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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: 6663)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

For the year ended 31 March 2022

	<i>NOTES</i>	2022	2021
		<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	537,371	365,833
Other income	4	650	1,661
Other gains and losses	4	(497)	32
Impairment losses on financial assets, net	5	(566)	(47)
Employee benefit expenses	6	(335,669)	(249,988)
Selling and marketing expenses		(1,589)	(1,141)
Subcontracting costs		(91,709)	(23,788)
Other operating expenses	6	(16,743)	(14,971)
Transfer of listing expenses		(19,349)	(4,655)
Finance costs	7	(116)	(130)
Profit before taxation		71,783	72,806
Income tax expense	8	(15,214)	(6,594)
Profit and total comprehensive income for the year		<u>56,569</u>	<u>66,212</u>

	<i>NOTE</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Profit (loss) and total comprehensive income (expense) for the year attributable to:			
Owners of the Company		56,570	66,213
Non-controlling interests		<u>(1)</u>	<u>(1)</u>
		<u>56,569</u>	<u>66,212</u>
Earnings per share			
Basic (<i>HK cents</i>)	<i>10</i>	<u>7.07</u>	<u>8.28</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2022

	NOTES	2022 HK\$'000	2021 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		1,830	1,332
Right-of-use assets		2,256	3,419
Finance lease receivables		–	607
Deposits	11	3,900	9,605
Deferred tax asset		243	46
		<u>8,229</u>	<u>15,009</u>
CURRENT ASSETS			
Trade and other receivables and deposits	11	165,079	100,372
Finance lease receivables		–	701
Amount due from a non-controlling shareholder of a subsidiary	12	2	2
Amount due from a related company	12	2,188	303
Tax recoverable		342	8,173
Bank balances and cash		117,067	127,159
		<u>284,678</u>	<u>236,710</u>
CURRENT LIABILITIES			
Trade and other payables and accrued expenses	13	44,754	43,587
Amount due to a related company	14	58	93
Lease liabilities		1,656	1,703
Tax payables		13,027	1,721
		<u>59,495</u>	<u>47,104</u>
NET CURRENT ASSETS		<u>225,183</u>	<u>189,606</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>233,412</u>	<u>204,615</u>
NON-CURRENT LIABILITIES			
Lease liabilities		655	2,304
Other liabilities		–	123
		<u>655</u>	<u>2,427</u>
NET ASSETS		<u>232,757</u>	<u>202,188</u>
CAPITAL AND RESERVES			
Share capital	15	8,000	8,000
Reserves		224,759	194,189
Equity attributable to owners of the Company		232,759	202,189
Non-controlling interests		(2)	(1)
TOTAL EQUITY		<u>232,757</u>	<u>202,188</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

1. GENERAL

IWS Group Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 23 March 2018. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 22 October 2019 and the Company transferred its listing to the Main Board of the Stock Exchange on 7 March 2022. Its immediate and ultimate holding company is IWS Group Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, shareholders of which are the respective wholly owned entities of Mr. Ma Kiu Sang (“**Mr. KS Ma**”), Mr. Ma Kiu Mo (“**Mr. KM Ma**”) and Mr. Ma Kiu Man, Vince (“**Mr. Vince Ma**”). Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma have been controlling the companies comprising the Company and its subsidiaries (collectively referred to as the “**Group**”) collectively. The addresses of the registered office and the principal place of business of the Company are Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and 1/F, Hang Seng Castle Peak Road Building, 339 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong, respectively.

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

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the 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 consolidated financial statements:

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

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

3. REVENUE AND SEGMENT INFORMATION

An analysis of the Group's revenue is set out below:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Types of services		
Provision of:		
General manned guarding services	192,360	160,147
Event and crisis security services	150	–
Manpower support services	317,642	176,709
Property management services	18,946	18,679
Car park management services	6,365	8,373
Cleaning services	1,881	1,859
Interest income from sub-leasing of car parks	27	66
Total	<u>537,371</u>	<u>365,833</u>
Timing of revenue recognition under HKFRS 15		
— Over time	537,344	365,767
Interest income	27	66
Total	<u>537,371</u>	<u>365,833</u>

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

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

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

Segment revenue and results

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

	Security services <i>HK\$'000</i>	Facility management services <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2022				
Revenue				
External revenue	510,152	27,219	–	537,371
Inter-segment revenue	17,451	7,839	(25,290)	–
	<u>527,603</u>	<u>35,058</u>	<u>(25,290)</u>	<u>537,371</u>
Segment results	130,198	12,608	–	142,806
Other income				650
Impairment losses on financial assets, net				(566)
Other corporate expenses				(51,642)
Transfer of listing expenses				(19,349)
Finance costs				(116)
Profit before taxation				<u><u>71,783</u></u>
Year ended 31 March 2021				
Revenue				
External revenue	336,856	28,977	–	365,833
Inter-segment revenue	14,711	7,826	(22,537)	–
	<u>351,567</u>	<u>36,803</u>	<u>(22,537)</u>	<u>365,833</u>
Segment results	103,399	16,106	–	119,505
Other income and gains				1,693
Impairment losses on financial assets, net				(47)
Other corporate expenses				(43,560)
Transfer of listing expenses				(4,655)
Finance costs				(130)
Profit before taxation				<u><u>72,806</u></u>

4. OTHER INCOME/OTHER GAINS AND LOSSES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Bank interest income	2	59
Insurance received	363	962
Others	285	640
	<u>650</u>	<u>1,661</u>
Other income	<u>650</u>	<u>1,661</u>
Gain on disposal of property, plant and equipment	–	32
Loss on early termination of lease contracts	(497)	–
	<u>(497)</u>	<u>–</u>
Other gains and losses	<u>(497)</u>	<u>32</u>

5. IMPAIRMENT LOSSES ON FINANCIAL ASSETS, NET

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Impairment losses (gains) on:		
— trade receivables	744	(149)
— uncertified revenue	(24)	(6)
— other receivables and deposits	(154)	202
	<u>566</u>	<u>202</u>
	<u>566</u>	<u>47</u>

6. ANALYSIS OF EXPENSES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Directors' and chief executive's emoluments	18,681	16,778
Other staff salaries, wages and allowances and bonuses	306,144	223,648
Retirement benefit scheme contributions, excluding those for directors and chief executive	<u>10,844</u>	<u>9,562</u>
Total employee benefit expenses (<i>note</i>)	<u><u>335,669</u></u>	<u><u>249,988</u></u>
Other operating expenses include:		
Auditor's remuneration	1,280	1,200
Depreciation of property, plant and equipment	967	774
Depreciation of right-of-use assets	<u>1,594</u>	<u>1,455</u>

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

7. FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest on bank borrowings	–	6
Interest on lease liabilities	<u>116</u>	<u>124</u>
	<u><u>116</u></u>	<u><u>130</u></u>

8. INCOME TAX EXPENSE

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax		
— Current year	15,109	6,567
— Underprovision in prior years	302	27
Deferred tax	(197)	—
	<u>15,214</u>	<u>6,594</u>

Hong Kong Profits Tax for both years is calculated at 16.5% of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered Profits Tax rates regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The maximum tax concessions eligible for each subsidiary is HK\$10,000 (2021: HK\$10,000) for the year ended 31 March 2022.

9. DIVIDEND

A final dividend for the year ended 31 March 2021 of HK3.25 cents (2021: final dividend for the year ended 31 March 2020 of HK2 cents) per ordinary share totaling HK\$26,000,000 (2021: HK\$16,000,000), based on 800,000,000 ordinary shares, was recognised as distribution during the current year.

Subsequent to 31 March 2022, a final dividend for the year ended 31 March 2022 of HK5.40 cents per ordinary share totaling HK\$43,200,000, based on 800,000,000 ordinary shares, has been proposed by the board of directors and is subject to approval by the shareholders at the forthcoming annual general meeting.

10. EARNINGS PER SHARE

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Earnings		
Profit for the year attributable to owners of the Company	<u>56,570</u>	<u>66,213</u>
	2022	2021
Number of shares		
Weighted average number of ordinary shares	<u>800,000,000</u>	<u>800,000,000</u>

No diluted earnings per share is presented as there were no potential ordinary shares in issue for current and prior years.

11. TRADE AND OTHER RECEIVABLES AND DEPOSITS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables (<i>note</i>)		
— Third parties	126,763	56,455
— Related parties	6,110	4,677
	<u>132,873</u>	<u>61,132</u>
Less: Loss allowance	(1,402)	(658)
	<u>131,471</u>	<u>60,474</u>
Uncertified revenue	21,377	34,786
Less: Loss allowance	(22)	(46)
	<u>21,355</u>	<u>34,740</u>
Deposits		
— Third parties	7,402	1,372
Less: Loss allowance	(8)	(2)
	<u>7,394</u>	<u>1,370</u>
Other receivables and prepayments	4,889	2,446
Less: Loss allowance	(30)	(180)
	<u>4,859</u>	<u>2,266</u>
Prepayments for transfer of listing expenses	—	1,522
Total trade and other receivables and deposits (shown under current assets)	<u><u>165,079</u></u>	<u><u>100,372</u></u>
Non-current deposits		
— Third parties	3,729	9,345
— Related parties	181	280
	<u>3,910</u>	<u>9,625</u>
Less: Loss allowance	(10)	(20)
	<u><u>3,900</u></u>	<u><u>9,605</u></u>

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

Note: Trade receivables

At 1 April 2020, the net carrying amount of trade receivables from contracts with customers amounted to HK\$59,502,000.

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:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0–30 days	73,311	45,708
31–60 days	21,726	11,859
61–90 days	12,151	1,699
91–120 days	5,882	904
Over 120 days	18,401	304
	<u>131,471</u>	<u>60,474</u>

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

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

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

13. TRADE AND OTHER PAYABLES AND ACCRUED EXPENSES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade payables	272	6,234
Other payables and accrued expenses	3,360	1,801
Payables for transfer of listing expenses	1,665	380
Accrued staff costs	39,457	35,172
	<u>44,754</u>	<u>43,587</u>

At 31 March 2022, the Group's trade payables are aged within 30 days based on invoice date.

14. AMOUNT DUE TO A RELATED COMPANY

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

15. SHARE CAPITAL

	Number of shares	Amount <i>HK\$'000</i>
Authorised:		
Ordinary shares of HK\$0.01 each		
At 1 April 2020, 31 March 2021 and 31 March 2022	<u>2,000,000,000</u>	<u>20,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 each		
At 1 April 2020, 31 March 2021 and 31 March 2022	<u>800,000,000</u>	<u>8,000</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

For the year ended 31 March 2022, amid the outbreak of COVID-19 and unstable economic and social environment in Hong Kong, the Group delivered a satisfying positive performance and demand for the Group's security and facility management services continued to grow. This is attributable to the well-established "IWS" brand, which stands for quality security services to its customers in Hong Kong.

FINANCIAL OVERVIEW

Revenue

The Group's revenue increased by approximately HK\$171.6 million or 46.9% from approximately HK\$365.8 million for the year ended 31 March 2021 to approximately HK\$537.4 million for the year ended 31 March 2022, such increase was mainly due to the combined effect of the Group's two business segments as explained below:

Security services

Revenue generated from the security services segment increased by approximately HK\$173.3 million or 51.4% from approximately HK\$336.9 million for the year ended 31 March 2021 to approximately HK\$510.2 million for the year ended 31 March 2022. Such increase was primarily due to (i) an increase in revenue derived from general manned guarding services, representing an increase of approximately HK\$32.2 million or 20.1% as compared with the respective figures for the year ended 31 March 2021 mainly because of 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\$33.1 million; (ii) an increase in revenue derived from manpower support services, representing an increase of approximately HK\$140.9 million or 79.8% as compared with the respective figures for the year ended 31 March 2021 mainly 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\$94.1 million; and (b) an increase in revenue derived from various departments and bureaus of government in Hong Kong (the “**Hong Kong Government**”) for several new COVID-19 related manpower support services such as restriction-testing declaration, delivery of wristband and user pack and on-site support services on wristband-related operation for compulsory quarantine support (the “**New COVID-19 Related Manpower Support Services**”) of approximately HK\$50.3 million.

Facility management services

Revenue generated from the facility management services segment decreased by approximately HK\$1.8 million, or 6.1% from approximately HK\$29.0 million for the year ended 31 March 2021 to approximately HK\$27.2 million for the year ended 31 March 2022. The decrease was primarily due to decrease in revenue derived from car park management services in the year ended 31 March 2022.

Employee benefit expenses

Employee benefit expenses increased by approximately HK\$85.7 million, or 34.3% from approximately HK\$250.0 million for year ended 31 March 2021 to approximately HK\$335.7 million for year ended 31 March 2022 mainly due to (i) increase in total headcount for several newly awarded general manned guarding services contracts including the Three-runway system project by approximately HK\$34.1 million; and (ii) decrease in government grants from the Employment Support Scheme of approximately HK\$39.7 million resulting in compensation for employee benefit expenses being net off against the employee benefit expenses for year ended 31 March 2021.

Selling and marketing expenses

Selling and marketing expenses increased by approximately HK\$0.5 million or 39.3% from approximately HK\$1.1 million for the year ended 31 March 2021 to approximately HK\$1.6 million for the year ended 31 March 2022. Such increase was mainly due to the increase in the commission paid to the Group’s sales agents because of the increase in deployment of the Group’s security guards in the private sector.

Subcontracting costs

Subcontracting costs increased by approximately HK\$67.9 million, or 285.5% from approximately HK\$23.8 million for the year ended 31 March 2021 to approximately HK\$91.7 million for the year ended 31 March 2022. Such increase was mainly due to (i) increase in costs related to COVID-19 Detection Support Services of approximately HK\$48.7 million; and (ii) increase in costs of approximately HK\$23.5 million incurred for several New COVID-19 Related Manpower Support Services.

Other operating expenses

Other operating expenses increased by approximately HK\$1.8 million, or 11.8% from approximately HK\$15.0 million for the year ended 31 March 2021 to approximately HK\$16.7 million for the year ended 31 March 2022. Such increase was mainly due to (i) increase in consumables material of approximately HK\$0.5 million during the year ended 31 March 2022 as a result of the increase in provision of additional 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; and (ii) increase in rental car and equipment of approximately HK\$0.3 million for staff travelling during the year ended 31 March 2022.

Income tax expense

Income tax expenses increased by approximately HK\$8.6 million, or 130.7% from approximately HK\$6.6 million for the year ended 31 March 2021 to approximately HK\$15.2 million for the year ended 31 March 2022. 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 year ended 31 March 2021 and non-deductible, non-recurring transfer of listing expenses was incurred during the years ended 31 March 2021 and 2022. The effective tax rate was approximately 9.1% and 21.2% for the years ended 31 March 2021 and 2022, respectively. Excluding (i) the non-taxable government grant income of approximately HK\$39.7 million recognised for the year ended 31 March 2021; and (ii) the non-recurring and non-tax deductible portion of transfer of listing expenses of approximately HK\$4.7 million and HK\$16.3 million incurred for the years ended 31 March 2021 and 2022, respectively, the effective tax rate would be approximately 17.5% and 17.3% for the years ended 31 March 2021 and 2022, respectively, which is in line with the prevailing rate.

Profit and total comprehensive income for the year

As a result of the above-mentioned factors, profit and total comprehensive income for the year decreased by approximately HK\$9.6 million, or 14.6% from approximately HK\$66.2 million for the year ended 31 March 2021 to approximately HK\$56.6 million for the year ended 31 March 2022. Net profit margin decreased from approximately 18.1% for the year ended 31 March 2021 to approximately 10.5% for the year ended 31 March 2022. Excluding the non-recurring transfer of listing expenses of approximately HK\$4.7 million and HK\$19.3 million incurred for the years ended 31 March 2021 and 2022, respectively, and government grant income of approximately HK\$39.7 million recognised during the year ended 31 March 2021, adjusted profit and total comprehensive income for the years ended 31 March 2021 and 2022 amounted to approximately HK\$31.2 million and HK\$75.9 million, respectively. Net profit margin increased to approximately 14.1% for the year ended 31 March 2022 compared with approximately 8.5% for the year ended 31 March 2021.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

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

As at 31 March 2022, the Group had bank balances and cash of approximately HK\$117.1 million, representing a decrease of approximately HK\$10.1 million or 7.9% from approximately HK\$127.2 million as at 31 March 2021.

As at 31 March 2022, the Group had net current assets and net assets of approximately HK\$225.2 million (31 March 2021: HK\$189.6 million) and approximately HK\$232.8 million (31 March 2021: HK\$202.2 million), respectively. As at 31 March 2022, the Group's current ratio, calculated based on current assets divided by current liabilities of the Group, was 4.8 times (31 March 2021: 5.0 times).

As at 31 March 2022, total borrowings of the Group amounted to approximately HK\$2.3 million (31 March 2021: HK\$4.0 million) and total equity was approximately HK\$232.8 million (31 March 2021: HK\$202.2 million). As at 31 March 2022, the Group's gearing ratio, calculated based on total borrowings divided by total equity, was 1.0% (31 March 2021: 2.0%).

As at 31 March 2022, the Group had bank facilities with a limit of HK\$80.0 million, of which HK\$39.6 million had been utilised.

As at 31 March 2022, the capital structure of the Group consisted of equity attributable to owners of the Company of approximately HK\$232.8 million (31 March 2021: HK\$202.2 million), comprising issued share capital and reserves. Since the Company's shares were listed on GEM on 22 October 2019, there has been no change in the capital structure of the Group. The transfer of listing of shares of the Company (the “**Shares**”) from GEM to the Main Board of the Stock Exchange (the “**Transfer of Listing**”) has been completed on 7 March 2022.

FOREIGN EXCHANGE RISK

The majority of the Group's business operations were conducted in Hong Kong. The transactions, monetary assets and liabilities of the Group were mainly denominated in Hong Kong dollars. During the year ended 31 March 2022, there was no material impact on the Group arising from the fluctuation in the foreign exchange rates. The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the year ended 31 March 2022.

CREDIT RISK

The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. The Group normally provides services to customers or projects from public sector in Hong Kong which the directors of the Company believe the risk of non-recoverability is generally low. At 31 March 2022, the Group's trade receivables amounted to approximately HK\$131.5 million. The Group has been closely following up with the customers on those receivables especially with longer age. The Group understands that the management or staff of most of these customers had the work from home arrangement during the peak of Hong Kong's fifth COVID-19 wave in February to March 2022, which may have caused delays in the settlement. There were subsequent settlements from these customers and the Group will continue to follow up on the full settlement.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year ended 31 March 2022. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

SEGMENT INFORMATION

Segment information for the Group is presented in note 3 on pages 5 and 6.

PERFORMANCE BOND

As at 31 March 2022, the Group had an outstanding performance bond of approximately HK\$39.6 million (31 March 2021: 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 a Hong Kong railway corporation, contracts relating to the Guangshen'gang XRL and contracts with the Hong Kong Government in the Group's normal course of business.

ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There were no material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 31 March 2022.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

As at 31 March 2022, 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 15 on page 12.

PLEDGE OF ASSETS

There were no pledged assets as at 31 March 2022 (31 March 2021: Nil).

CAPITAL COMMITMENTS

As at 31 March 2022, the Group did not have any material capital commitment (31 March 2021: Nil).

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2022, the Group had 2,372 employees (31 March 2021: 2,042 employees). Staff costs of the Group, including Directors' remuneration, were approximately HK\$335.7 million for the year ended 31 March 2022 (31 March 2021: HK\$250.0 million). To ensure that it is able to attract and retain staff capable of attaining the best performance levels, remuneration packages are reviewed regularly. In addition, discretionary bonus is offered to eligible employees subject to the Group's results and individual performance.

CONTINGENT LIABILITIES

As at 31 March 2022, the Group did not have any significant contingent liabilities or guarantees (31 March 2021: Nil). The Group is currently not involved in any material legal proceedings, nor is it aware of any proceedings or potential material legal proceedings.

FUTURE STRATEGIES AND PROSPECTS

The market size of security services in Hong Kong increased from approximately HK\$22.1 billion in 2015 to approximately HK\$28.0 billion in 2020, representing a compound annual growth rate (the "CAGR") of approximately 4.8%. The market size of the security services in Hong Kong is expected to grow to approximately HK\$39.9 billion in 2025, at a CAGR of approximately 7.7% from 2021 to 2025. It is further expected that the market size of security services in the public sector in Hong Kong will grow to approximately HK\$1,640.8 million in 2025, at a CAGR of approximately 5.7% from 2021 to 2025. Given the expected growth in both Type I security work and security services in the Hong Kong public sector, the Group believes that there will be an increasing demand for its security services in the future to sustain its development.

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

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

The market size of facility and venue management services in Hong Kong experienced a growth from approximately HK\$47.8 billion in 2015 to approximately HK\$63.2 billion in 2020, representing a CAGR of approximately 5.7% and is forecasted to reach approximately HK\$81.8 billion in 2025 with a CAGR of approximately 5.3% from 2021 to 2025. With the continued growth of property development market in Hong Kong, market for facility and venue management services, car parking rental and management services and cleaning services maintain a stable growth rate. The facility and venue management services market is the largest part of the facility management services market in Hong Kong. The cleaning services market recorded a growth from approximately HK\$10.4 billion in 2015 to approximately HK\$14.8 billion in 2020, representing a CAGR of approximately 7.3%, while the car parking rental and management services market increased from approximately HK\$4.9 billion in 2015 to approximately HK\$6.3 billion in 2020, representing a CAGR of approximately 5.2%.

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

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

USE OF PROCEEDS FROM THE LISTING

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

As at 31 March 2022, the Group had partially utilised the Net Proceeds in the manner consistent with that mentioned in the section headed “Statement of Business Objectives and Use of Proceeds” of the prospectus of the Company dated 30 September 2019 (the “**Prospectus**”) and the section headed “Business — IMPLEMENTATION OF BUSINESS STRATEGIES AND USE OF PROCEEDS — Use of proceeds” of the listing document of the Company dated 28 February 2022 (the “**Listing Document**”):

	Actual net proceeds from the GEM Listing (HK\$'000)	Amount utilised as at 31 March 2022 (HK\$'000)	Amount unutilised as at 31 March 2022 (HK\$'000)	Expected timetable for the usage of the unutilised Net Proceeds as at 31 March 2022
Expanding our business in security services				
(i) Recruitment of security service personnel	5,600	5,600	–	N/A
(ii) Contract securities	7,600	7,271	329	On or before 31 March 2023
(iii) Acquisition of patrol vehicles	1,000	1,000	–	N/A
	14,200	13,871	329	
Enhancing our capability in providing facility management services				
(i) Acquisition of machines and equipment	4,100	–	4,100	On or before 31 March 2023
(ii) Expansion of our operation team and sales and marketing team	1,000	1,000	–	N/A
	5,100	1,000	4,100	
Improving operational efficiency and scalability				
(i) Upgrade of information technology infrastructure	3,000	371	2,629	On or before 31 March 2023
(ii) Establishment of a control room	2,000	669	1,331	On or before 31 March 2023
	5,000	1,040	3,960	
Payment for outstanding bank loan	4,500	4,500	–	N/A
General working capital	3,200	3,200	–	N/A
	<u>32,000</u>	<u>23,611</u>	<u>8,389</u>	

As at 31 March 2022, approximately HK\$23.6 million of the Net Proceeds from the GEM Listing had been utilised.

Given that (i) the Group had paid the contract deposits by performance bond instead of by cash and failed to secure new security services tenders submitted during the year ended 31 March 2022; (ii) the outbreak of COVID-19 and the Group's failure to secure new facility management services tenders submitted as of the year ended 31 March 2022 which affected its plan to acquire machines and equipment to enhance its capability in providing facility management services; and (iii) 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 (a) the contract securities; (b) the acquisition of machines and equipment; (c) the upgrade of information technology infrastructure; and (d) 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 announcement, save as the above-mentioned adjustments, there was no change in the intended use of Net Proceeds and the expected timetable as previously disclosed in the section headed "Statement of Business Objectives and Use of Proceeds" of the Prospectus and the section headed "Business — IMPLEMENTATION OF BUSINESS STRATEGIES AND USE OF PROCEEDS — Use of proceeds" of the Listing Document. The unutilised Net Proceeds of approximately HK\$8.4 million have been placed as interest-bearing deposits with licensed banks in Hong Kong.

DISCLOSURE OF INTEREST

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

As at 31 March 2022, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the

Stock Exchange pursuant to the required standards of dealing by directors as referred to in the code of conduct adopted by the Company regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) (the “**Code of Conduct**”) and the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) (the “**Model Code**”) were as follows:

(i) **Long position in the shares of the Company**

Name of Directors	Nature of interest/ holding capacity	Number of ordinary Shares held	Approximate percentage of issued share capital of the Company ⁽⁶⁾
Mr. Ma Ah Muk ⁽¹⁾	Interest under section 317 of the SFO ⁽¹⁾	560,000,000	70.0%
Mr. Ma Kiu Sang (“ Mr. KS Ma ”) ^(2 & 3)	Interest in a controlled corporation ⁽³⁾ and under section 317 of the SFO ⁽²⁾	560,000,000	70.0%
Mr. Ma Kiu Mo (“ Mr. KM Ma ”) ^(2 & 4)	Interest in a controlled corporation ⁽⁴⁾ and under section 317 of the SFO ⁽²⁾	560,000,000	70.0%
Mr. Ma Kiu Man, Vince (“ Mr. Vince Ma ”) ^(2 & 5)	Interest in a controlled corporation ⁽⁵⁾ and under section 317 of the SFO ⁽²⁾	560,000,000	70.0%

Notes:

Note 1: Pursuant to a deed of confirmation dated 28 May 2018 executed by Mr. Ma Ah Muk, Mr. KS Ma, Mr. KM Ma and Mr. Vince Ma (the “**Deed of AIC Confirmation**”) and as amended by a supplemental deed of confirmation dated 21 February 2022 (the “**Supplemental Deed of AIC Confirmation**”), whereby they confirmed, among others, the existence of their acting in concert arrangement, Mr. Ma Ah Muk is deemed to be interested in all the Shares 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 (as amended by the Supplemental Deed of AIC Confirmation) and accordingly, each of them is deemed to be interested in all the Shares held by the others through their respective shareholding interests in Morewood, Mandarin, Cambridge, which in turn hold IWS Group Holdings Limited (“**IWS BVI**”) by virtue of Section 317 of the SFO.

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 31 March 2022.

(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%

Name of Director	Name of associated corporation	Nature of interest/ holding capacity	Number of shares interested	Approximate percentage of shareholding
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 33.3% 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 (as amended by the Supplemental 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 33.3% 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 33.3% owned by Cambridge, a company wholly owned by Mr. Vince Ma.

Save as disclosed above, as at 31 March 2022, none of the Directors or the chief executive of the Company had registered any interests and/or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register referred to in Section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Code of Conduct and the Model Code.

(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 31 March 2022, the following persons or entities (not being Directors or chief executives of the Company) had, or were deemed to have, interests or short positions (directly or indirectly) in the shares or underlying shares of the Company that would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Long position in the shares of the Company

Name of Shareholder	Nature of interest/holding capacity	Number of ordinary Shares held	Approximate percentage of issued share capital of the Company ⁽⁸⁾
IWS BVI	Beneficial owner	560,000,000	70.0%
Morewood	Interest in a controlled corporation ⁽¹⁾	560,000,000	70.0%
Mandarin	Interest in a controlled corporation ⁽²⁾	560,000,000	70.0%
Cambridge	Interest in a controlled corporation ⁽³⁾	560,000,000	70.0%
Ms. Cheng Pak Ching	Interest of spouse ⁽⁴⁾	560,000,000	70.0%
Ms. Chow Yick Tung	Interest of spouse ⁽⁵⁾	560,000,000	70.0%
Ms. Choi Lai Form	Interest of spouse ⁽⁶⁾	560,000,000	70.0%
Ms. Ho Yin Nei	Interest of spouse ⁽⁷⁾	560,000,000	70.0%

Notes:

Note 1: The Company is owned as to 70.0% by IWS BVI, which is owned as to 33.33% by Morewood, which is wholly owned by Mr. KS Ma. By virtue of the SFO, Morewood is deemed to be interested in the Shares held by IWS BVI.

- Note 2:* The Company is owned as to 70.0% by IWS BVI, which is owned as to 33.33% by Mandarin, which is wholly owned by Mr. KM Ma. By virtue of the SFO, Mandarin is deemed to be interested in the Shares held by IWS BVI.
- Note 3:* The Company is owned as to 70.0% by IWS BVI, which is owned as to 33.33% by Cambridge, which is wholly owned by Mr. Vince Ma. By virtue of the SFO, Cambridge is deemed to be interested in the Shares held by IWS BVI.
- Note 4:* Ms. Cheng Pak Ching is the spouse of Mr. Ma Ah Muk. By virtue of the SFO, Ms. Cheng Pak Ching is deemed to be interested in all the Shares in which Mr. Ma Ah Muk is interested.
- Note 5:* Ms. Chow Yick Tung is the spouse of Mr. KS Ma. By virtue of the SFO, Ms. Chow Yick Tung is deemed to be interested in all the Shares in which Mr. KS Ma is interested.
- Note 6:* Ms. Choi Lai Form is the spouse of Mr. KM Ma. By virtue of the SFO, Ms. Choi Lai Form is deemed to be interested in all the Shares in which Mr. KM Ma is interested.
- Note 7:* Ms. Ho Yin Nei is the spouse of Mr. Vince Ma. By virtue of the SFO, Ms. Ho Yin Nei is deemed to be interested in all the Shares in which Mr. Vince Ma is interested.
- Note 8:* Based on a total of 800,000,000 issued Shares as at 31 March 2022.

Save as disclosed above and so far as is known to the Directors, as at 31 March 2022, the Directors were not aware of any other persons who had, or any other entities which had, or was deemed to have, interest or short positions in the shares or underlying shares of the Company that would fall to be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “**Share Option Scheme**”) on 20 September 2019. The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentive or rewards for their contributions to the Group. For the principal terms of the Share Option Scheme, please refer to “D. SHARE OPTION SCHEME” in Appendix IV to the listing document of the Company dated 28 February 2022.

As at 31 March 2022, no share option has been granted or agreed to be granted under the Share Option Scheme.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting is scheduled to be held on Friday, 16 September 2022 (the “**2022 AGM**”). Notice of the 2022 AGM will be published and despatched to shareholders of the Company in due course.

PAYMENT OF FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK5.40 cents per ordinary Share for the year ended 31 March 2022 (31 March 2021: HK3.25 cents per ordinary Share) (the “**FY2022 Proposed Final Dividend**”). The FY2022 Proposed Final Dividend, if approved, shall be payable on Wednesday, 12 October 2022 and is subject to the approval of the shareholders of the Company at the 2022 AGM. The shareholders whose names appear on the register of members of the Company at the close of business on Thursday, 29 September 2022 will be entitled to the FY2022 Proposed Final Dividend.

CLOSURE OF REGISTER OF MEMBERS

a. For determining the entitlement of the shareholders to attend and vote at the 2022 AGM

The register of members of the Company will be closed from Tuesday, 13 September 2022 to Friday, 16 September 2022 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to determine the identity of members who are entitled to attend and vote at the 2022 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 9 September 2022.

b. For determining the entitlement to the FY2022 Proposed Final Dividend

The register of members of the Company will be closed from Friday, 23 September 2022 to Thursday, 29 September 2022 (both days inclusive), during which no transfer of shares of the Company will be registered. In order to be eligible for the FY2022 Proposed Final Dividend, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration no later than 4:30 p.m. on Thursday, 22 September 2022.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 March 2022.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the paragraphs headed “Disclosure of Interest — (A) Directors’ and Chief Executive’s Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations” and “Share Option Scheme” in this announcement, at no time during the year ended 31 March 2022 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or the chief executive or their respective associates to acquire benefits by means of the acquisition of shares or underlying shares in, or debentures of, the Company or any of its associated corporation.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

The Company has adopted the principles and code provisions as set out in the corporate governance code (“**CG Code**”) contained in Appendix 15 to the GEM Listing Rules during the period when the Company is listed on GEM and Appendix 14 to the Listing Rules during the period when the Company is listed on the Main Board as the basis of the Company’s corporate governance practices. The CG Code has been applicable to the Company with effect from the GEM Listing.

In the opinion of the Board, the Company has complied with the code provisions in the CG Code for the year ended 31 March 2022.

DIRECTORS’ SECURITIES TRANSACTIONS

The Group has adopted the Code of Conduct and the Model Code as a code of conduct of the Company for securities transactions by Directors. The Company has made specific enquiries to all Directors, each of them has confirmed that he/she has complied with the Code of Conduct and the Model Code during the year ended 31 March 2022. Further, the Company was not aware of any non-compliance with the Code of Conduct and the Model Code regarding securities transactions by the Directors for the said period.

COMPETING INTERESTS

During the year ended 31 March 2022, insofar as the Directors are aware, none of the Directors, the controlling shareholders and substantial shareholders of the Company or any of their respective close associates (as defined in GEM Listing Rules and the Listing Rules) have had any position or interest in a business or company, apart from the business operated by the Group, that competes or is likely to compete, directly or indirectly with the business of the Group or give rise to any concern regarding conflict of interests.

SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of the Directors, as at date of this announcement, the Company has maintained the prescribed public float as required under the Listing Rules.

INTERESTS OF THE COMPLIANCE ADVISER

Pursuant to Rule 6A.19 of the GEM Listing Rules, the Company has appointed Red Solar Capital Limited as the independent compliance adviser (the “**Compliance Adviser**”) on an on-going basis for consultation on compliance with the GEM Listing Rules. As at the date of this announcement, as informed by the Compliance Adviser, save for the compliance adviser’s agreement entered into between the Company and the Compliance Adviser dated 23 September 2019, neither the Compliance Adviser nor any of its directors, employees or close associates (as defined in GEM Listing Rules and the Listing Rules) has had any interests in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) or otherwise in relation to the Company, which is required to be notified to the Company pursuant to the GEM Listing Rules and the Listing Rules.

AUDIT COMMITTEE

The Company has established an audit committee of the Board (the “**Audit Committee**”) with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules and C.3.3 and C.3.7 of the CG Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control systems of the Group. The Audit Committee currently comprises three independent non-executive Directors, namely Dr. Ng Ka Sing, David, Ms. Chang Wai Ha and Mr. Yau Siu Yeung. Ms. Chang Wai Ha is the chairlady of the Audit Committee who possesses appropriate professional qualifications or accounting related financial management expertise.

The Audit Committee has considered and reviewed the Group's annual results for the year ended 31 March 2022, the accounting principles and practices adopted by the Company and the Group and discussed matters in relation to financial reporting with the management. The Audit Committee considers that the annual financial results for the year ended 31 March 2022 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made. The Audit Committee has reviewed the consolidated financial statements for the year ended 31 March 2022, including the accounting policies of the Group.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2022 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

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 year ended 31 March 2022.

PUBLICATION OF ANNUAL RESULTS AND DESPATCH OF ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.iws.com.hk). The annual report of the Company for the year ended 31 March 2022 containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and will be published on the websites of both the Stock Exchange and the Company in due course.

OUTLOOK

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

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

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

Hong Kong, 10 June 2022

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.