the chief operating decision maker ("**CODM**") of the Group, for the purposes of resource allocation and performance assessment based on the types of services provided. No analysis of segment assets or segment liabilities is presented as such information is not regularly provided to CODM. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

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

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

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2021

4. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results

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

Six months ended 30 September 2021 (unaudited)

	Security services HK\$'000	Facility management services HK\$'000	Elimination HK\$'000	Total HK\$'000
Revenue				
External revenue	238,114	14,597	–	252,711
Inter-segment revenue	8,250	3,919	(12,169)	–
	246,364	18,516	(12,169)	252,711
Segment results	57,500	6,577	–	64,077
Other income				188
Impairment losses on financial assets				(390)
Other corporate expenses				(17,062)
Listing expenses				(8,718)
Finance costs				(68)
Profit before taxation				38,027

Six months ended 30 September 2020 (unaudited)

	Security services HK\$'000	Facility management services HK\$'000	Elimination HK\$'000	Total HK\$'000
Revenue				
External revenue	159,132	14,463	–	173,595
Inter-segment revenue	6,588	3,907	(10,495)	–
	165,720	18,370	(10,495)	173,595
Segment results	56,976	8,024	–	65,000
Other income				1,319
Other corporate expenses				(14,628)
Finance costs				(51)
Profit before taxation				51,640

Inter-segment revenue are charged at prevailing market rates.

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



NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2021

5. OTHER INCOME

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Bank interest income	1	21	1	55
Others	167	713	187	1,264
	168	734	188	1,319

6. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Interest on bank borrowings	–	–	–	6
Interest on lease liabilities	33	35	68	45
	33	35	68	51

7. INCOME TAX EXPENSE

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Current tax:				
Hong Kong Profits Tax				
— Current period	4,053	3,658	7,867	4,586

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

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2021

8. PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Profit and total comprehensive income for the period has been arrived at after charging (crediting):				
Depreciation of property, plant and equipment	237	184	449	358
Depreciation of right-of-use assets	404	360	785	718
Subcontracting costs	19,820	5,135	39,045	–
Government grants (net off against employee benefit expenses) (Note)	–	(19,787)	–	(25,914)

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

9. DIVIDENDS

During the current interim period, a final dividend of HK3.25 cents per share, in aggregate amount of HK\$26,000,000, in respect of the year ended 31 March 2021 (six months ended 30 September 2020: HK\$16,000,000) was declared and approved by the shareholders and paid on 13 October 2021.

The Board did not recommend the payment of interim dividend for the six months ended 30 September 2021 (six months ended 30 September 2020: nil).



NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2021

10. EARNINGS PER SHARE

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

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Earnings				
Profit for the period attributable to owners of the Company	18,980	37,009	30,160	47,054
	<hr/>			
	Three months ended 30 September		Six months ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Number of shares				
Weighted average number of ordinary shares	800,000,000	800,000,000	800,000,000	800,000,000

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

11. PROPERTY, PLANT AND EQUIPMENT

During the current interim period, the Group had addition to property, plant and equipment amounting to HK\$1,331,000 (six months ended 30 September 2020: HK\$182,000).

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2021

12. TRADE AND OTHER RECEIVABLES AND DEPOSITS

	As at 30 September 2021 HK\$'000 (Unaudited)	As at 31 March 2021 HK\$'000 (Audited)
Trade receivables		
— Third parties	100,779	56,455
— Related companies	2,168	4,677
	102,947	61,132
Less: Loss allowance	(1,058)	(658)
	101,889	60,474
Uncertified revenue	33,839	34,786
Less: Loss allowance	(36)	(46)
	33,803	34,740
Deposits		
— Third parties	1,414	1,372
Less: Loss allowance	(2)	(2)
	1,412	1,370
Other receivables and prepayments	3,503	2,446
Less: Loss allowance	(180)	(180)
	3,323	2,266
Prepayments for listing expenses	55	1,522
Total trade and other receivables and deposits (shown under current assets)	140,482	100,372
Non-current deposits		
— Third parties	9,511	9,345
— Related companies	280	280
	9,791	9,625
Less: Loss allowance	(20)	(20)
	9,771	9,605

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



NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2021

12. TRADE AND OTHER RECEIVABLES AND DEPOSITS (Continued)

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

	As at 30 September 2021 HK\$'000 (Unaudited)	As at 31 March 2021 HK\$'000 (Audited)
0–30 days	55,194	45,708
31–60 days	28,947	11,859
61–90 days	17,253	1,699
91–120 days	209	904
Over 120 days	286	304
	101,889	60,474

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

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

The amounts due from/to related companies 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.

14. TRADE AND OTHER PAYABLES AND ACCRUED EXPENSES

Included in the amount are trade payables and accrued staff costs amounting to HK\$5,780,000 (31 March 2021: HK\$6,234,000) and HK\$27,119,000 (31 March 2021: HK\$35,172,000) respectively. The Group's trade payables are aged within 30 days based on invoice date.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 30 September 2021

15. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2020 (audited), 31 March 2021 (audited) and 30 September 2021 (unaudited)	2,000,000,000	20,000
Issued and fully paid:		
At 1 April 2020 (audited), 31 March 2021 (audited) and 30 September 2021 (unaudited)	800,000,000	8,000

16. 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.

17. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the current interim period, the Group has revenue derived from security services and facility management services provided to certain companies controlled by Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma with an aggregate amount of HK\$11,138,000 (six months ended 30 September 2020: HK\$10,411,000). The Group did not have other significant related party transactions.

18. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by the board of directors on 5 November 2021.